

Marketing a wine lifestyle in South Africa

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Introduction

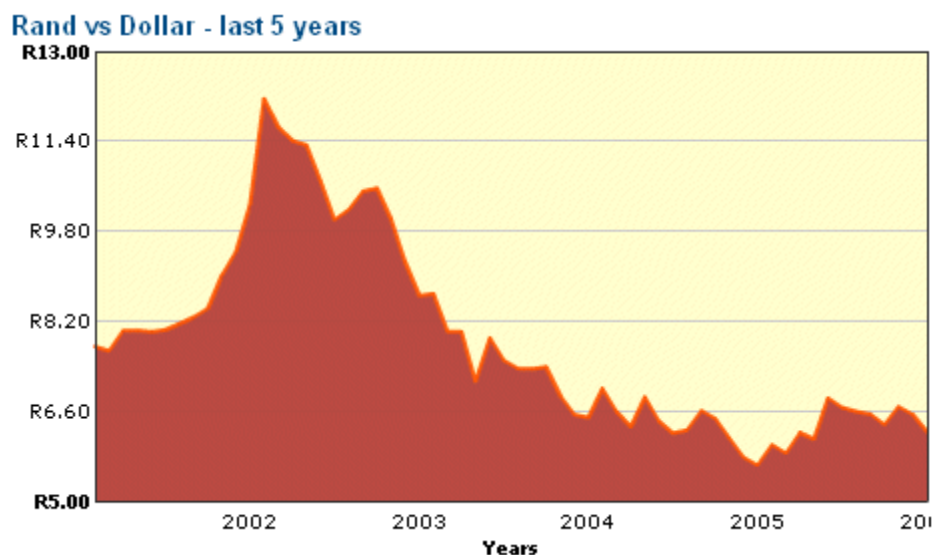
Objective

This research project investigates how marketing the ‘wine lifestyle’ angle of wine will not only make the most of the limited marketing and advertising spend available in the wine industry but will also create more awareness and demand for South African wines in the domestic market, a vital and currently overlooked market for the South African wine industry.

Why market locally?

The South African wine industry has emerged as a significant international player since 1994. South Africa is currently ranked 9th in overall worldwide volume production¹, producing 3.1% of the worlds wine².

Figure 1 – Rand vs dollar - last 5 years



¹ Wines of South Africa website - <http://www.wosa.co.za/SA/>

² Wines of South Africa website - <http://www.wosa.co.za/SA/>

Exports have grown dramatically from the 22 million litres in 1993 to 237 million litres in 2003¹. This was very lucrative when the currency was at a relative poor exchange rate to major international currencies in the late 90's until 2002, but at the current rand strength the export market is literally crippling the industry.²

This dilemma has highlighted the urgent need to grow the domestic market. South Africans are predominantly beer, brandy, alcoholic fruit beverage and cider drinkers with wine making up only 12% of domestic liquor consumption (4 billion litres of wine consumed out of 33.5 billion litres alcoholic beverage market in 2003)³.

South African wine consumption statistics

The big hurdle that the wine industry faces locally is that South Africa does not have a wine culture, and until wine becomes a part of the South African lifestyle the industry will always have to look outside the country to sell their production.

South African wine consumption per capita at 6.73 litres in 2004⁴ is one of the lowest in wine producing and consuming countries. The latest official figure from SAWIS is showing a decrease in per capita consumption of wine (8.20L/capita in 2001, 8.04L/capita in 2002, 7.00L/capita in 2003 and 6.73L/capita in 2004), in spite of a slight increase in total consumption of wine (308,196,740L in 2003 to 308,707,457L in 2004). This figure could change dramatically if we could convert beer, spirit and other alcoholic beverage drinkers to wine.

The purpose of this research project is to look into methods of promoting wine lifestyle as a means to retain and grow the wine drinking population in South Africa; this has been accomplished through sourcing research on the local market and trends, as well as independent research conducted on wine consumers.

The best way forward

¹ "Generic market development strategy for South Africa" by Professor SS Loubser

² <http://www.rainbownation.com/usa/compare/index.asp>

³ "Generic market development strategy for South Africa" by Professor SS Loubser

⁴ "Generic market development strategy for South Africa" by Professor SS Loubser

After identifying the target market and looking into research on understanding the consumer, the key is to determine the best way to expand and improve upon wine sales and convert consumers to wine. Part of the research that follows involves identifying the most effective methods of expanding the existing market and realising the potential in the untapped segments of the remaining consumer base through marketing the lifestyle aspect of wine.

This research will include looking into wine education, the health benefits of wine, wine tourism, wine tastings and shows, wine and culture, food and wine matching as well as various advertising mediums and their roles in promoting wine lifestyle.

I will also identify the different tiers involved in the wine industry and how they are able promote wine lifestyle.

Research

This deals with industry views on marketing, as well as looking into the current positioning of wine as a product amongst consumers and the trends of existing consumers.

Industry views on marketing a wine lifestyle

This information is taken from leading figures in the wine industry via telephone and personal interviews, all of which are attached in Appendix A: interviews.

According to Su Birch, the CEO of WOSA, “Wine is part of a whole lifestyle, particularly as it relates to food. It is also inextricably linked to place, and all that that means to a visitor’s experience.

WOSA uses the wine lifestyle angle to market South African wines abroad. We do this by bring specialist wine writers and gourmet and travel writers from various countries to South Africa to experience the Cape winelands. In Germany WOSA jointly publishes Cape Mag with Satour focusing on wine and tourism in the winelands.”¹

Jacqui Taylor (the Marketing Manager for Meerlust Estate) agrees: “All the intangibles that come to mind when drinking a glass of wine – the environment/physical setting; the atmosphere (relaxation/social), the connotations with smell and those with taste. All these intangibles are positive and pleasurable; adding to the experience one has of the drink. Generally perceptions of the outdoors, fresh air, friendly people, slower pace of life allowing one to ‘smell the roses’”.²

For Debra Savage, the Marketing and Sales Manager for Rupert & Rothschild Vignerons, it’s all about image. “Wine lifestyle is where one positions yourself and

¹ Interview with Su Birch (Appendix A interview 3)

² Interview with Jacqui Taylor (Appendix A interview 2)

your friends/guests in the social and wine drinking world, i.e. low prices (cheap and cheerful in any age category), medium-priced (average income looking for affordable wine in any age category), premium sector (the connoisseur who is fussy about what he/she serve their guests and of course consume themselves in the younger up and coming and more mature age groups).

“Wine lifestyle” also defines the “image” of the consumer and where it is important for them to be associated in the social wine drinking circle. At the end of the day it is all about image in today’s society and therefore this sets the trend for the different categories of wine lifestyle,” she explains.¹

Another expressed point of view is that wine lifestyle is related to the way in which wine can enhance a lifestyle, or improve it, rather than the other way around.

According to Jenny Ratcliffe (CWM) from Warwick Wines, “Wine lifestyle starts with the notion that drinking wine makes life better. It makes food taste nicer, and occasions more fun, it makes people relax and have a better time. The lifestyle aspect is also embellished as wine is seen as sophisticated, and by drinking it, the drinker automatically gets transported to a more sophisticated way of life.”²

Identifying the wine consumer

In order to market wine lifestyle effectively, it is important to understand the wine drinking consumer.

Extensive research on this has been published by Professor SS Loubser of the University of Stellenbosch’s Business School in a paper titled “A generic market development strategy for South Africa – an initial study to assess the current situation in the South African wine market in order to identify growth opportunities”.

Through research into the behaviour of current wine consumers in the domestic market, he suggests that it may be possible for the South African wine market to double in current size, and uses the example of Australia, which has more than

¹ Interview with Debra Savage (Appendix A interview 1)

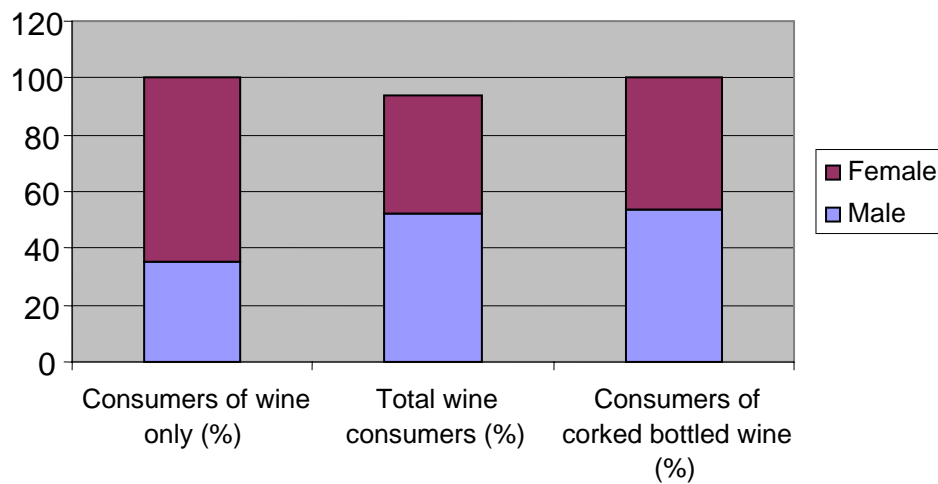
² Interview with Jenny Ratcliffe (Appendix A interview 4)

doubled its per capita consumption from 8.9 litres per head in 1970 to 19.3 litres in 2000 through marketing of the lifestyle aspects of wine, “thus expanding the occasionality of wine”, and through this changing the image of the nation from one of predominantly beer drinkers to that of a sophisticated wine-drinking nation.¹

Who is the consumer?

According to his research, the split between male and female is fairly constant among wine consumers (Figure 2).

Figure 2 – Wine consumers by gender²



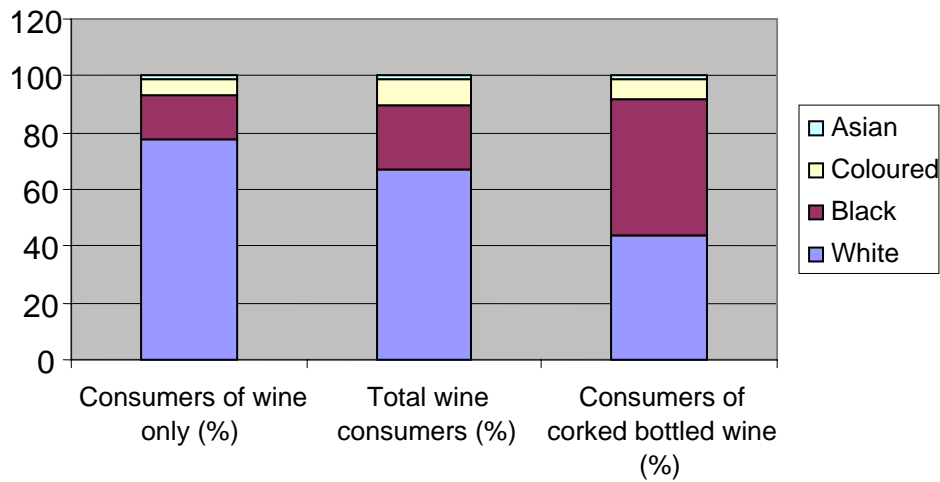
The typical wine consumer is white (as can be clearly seen from figure 3 on the next page), a reflection of previous marketing focus. However, what is exciting to note in context of this research is that the black consumer is by a small percentage the largest consumer of corked bottled wine³, indicating a shift towards the more aspirational, sophisticated product by the black market.

¹ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 17

² “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

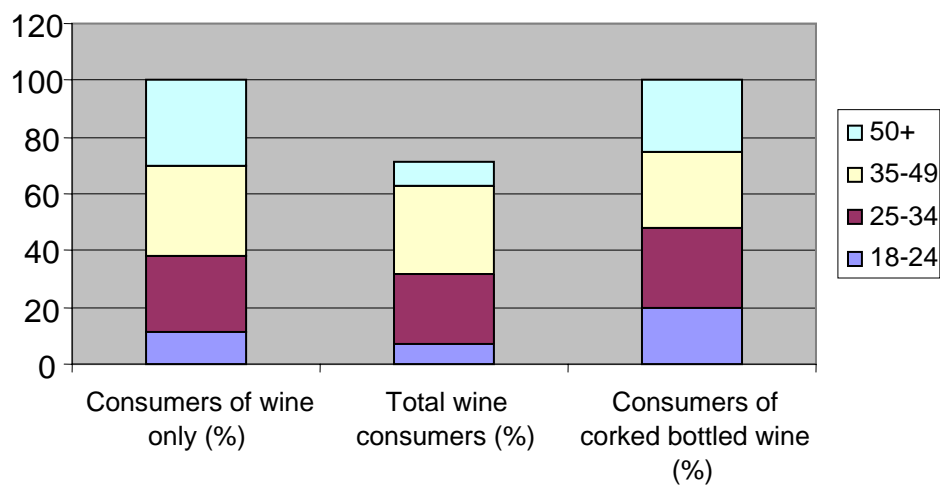
³ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

Figure 3 – Wine consumers by ethnicity¹



Wine is definitely more appealing to the 25+ age range², further proof that it is a product that appeals more to the sophisticated crowd who covet image and status, as shown in figure 4.

Figure 4 – Wine consumers by age³

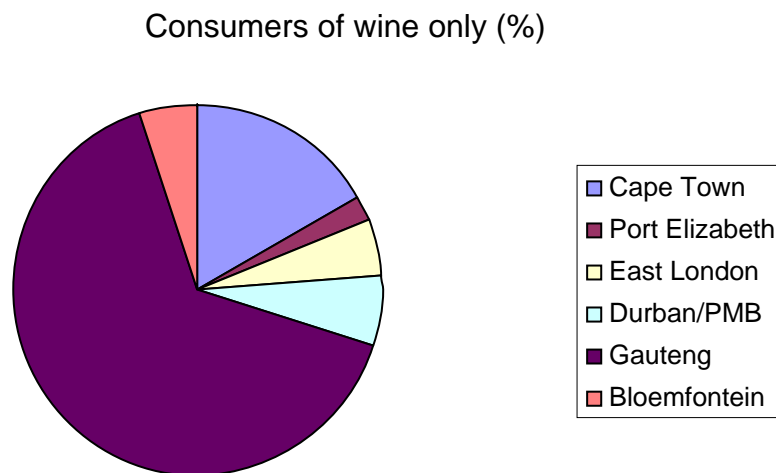


Figures 5 and 6 on next page show regional wine consumption in the local South African market, the former showing ‘wine only’ consumers and the latter showing total wine consumption.

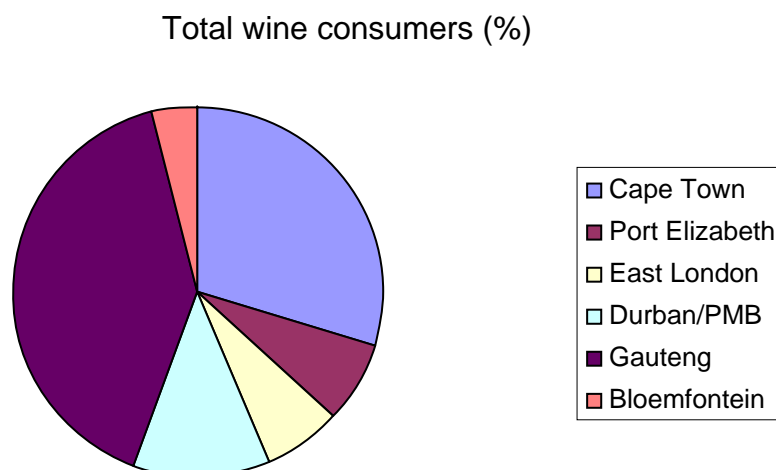
¹ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

² “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

³ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

Figure 5 – Regional wine consumption by wine-only consumers¹

As shown clearly in figure 5, Gauteng makes up a massive percentage of all wine consumers who drink only wine. This dwarfs second place Cape Town, with less than a quarter of wine-only drinkers. When compared with figure 6, it is apparent that Cape Town has nearly an equal share of the total wine consumers, however.

Figure 6 – Regional wine consumption by all wine consumers²

It is estimated that there are around 270000 shebeens in the country, and with the legalising and licensing thereof they will play an important role in the distribution of

¹ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

² “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

wine, making it more accessible to the black market, heightening the importance of correctly marketing to this sector.¹

Currently, beer is the drink of choice for the metropolitan areas – 69% of the metro population of almost 11 million people drinking beer regularly, while wine is languishing at a mere 16%.² These figures show the need for the local market to shift the image of wine and to convert beer drinkers.

The majority of wine is consumed off premise (between 65% and 90% of all wine) with between 10% and 35% of consumers drinking wine when they go out. This means that marketing through off consumption outlets will have a far greater reach and impact on the consumer.³

What is the perception of wine?

It is important to understand how eligible consumers perceive wine in order to try to change this or to use it to marketing benefit. According to Prof Loubser, “Non-wine drinkers believe that wine is for females, special occasions, for beginners and is light. Wine drinkers believe wine is for people like themselves, to be drunk anytime, with friends, sociable and easy-going.”⁴

How often is wine drunk?

The most astounding figure from Prof Loubser’s research is that 63% of people have never drunk wine.⁵ It is imperative that this figure is addressed and ways are found to make wine more accessible to this sector of the market.

From Figure 7 it is apparent that ‘regular’ wine consumers also do not consume wine nearly often enough – the vast majority drinking wine less than once per month. By

¹ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 8

² “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 12

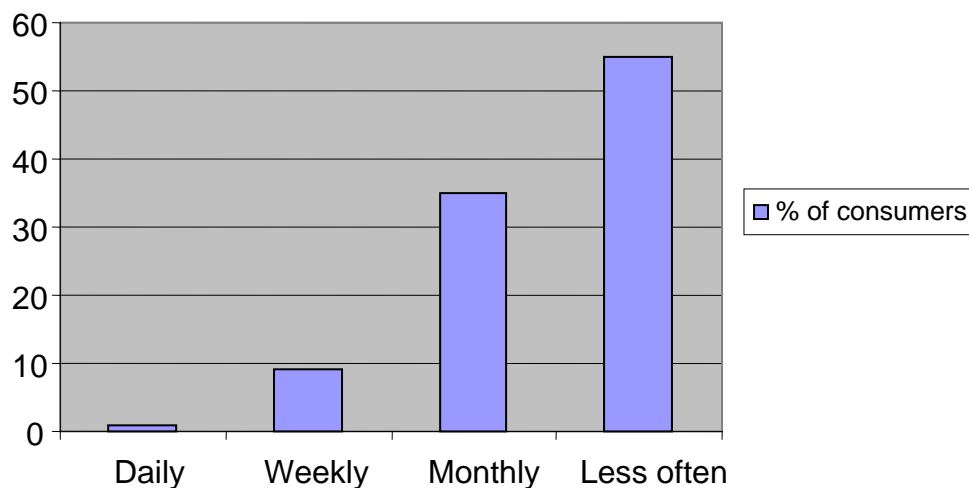
³ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

⁴ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

⁵ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

changing the image of wine to that of a lifestyle product, this frequency can be positively adjusted to boost the domestic market sales.

Figure 7 – Frequency of wine consumption among regular consumers¹



What are the facts?

In investigating what wines are drunk by existing consumers, it is clear that consumers have a low awareness of wine marketing in general.² The profile of marketing needs to be raised considerably if this is to be turned around.

Wine sales across the board almost without exception are declining, with the market in general experiencing stagnation.³ This coupled with an exchange rate strained export market presents a major challenge to the industry as a whole.

Potential solutions include utilising more of the overlooked areas of the market especially the emerging black market; however there are some serious hurdles to overcome.

¹ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 13

² “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 14

³ “Generic market development strategy for South Africa” by Professor SS Loubser (Nov 2004), pg 14

On the plus side, wine enjoys "... a clear lifestyle advantage over many other alcoholic beverages"¹, but this is offset against barriers such as the comparatively huge marketing spend of beverages such as beer.

Professor Loubser makes it clear that a concerted effort is needed to change the perception of wine and thus the dynamic of the consumer in order to counter the very real problem of wine becoming a commodity as opposed to a sophisticated product, and the threat of large-volume distributors such as supermarkets being allowed to sell other alcoholic beverages, with the grim warning that should this happen "wine as it is positioned currently could become irrelevant in the bigger drinking picture in South Africa".²

What about the emerging black market?

During the course of his research, Professor Loubser found that although there are negative trends in the current black market (such as it being a predominantly beer-drinking market), there is a definite shift towards wine. If this market is to be tapped, it is important to understand what the problem areas are for the potential consumer so that these may be mitigated.³

Under reasons for this emerging shift, he lists lifestyle-related factors such as health benefits, perceived status and the projection of a positive, stylish image.⁴

It is noted that "...although it offers an enormous potential, (the black market) needs education about wine as they often do not know the difference between wines"⁵.

It is also clear that before the market can be successfully utilised, a far greater emphasis on education along with the logistical ability to support demand and accessibility is vital.

¹ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 14

² "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 14

³ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 15

⁴ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 15

⁵ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 15

Understanding the black consumer

It is clear from the research of Professor Loubser that there is a trend amongst the black market towards the perceived sophistication of wine, although it is currently undeveloped and has several barriers to entry to overcome. It is therefore vital to look closer at this emerging market and understand it better in order to develop proper market strategies.

The black wine market

Eion du Toit is the director of CSR Qualitative Insight (based in Paarl) and specialises in ethno-graphic market research. He has recently consulted to a number of South African wine producers to help them understand the emerging black market so they are able to effectively market to this segment. The interview with him was so pertinent that it has been included in full below, as well as in Appendix A: interviews. Additional comments are referenced separately.

How would you describe the black wine consumer?

The most important aspect of understanding the black wine market is to understand that there is no 'black wine market'. I have identified 16 market segments each with their own wine behaviour, usage and consumption behaviour.

What are the major hurdles in converting the black market to wine?

The first hurdle is that the black consumer does not know wine. Secondly, wine distribution into townships is very poor and therefore wine does not get to the potential consumers.

His research has revealed that there is a complete and utter lack of wine knowledge among African consumers, but a growing desire for education in this regard.¹

What have you identified as key areas that need to be addressed in order to make wine more accessible to these segments?

Understand that you are working in the fast moving consumable goods (fmcg) market. Wine as an fmcg has to meet other criteria, demands and needs. Packaging is an important aspect of this – to certain of the segments papsak is the most convenient way to purchase wines. In other segments, wine with screw cap tops is seen as a ‘cheap alternative’ to cork, which is part of the wine experience.

Is educating these segments important and if so how would it be best achieved?

Once gain, you have to look at the different segments. Education is important but it does not have to be in the form of a wine course; for example you can educate people through information on wine labels and more relevant information at the cellar door for those segments which travel.

With wine labels, what is the most important information to include?

- The style and taste of the wine e.g. dry white, dry red, off dry etc. Do not believe that the black market only drinks semi sweet to sweet wines.
- Food and wine pairing suggestions.
- Usage suggestions, i.e. when to drink these wines – is it a function or party wine, every day drinking wine etc.
- Alcohol content – this is a very important piece of information for this market. It allows the wine consumer to pace themselves so they do not over-indulge. This is an important part of wine drinking habits. Women may also choose to dilute their wine if they feel the alcohol content is too high.

¹ “Sights set on domestic market SA ... to little to late?” by Jeanine Wardman, Winelands (Oct 2004), pgs 60-61

What is the most important advice for wine producers looking to sell to the black market?

Understand that there is no one market, identify the segment you want to market to and then understand that segment. Spend time with your target market, understand their needs and consumption behaviour and then develop the brand for that specific market.

In closing, Eion du Toit says “Soweto, for those who don’t know is Africa’s New York City. The wine industry will have to Sowetanise its product in order to make significant inroads in domestic consumption.”¹

Focus group research – perceptions of the black consumer

Marthinus Saunderson, previously from South African Wine Industry Trust, has just finished MBA (Wine) at the University of Bordeaux Business School. His thesis was on South African domestic wine market. His work in focus group research is particularly relevant to understanding the local market, and in his own words, “to arrive at a better understanding of current perceptions about wine as a beverage and the wine industry in general, as well as the purchasing behaviour of consumers,”² which he believes is essential to properly market to this category of consumer.

His views solidify the idea of the local market as the way forward for the South African industry – “The industry's biggest challenge remains growing the domestic consumer base. The challenge for wine producers is to come to understand the needs of this new generation of potential wine drinkers and how they can be introduced to the category.”³

He goes on to mention that wine marketers are relying on traditional values and methods to sell their products, namely awards such as Veritas and the winemaker’s reputation and personality, without understanding the consumer and how they make

¹ “Sights set on domestic market SA ... to little to late?” by Jeanine Wardman, Winelands (Oct 2004), pgs 60-61

² “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

³ “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

decisions, specifically in light of how little the domestic market is understood compared to the international market.¹

According to his findings, the black market struggles with preconceptions about wine relating to previous wine industry practices that lend a negative slant to the image of wine, including the ‘dop’ system and the industry practice of targeting black consumers with low quality bulk wine only, and as this has no status or lifestyle association, non-whites shied away from it. To quote some of his market research participants, “wine was for people who don't have money”.² There is also a perception amongst black consumers that producers aren't interested in them, rather than black consumers not being interested in wine. They are indeed interested, but who is marketing to them specifically? The appearance is one of wine as a white-oriented beverage.

The black participants were of the mindset that wine requires a certain amount of demystifying; a removing of the elitist complexity that surrounds it, and suggested that more direct marketing by means such as wine tastings in predominantly black areas and greater wine education would be helpful to achieve this.³ However, it is important to consider the balance – much of the attraction to wine is through its status and lifestyle implications, and to dumb it down to the point where it is no longer seen as a sophisticated product could be problematic.

He shows evidence that the emerging black market is attracted to the lifestyle of wine, as indicated by the comment “wine is not marketed with African food”,⁴ and that the black market sees wine as appropriate across a wide range of social opportunities. It is clear that if the correct marketing is applied, the untapped market could be a huge resource in growing the domestic wine sales in South Africa.

It is also interesting to note that the black consumer tends to look more at price, brand, cultivar and packaging in order to make purchasing decisions, and none of the

¹ “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

² “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

³ “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

⁴ “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

participants mentioned using awards and medals to influence said decisions, one of the primary marketing tools used currently.¹

Marthinus concludes that “In spite of the negative perceptions of the wine industry, black consumers are interested in wine as a beverage. The industry will have to demystify wine as a beverage and not present wine as too complex to understand and consume, address the image problems as well as market wine as an easy-drinking, accessible beverage instead of a complex one that must be understood to be properly appreciated.”²

How to market the wine lifestyle

The following is research from various sources, including industry opinion from interviews and published articles, as well as independent consumer research. All of this is focused on how best to market wine to the previously identified consumer base using the concept of wine lifestyle and wine as an aspirational product.

Education

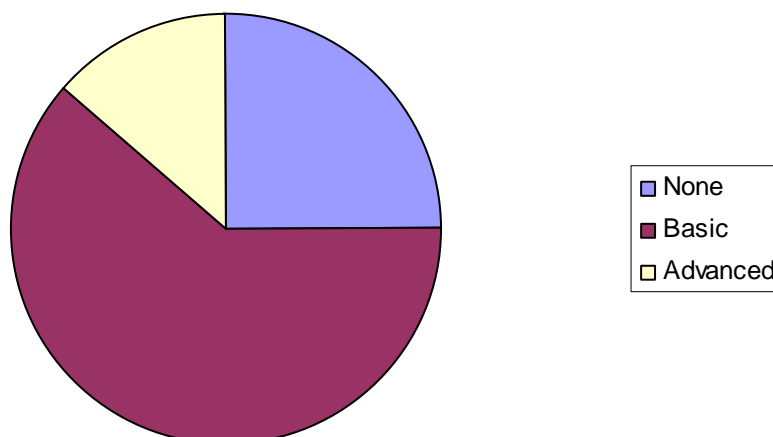
Figure 8 on the following page is taken from the figures of the consumer questionnaire (Appendix B). It shows that most of the consumers surveyed have at least some level of wine education.

Furthermore, the figures show that 83% of the respondents feel that wine education enhances the wine experience to some degree.

¹ “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

² “Putting the Lekker in Local and in Wine” by Marthinus Saunderson, wine.co.za (July 2005)

Figure 8 – Level of wine education among surveyed consumers



Industry opinion on the importance of wine education locally

The key to tapping the unexploited areas of the alcohol consumer base, especially the black market, lies in education.

Su Birch extends the importance of educating not just the consumer, but also the retailer, as part of the de-mystification of wine. Also, she warns about the dangers of formal education: “I think educating the correct people like waiters is important. But the idea that you have to be educated as in ‘taught to drink wine’ makes it very stuffy and pompous and threatening to the average consumer.”¹

Jenny Ratcliffe agrees, adding that education can be a subtle thing starting at the very basic level. “Wine education is all important, but does not have to be presented in a stuffy, old school manner. A consumer will find this presumptuous. It can be fun, light hearted but informative.

This needs to occur starting at the entry level. There is a very small percentage of the population that actually drinks wine. People fear it as they don't know what they are drinking, don't know what to expect, don't know how to pronounce the names etc. Basic wine education is necessary for the entry level wine consumer that is presented in a fun way. It can be education in the form of an explanation on the back label, on

¹ Wines of South Africa website - <http://www.wosa.co.za/news.aspx?NEWSID=7080>

the shelf or in the form of a pamphlet. Wine also needs to be demystified so that entry level wine is easy to understand and enjoy. We need to take a page out of the beer and alcoholic fruit beverage advertiser's book"¹, she says.

Marilyn Cooper, the Managing Director of the Cape Wine Academy, has this to say about the formal aspects of education: "We are aware that most of our individual students who join the Cape Wine Academy do so because they have an interest in wine as a hobby. With this in mind we have made the first course a fun and exciting introduction to wines of South Africa. The objective is to give the students a better understanding of wine which will add to their level of enjoyment of the product. Those students with a passion for wine may then decide to carry on with the more intense courses."²

She goes on to say that "On an industry level, The Cape Wine Academy is very aware of the importance of providing training for the wine and hospitality industries. With that in mind, accredited courses were developed with the focus on skills for the presentation, sale and service of wine. Wine Service, Wine Retail and Front of House Management courses are directed to empower the individual to be able to find work in various industries and perform their duties on a professional level,"³ thus showing again the importance of educating key figures in the retail industry in the right way.

Educating South Africans in the health benefits of wine

As pointed out in Professor Loubser's paper, health and dietary trends are wine's lifestyle advantage over beer and spirits⁴.

It is important that wine is promoted as an essential part of a healthy, balanced life. Articles like this published on iafrica.com website help to spread this awareness.

The following article featured on iafrica.com is a good example of how wine and health is being brought to the public's attention

¹ Interview with Jenny Ratcliffe (Appendix A interview 4)

² Audio interview with Marilyn Cooper

³ Audio interview with Marilyn Cooper

⁴ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg 14

In recent years there has been a great deal of publicity about "The French Paradox" — a phenomenon postulated by French and American scientists. They noted among men that the French smoke more, exercise less, eat 30 percent more fat in the form of butter, cheese, lard and foie gras, yet have one-third to one-half as many heart attacks as a similar group of Americans.

The broader awareness of the French paradox has seen an increase in the consumption of particularly red wine in non-traditional wine consuming countries including eastern countries like Japan.

Meanwhile, Danish researchers have found that wine drinkers (vs. beer and liquor drinkers) have healthier habits and psyches and are less likely to abuse alcohol.

Their research suggest "wine drinking is associated with optimal social, intellectual and personality functioning".

Harvard University's Dr Curtis Ellison says that for those who have heart disease, moderate drinking provides more health benefit than any other normal measure — such as diet or exercise — except giving up smoking.

Apparently, women reap less benefit from drinking than men, if they drink the same amount. Whereas men who have two drinks a day tend to live longer and have healthier hearts than men who drink less or more, for women the magic number is one drink a day.

Elsewhere, Dr Gronbaek teamed up with Dr Barefoot of Duke University in North Carolina and their colleagues in attempts to separate the effects of money from the effects of diet and choice of drink, and their team analysed data from a group of subjects who possessed similar financial means and social standing.

Their subjects were participants in a long-term heart study of students of the '60s from the University of North Carolina. The participants, now numbering about 4500 people, were overwhelmingly white, highly educated, middle-aged and affluent. The researchers divided the group according to their drinking preferences and asked them to report their weight, food intake and smoking and exercise habits.

They found that the wine drinkers ate less saturated fat and cholesterol, smoked less, and were more active than the rest. Those who drank no alcohol had the worst habits: they ate fewer fruits and vegetables and more red meat, and also smoked more.

When the researchers controlled for connections between socio-economic status and beverage preference, they found that wine-drinkers with the same financial resources and social standing as beer-drinkers or teetotalers simply lead more sensible and healthier lives.

Despite allowing themselves the indulgence of wine-drinking, members of this group practised reasonable self-discipline in matters of diet, exercise and smoking.

According to the researchers, the lifestyle led by wine-drinkers explains much of their better health.¹

Wine Tourism and its role in marketing a wine lifestyle

Wine Tourism is an essential part of marketing a wine lifestyle and building brand loyalty. It not only is the ideal opportunity to educate the consumer about the different wine producing areas but also gives them the opportunity to taste wines at source. It is essential that the staff in the tasting rooms are knowledgeable and approachable. A good experience for a consumer at a winery will not only build brand loyalty but will ensure positive word of mouth marketing.

Ligia de Coita, director of Winedesk at the Waterfront, believes the wine tourism is all about wine lifestyle. She has been focusing on the local market as she believes that this is an area that requires attention. The Wine Desk's Saturday Club is the result of this focus and its aim is to get Capetonians into the winelands. Ligia organises monthly wine excursions for this club. These events aim at taking people beyond the tasting room and into the cellar and vineyards. This helps to educate the club members and enhance their wine experience.²

¹ http://health.iafrica.com/illness_condition/cardiovascular/184616.htm

² Audio interview with Ligia de Coita

The following excerpts are from a speech by Noki Dube, the CEO of Cape Town Routes Unlimited:

“The appeal of wine, from a tourism perspective, has less to do with science and technique than it does with mystique, romance and experience. The theory and experience of the cultivar or the carefully balanced chemical composition of a brandy clearly speaks to product quality. However, we know that what also draws the tourist to the Cape's famed Winelands is the prospect of rolling vineyards, the patrimony of Cape Dutch architecture, the ancient culture of enthusiasm for the sophisticated life, and yet rural setting, the associated local culture and heritage experience, and the overall Western Cape and South Africa experience.

It is precisely this age-old sense of tradition and regional identity that has for centuries caused travellers to visit the great wine-making centres of the world. And our wine industry is no different.

One of the principal thrusts of our tourism growth and marketing strategy is the development of market-driven products and experiences which cater for the specific tastes of targeted groups of visitors. To this end, we have been particularly lucky to work with some innovative thinkers on target markets such as golf, whale, adventure, culture and health tourism, all of which add substantively to tourism's success. Return visitors, in particular, are increasingly seeking out new tourist experiences and activities, and for this reason the expansion and enhancement of experiences in the Western Cape will require much more attention, product and destination development, marketing and transformation.

Taking the wine industry forward by tourism

In relation to the wine industry, the impact of tourism on demand can be categorised in two parts: Firstly, tourists' direct consumption of wine at hotels and restaurants and, Secondly, tourists visiting Cape Town and the Western Cape with the specific aim of visiting the Wine Routes and indulging in its associated sensorial experiences, such as taking in the scenic beauty of the region, engaging with local communities,

discovering unique lifestyles, and golfing, spas, arts and crafts, etc.

With regard to tourist spend on the West Coast, Winelands and Breede River wine routes in 2003, R913-million came from foreign tourists and R3.2-billion from domestic visitors. This was in huge part due to the experiences on offer.

Globally, a new generation of travellers is driving the global food and wine tourism market. They are exceptionally mobile, young and enjoy a high level of discretionary spending power. Above all, they eat out more and seek out the quality, hand-made produce. They cite wine as a drink of preference and also have a preference for authentic and quality experiences which go well beyond basic need to a place where food and drink is no longer mere fuel but something unusual and extraordinary.

This is a commendable achievement and we must continue to chase the Dollar and the Euro of our medium- to high-income visitors. However, in the South African context, we also have an obligation to drive the experience to make it more accessible to everyone. I'd like to cite the example of how an average French, Australian, American or Canadian is able to venture out for an afternoon bicycle tour of the vineyards around the wine regions around Niagara-on-the-Lake, Napa Valley, Bordeaux region, Hunter Valley, renowned for their immeasurable picturesque beauty, welcoming local people, and wine and cheese tasting tours.

The price for the Winelands visitor is the cost of falling in love with a great or groundbreaking experience.

South Africa's and the Western Cape's reputation for producing exceptional wine has added a greater depth to the country's image and has made wine touring one of our top tourism assets. Among the economic and social benefits of wine tourism are increased numbers of domestic and international visitors, repeat visits, extended lengths of stay and money spent by visitors, enhanced visitor satisfaction and broader regional distribution.”

In conclusion, Ms Dube cited the following as challenges and opportunities:

- The creation of an ambience, a culture, a lifestyle, and experience, a distinctive image for South African and Western Cape wines associated with our rich, diverse tourism offering
- Linking the Winelands experiences to the local, authentic experiences of the townships
- The incorporation of the wine tourism experience as an integral part of the African cultural experience; making it an integral part of a Body, Mind and Soul experience, as well as an integral part of an Eco and Nature experience.
- The continual creation of sustainable jobs in the wine industry to ensure that transformation happens and that we achieve sustainable socio-economic growth.

The Wine tourism industry in South Africa

Paul Bannister, Managing Director of Ignite, was a personal adviser to the former Minister of Environment and Tourism. Paul has a passion for "Brand South Africa" and is on the Exco of the International Marketing Council, a Director of the National Arts Festival in Grahamstown, and a Member of the Board of SA Tourism and also sits on President Mbeki's International Marketing Council and developed the 'Alive with Possibility' campaign.

These are his opinions on wine tourism in South Africa, taken from the WOSA website:¹

“The wine tourism industry needs resources to operate and information on which to base its decisions, and right now it appears to have little of either,' he believes.

'Without a central co-ordinating body in place to orchestrate data origination and direct marketing efforts, it is hampered from evolving further. In reality, the wine tourism industry is still in a relatively immature stage of its development. A cottage industry mindset still prevails and for wine producers to leverage the true value of their assets will require significant investment in research and marketing activity.

In developing the tourism industry, it was important to demonstrate how it impacted on and was thus relevant to all South Africans, whether they themselves were

¹ <http://www.wosa.co.za/news.aspx?NEWSID=6987>

domestic tourists or not. And today, tourism is a bigger contributor to the national GDP than gold mining. A simple message that for every eight tourists, you create one permanent job is a very compelling idea. It heightens awareness of the value of tourism as a generator of jobs, of wealth and of potential for very many people.

In the same way, we need to show that wine is relevant to more than the people who consume it. We also need to elevate its status as a lifestyle product and change perceptions about it being either a symbol of elitism or a manifestation of a social problem. Without negating the importance of the need to promote responsible consumption, we must make wine desirable and accessible to more South Africans and demonstrate its relevance to opinion formers and policy makers.

Part of Australia's success as an international wine producer has been its ability to drive domestic consumption. That is something we can try to emulate, while simultaneously building foreign wine tourism.

Tourism, be it wine or any other field, doesn't need a huge skills set. It needs a shift of mind and the right resources that make it possible to 'upskill' South Africans with relative ease into becoming potent ambassadors for the local wine industry.

"There is a new generation of tourists, who are more travellers than tourists. They are modern-day explorers, who seek the immediacy of experience and sensation. Wine lends itself to this type of visitor and by communicating with a sense of theatre, you can make South African wine more exciting to more people."

*Pietman Retief, head of the Wine Tourism Steering Committee that falls under the South African Wine and Brandy Company had the following response to comments made in the media by Paul Bannister, taken from the **Wine Magazine** website:¹*

"Tourism has been a vibrant part of the South African wine industry for over 30 years, with solid tourism structures in place throughout the country's wine regions. To accuse the industry of having a 'cottage mindset' is factually incorrect and insults the proactive energy that prevails in the local wine tourism industry. To quote Mr

¹ <http://www.wine.co.za/news/news.aspx?NEWSID=7000>

Bannister: 'The South African wine tourism industry is driving in the dark and maybe even in the wrong kind of vehicle.' How can this be possible if, according to latest studies conducted by the South African Wine Information and Systems (SAWIS) wine tourism has built itself up into an industry that contributes R4.2bn to the economy. This means that approximately 25% of all income generated by the wine industry - including high volume exports - is derived from wine tourism.'

He goes on to say that the accusation that the industry needs information on which to base its systems creates the impression that research was not being conducted.

'This is also factually incorrect,' he says. 'Obviously one can never do enough research and the industry would love to have sufficient funds for annual surveys in all our wine regions. The fact is, however, that two of South Africa's most important wine regions - Stellenbosch and Robertson - have employed an international expert from the University of Adelaide to research tourism and tourism trends in their specific regions.

These regions are currently using this data to bring their structures up to speed and to target areas where a need for improvement has been identified.'

On the point of research and information, Retief said that the SAWB sent a representative to last year's International Wine Tourism Conference in Australia. 'That the SAWB, who receives its mandate from national government, has identified wine tourism as a major component of the wine industry and has brought a steering committee in place surely shows that there is an active central body committed to wine tourism, which counters the allegations that have been made.'

According to Retief, no shift of mind is needed, as is alleged. 'Wine makers and producers embrace wine tourism. In fact, our first wine routes were founded by wine makers and farmers themselves. Throughout the years they have procured the support of municipalities and regional structures through the success of these wine routes.'

He also said that Bannister's comment on the need for further resources is true. 'But despite the many priorities our wine industry has to address, priorities that other wine producing nations do not have to be concerned about, the industry has gone to great

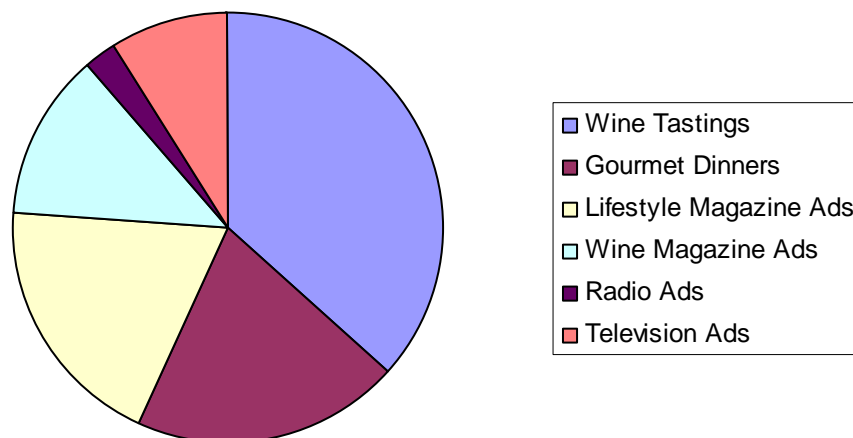
lengths to create a platform whereby wine tourism can lobby for further funding. Announcements in this regard are expected shortly.”

According to Ms Nicolette Waterford, CEO of the Stellenbosch American Express Wine Routes and chairperson of the SA Wine Routes Forum, wine tourism would not be one of South Africa's top draw cards for local and international tourists if it were still a cottage industry with a problematic mindset. “The best place to see what is happening in wine tourism is at the wineries and in the relevant communities”, she says. “Innovation, passion and commitment are ingrained characteristics. And proof that we are on the right track is underscored by visitor numbers and the wine industry's contribution to the GDP.”

Methods and channels to market wine in South Africa

According to consumers surveyed (see Appendix C) 36% of wine consumers interviewed considered wine tasting to be the most effective method to promote wine.

Figure 9 – Most effective channels for marketing wine



These tastings could be at the cellar, at wine shows or in-store tastings.

Cellar door tastings and their role on marketing wine lifestyle

Wine tasting at source is the basis around which wine routes have developed. It is the ideal opportunity for the producer to gain loyal customers and convey the passion and

individuality their products directly to the consumer. For cellar tastings to be effective it is essential that the staff in the tasting room are knowledgeable and passionate about the wines and producer that they represent.

Tasting room service guidelines

Simonsig's tasting room manageress Maureen Basson has 21 years of experience in the field. These are her service guidelines, from the Wine Magazine website:¹

- Be welcoming. Smile and make eye contact as customers cross the threshold.
- Ask whether they would like to taste the wine and ascertain whether they have any preferences. If they'd like to browse around the tasting room for a while to admire medals, awards, pictures, decor etc, leave them to it. Tell them to indicate when they're ready.
- Share information about each wine you serve - what kind of grape, how it was made, what sort of aroma and flavour associations to expect.
- Every farm has a story - be it a ghost tale, the family history, the fact that the first XYZ grape was planted in 1700, or whatever. Tell it - people love that sort of information.
- Enquire whether they'd like to buy wine. If the visitor is from overseas and can't take much back with them, suggest a wine importation firm that can assist. If they're staying for a few days, point out that if they do buy a bottle most restaurants will allow them to drink it with their meal for a small corkage fee.
- If anyone has any particular requests that you can't fulfil, recommend neighbouring wineries or other producers further afield.
- If there's a question you can't answer, admit it.

Comments from wine producers about their tasting room experience and service and the impact they have on promoting their brands and wines:

“It is essential that all visitors to the Estate have a true Morgenhof experience.

¹ <http://www.winemag.co.za/content/online/appreciation/singlepage5.asp?in=350>

This is achieved through passionate tasting room staff that understand the Morgenhof philosophy and have in-depth knowledge about the wines produced on the estate. Morgenhof also offers special experiences which including cellar tours and other treats that vary throughout the year.

Lee-Anne Bosman, Marketing and Sales Manager for Morgenhof Estate, has the following to say: “Morgenhof is not on the Stellenbosch wine route as they do not have facilities for large tour bus groups. They do, however, cater for groups of up to 40 people and these tasting tours include a cellar tour and tutored tasting.”¹

Gareth Robertson, the Marketing Manager for Waterford Estate, has this to say about their catering for the lifestyle aspects of wine: “Waterford Estate has an unusual Cape Mediterranean Architecture which is not the only unusual aspect to the estate. The first view of Waterford sees lavender and orchards in place of vineyards at the entrance. The tasting room is set up restaurant style so that customers are seated at tables for their tasting rather than at a more traditional tasting counter.

They have also introduced chocolate and wine tastings – a very original concept using organic chocolate with a range of various flavours that have been selected to compliment the flavours in Waterford’s wines. This combination is a very personal taste experience and leaves a lasting impression in the visitor’s mind as a completely different wine tasting.

Waterford use young staff in their tasting rooms as they are viewed as less intimidating to customers. All staff are well trained, they are regularly rotated so they are always interested and passionate and each one is encouraged to have their own individual ideas of Waterford. This ensures that every visit to Waterford is a slightly different experience.

The emphasis of the Waterford tasting experience is that there is no rush, the wine is served in large glasses and the atmosphere is very relaxed. Customers are encouraged to take their time with their tasting. The Mediterranean feel carries through to the

¹ Audio interview with Lee-Anne Bosman

courtyard, the patio has comfortable tables for customers to sit and enjoy a bottle of wine after their tasting and even play a game of boules.

During winter, the tasting room is cosy with the fireplace roaring. Customers are encouraged to relax on the large leather couches and can even enjoy a freshly brewed cup of coffee. This is the Waterford Way – a very unique and unforgettable experience.

Waterford believes in the benefits of the American Express Stellenbosch Wine Route. They feel that by promoting Stellenbosch and encouraging visitors to experience other wine farms within the area will have a far greater impact in the long run than just focusing on their promoting their own wines and farm.”¹

Hildegard Von Arnim, public relations manager of Cabrière Estate, says “The cellar tours at Cabrière started in 1984. We were one of the few producers in Franschhoek, at that time, to offer tours and tastings. We specialised in producing quality Methode Cap Classique and only planted Chardonnay and Pinot Noir, which was and still is very unique in the Cape winelands.

As this was a family estate there was much personal attention paid to all aspects of the business. Winemaker Achim Von Arnim’s mother was very interested in history, entertainment and culture of wine and from 1984-1994 was responsible for the farms public relations and marketing. Her tastings and tours were filled with information and anecdotes so much so that many people sat listened intently to her long after their tasting was finished. This built incredible customer loyalty and to this day customers still ask after her.

Achim, who had visited the Champagne region in France many times, had learnt from the French to always take people through the cellar. In Champagne you can only taste if you go through the cellar, the understanding of the process and the anticipation this creates somehow makes everything taste better. Achim has inherited his mother’s personality and love of history and wine. His cellar tours are entertaining and

¹ Audio interview with Gareth Robertson

educational. He explains and demonstrates the Methode Cap Classique process and the history behind it and also includes humorous stories and the history behind the farm.

Achim's trademark is the sabrage, a theatrical method of opening a bottle of sparkling wine using a sword or other implement to slice off the top of the neck of the bottle including the cork. The Methode Cap Classique bottles are opened in this fashion for the tasting and Achim encourages ladies from the audience to participate in this ritual. These friendly and informative tastings incorporate both South African and European culture and therefore have wide appeal for all visitors.

Once customers have come to the cellar and experienced the tour and tasting they become life long supporters of our wines. These people, in turn, also educate other people through the experience and become excellent Cabrière ambassadors. The key to successful cellar tours is to keep it simple, bring in stories to keep people interested.”¹

Wine festivals and shows

These are ideal opportunities for the members of the public to taste wines, identify what style of wines they enjoy and be educated about wine through interaction with representatives, winemakers and wine proprietors.

WineX

The following information is sourced from agriTV's website².

WineX - The Rand Merchant Bank wine festival was launched in Johannesburg in October 2000. Winex is now held annually in two centres and the first Cape Town show was in September 2003 attracted some 8000 visitors over three nights. WineX brings the wines from South Africa's leading cellars to the wine enthusiasts of both Cape Town and Johannesburg. The aim is to provide an appropriate setting to taste

¹ Audio interview with Hildegaard von Arnim

² <http://www.agritv.co.za/news0074.html>

wines and the hall is a well-lit and perfectly temperature-controlled environment, to enable serious-minded wine tasters to make meaningful purchase decisions, while others, for whom wine is simply a recreational beverage, can visit the hundreds of stands to sample whatever is on offer.

According to Michael Fridjhon - who is responsible for directing the event – the reason for its success is "... because it binds together all the parties who have benefits and obligations associated with the show: the wine industry wants serious-minded wine drinkers, and needs to see new people attracted to wine culture visiting the festival. The public demands an extensive range of wines, from the best-known and super-premium brands to newcomers hoping to make a name for themselves. Consumers require a suitably managed tasting environment, with ample space, temperature and humidity control, and ready access to wine-related information. Sponsors and show associates want a successful event, with the right audience, correctly targeted in terms of their marketing. In return they are prepared to invest in the show, which brings down costs for the industry, and for members of the public wishing to attend the event."

WineX currently features over 220 producers, each showing around five different wines, equating to 1,000 different examples of the Cape's wines available for tasting on each of the three nights of the show.

WineX encourages exhibitors to ensure that a serious player from the winery, ready to talk about whatever is on offer, is present for each night of the show. Since WineX attracts the right consumers winemakers are willing to come and man their stands, happy to explain how their wines are made, and what distinguishes current releases from previous years' production.

As an added benefit to attending, every visitor to WineX receives a 152 page show guide, listing the contact details of all exhibitors, identifying the wines which have performed well in all the industry competitions from the past year, and containing a series of articles which deal with some of the more relevant issues involving the world of wine.

Juliet Cullinan

The following information is sourced from wine.co.za¹.

The Juliet Cullinan Standard Bank Wine Festival, which has been running for 14 years, has been sponsored by Standard Bank for the past five years.

Exclusive boutique wineries with small parcels of terroir-reflective wines are invited to attend the Juliet Cullinan Standard Bank Wine Festival where a smaller location ensures intimacy, a chance to network, make friends and mingle with buyers. The 2005 festival was held in Johannesburg, Durban and in Cape Town.

The Juliet Cullinan Wine Connoisseur's Awards, which have been running for four years, identify the highlights at the Wine Festival, awarding only three wines in each varietal category. They are given a first, second and third placement and rated gold, silver or bronze respectively.

The wines on offer at the festival are tasted blind and judged by a tasting panel of Cape Wine Masters.

The wine-tasting process is monitored by KPMG, who oversee the pouring of the wines, the rows of marked bottles, trays of glasses and score sheets.

The aim of the award:

- To highlight the top wines at the Juliet Cullinan Standard Bank Wine Festival.
- To single out winners, and two runners up in each category.
- To increase sales of the winning wines.
- To highlight the talents of the Cape Wine Masters.

Wine Direct/Classic FM Wine Festival

¹ <http://www.wine.co.za/Directory/News.aspx?NEWSID=7703&PRODUCERID=3219>

The following information is from a telephone interview with Runa Turanjanin, director of Wine Direct.

The inaugural Wine Direct/Classic FM Wine Festival was held at Gallagher Estate, Midrand Gauteng, in September 2005. This festival offered wine lovers the opportunity to taste up to 200 wines from 38 premium South African wine producers and 3 Champagne houses. The unique selling points of this festival were the beautiful and informal setting in and around the Gallagher Estate wine gardens; the focused selection of producers and wines on offer and the opportunity to taste wines before making a decision to buy.

Wine Direct is a specialist retail wine merchant. Since 1995 they have produced an annual retail wine catalogue that offers wine consumers an excellent selection of South African wines as well as some French Champagnes. Over the years their catalogue has become recognized as offering a comprehensive selection of quality wines available on the market.

The feedback that Wine Direct had received from their clients was that wine festivals such as WineX had become too big and daunting for many wine consumers. Wine Direct decided that there was a need for a smaller, more focused, wine festival in Gauteng. By only inviting the wine producers that are featured in their 2005 wine catalogue they were able to offer wine lovers a focused wine experience. The wines featured at the festival offered a cross section of styles from everyday, quality for money wines to the super premium South African wines, vintage wine and French Champagnes.

One of the other common complaints they received from their clients about other wine festivals was the matter of overcrowding. This comment was mirrored by many producers who feel that due to the overwhelming number of people queuing to taste their wines there is little to no opportunity to add value by discussing the wines with tasters and they end up becoming glorified wine pourers. Taking this into consideration, they decided to limit the number of tickets available for sale to their wine festival. This ensured that wine lovers had the opportunity to taste wines in a

calm, relaxed environment and that the producers were able to discuss their wines with interested, potential buyers.

As another point of difference to other shows, Wine Direct took wine orders on the day and offered very attractive festival wine prices for all the wines featured at the festival. It was themed as a 'try before you buy' event, so the emphasis was on introducing consumers to wines and allowing them to taste before making any purchasing decisions.

As an added value and educational point of view, the tasting areas were split into regions. In the case of the Stellenbosch region, it was divided into wards. By setting up the tasting areas in this way, Wine Direct encouraged the tasters to become aware of the different wine producing areas of the Cape. It was fortunate that in the catalogue they had a selection of producers from the wards of Devon Valley, the Simonsberg and the Helderberg. This helped the tasters to understand the concept of wards and in turn the concept of terrior by allowing and encouraging them to compare wines and pick up the common threads that terrior imparts on wine.

The festival took place on Saturday 10 September 2005 and ran from 12:00 till 16:00 and attracted 400 wine lovers. The response from the both wine tasters and producers was incredibly positive and indicated that the small, focused approach in a relaxed environment was the right approach. They all appreciated that it is quality and not quantity that is important in such events.

Good Food and Wine Show

The following information is taken from Gourmet SA¹.

The Good food and wine festival attracts men and women across all racial groups. The majority of the people who attend this annual show in Cape Town and Gauteng are aged between 20 and 45 years of age and are in the LSM bracket of 8-10. They have a high interest in good food, health, lifestyle, entertaining and travel.

¹ http://www.gourmetsa.com/exhibitors/new_exhibitors.html

Although this show is not entirely focused on wine they have incorporated interesting and educational wine experiences into the show.

At the 2006 Good Food & Wine Show There will be a Food & Wine Pairing Theatre hosted by the wine retailer Picardi Rebel. The 40-seater theatre will be set-up classroom style. Each participant will be given a range of wines and a platter of delicious tapas and explained the art of food and wine pairing by qualified Cape Wine Masters. This will be incredibly educational and help wine consumers understand the concept of food and wine matching.

Soweto Wine Festival

The following information is taken from the Monitoring SA website¹ and grape.co.za².

“Wine is seen as a drink for the discerning, innovative and aspirational, linked to an affluent lifestyle in South Africa and the world. Those who have already reached this level will be encouraged to attend the show, to broaden their knowledge and enjoy a social event. A new market of people who would feel more comfortable attending such an event in their own home environ, will be enticed to experience and taste something new.”³ - **Marilyn Cooper, Managing Director of the Cape Wine Academy and one of the organisers of Soweto Wine Festival**

The inaugural Soweto Wine Festival was held 2-4 September 2005 at the Ubuntu Kraal in Soweto, had an attendance of over 1500 tasters and 85 participating wineries.

This festival challenged racial perceptions and was aiming to popularise the drink in a society more traditionally associated with beer.

For the first time ever, South African township residents had direct access to some of the finest wines including those produced by 12 black wine producers in South Africa.

¹ http://www.monitoringsa.com/MSAWebsites/More_Web/View.asp?Pg=Inbox&FeedId=224269

² <http://www.grape.org.za>

³ Grape.co.za, Soweto Wine Festival - <http://www.grape.org.za/News/050704soweto.htm>

Distributors Thami Xaba and Mnikelo Mangciphu have lined up 10 Soweto taverns, popularly known as shebeens, to carry some of the featured wines after the festival to try and extend the exposure and impact of the festival.

"We want to change perceptions that only whites drink wine and what better place than have it in Soweto," Xaba said at the announcement of the festival.

"There is a myth out there that there are no black wine drinkers, that wine is expensive and only for `the upper classes`. We want to challenge that perception," said Xaba.

As upcoming black citizens start to prosper they "aspire to better things including the art of appreciating good wine. There is definitely a market out there," said Xaba.

Festival participants could think of no better place to reach out to the largely untapped black market than the township that has long defined black urban style in South Africa.

The organisers also hoped the festival will both stimulate interest in drinking wine and encourage aspiring young blacks to consider careers in the wine industry.

Marketing wine lifestyle through food and wine experiences

The European culture of enjoying wine with food is slowly becoming a way of life in South Africa. This is clearly defined in my market research with the majority of interviewees confirming that they consume wine with meals as their occasion for wine consumption. It is also interesting to note that according to ethnographic specialist Eion du Toit¹ that many black wine consumers are choosing to drink wine with their meals and consider it to be a beverage that enhances the appetite.

¹ Audio interview with Eion du Toit

In order to gain a better understanding of this, four establishments who use wine as a marketing tool and point of difference were interviewed.

Haute Cabrière Restaurant

The following information is taken from a telephone interview with Hildegard Von Arnim and the Cabrière website.¹ Hildegard is the public relations manager of the Cabrière estate.

The restaurant at Haute Cabrière, situated in Franschhoek in the Western Cape, opened in 1994 and was one of the first in the Cape to recommend food and wine matches and encourage experimentation.

The foundation of the restaurant is to create and promote a wine lifestyle and the true marriage of food and wine. Winemaker Achim Von Arnim's mother was a cookery school teacher at the Silwood kitchen. The owner of the school, Andre Simon, started the International Society for food and wine and was also the representative of Pommery Champagne in London. This was the first introduction that Achim had to Champagne and the marriage of food and wine and it made a lasting impression.

The Haute Cabrière Cellar restaurant gives Cabrière Estate the opportunity to present guests with the full spectrum of Haute Cabrière and Pierre Jourdan wines. Wine suggestions are made on the menu to compliment each dish from starters through to dessert. By offering the wines for sale by the glass, the guests are encouraged to experiment with food and wine matching and to make it a truly memorable experience all dishes may be ordered in half portions to give the guests the opportunity of tasting many different food and wine combinations.

The staff are all friendly and have extensive knowledge about the food and wines which adds to the overall enjoyment of the experience.

¹ <http://www.wine.co.za/Directory/About.aspx?ABOUTID=961&PRODUCERID=1060>

Browns Restaurant

The following information is taken from an interview with Heidi Schneiganz, Marketing Manager for Browns Restaurant:

Wine is an important aspect to the overall dining experience at Browns. They have an extensive wine cellar with local and international wines as well as a comprehensive wine list.

The management and owners of Browns recognised that wine education is essential for all waitering staff. They have already sent twenty-five waiters on the Cape Wine Academy Introductory Wine Course and fourteen of those went through to finish the more advanced certificate course.

The waiters, customers and Browns are all seeing the benefit of this training. The waiters are more confident about suggesting and promoting wines. This not only enhances the diners experience but also increases the average spend, both these aspects in turn increases the waiters earning potential.

The staff are also trained in food and wine matching and are encouraged to make suggestions to diners should their wine selections potentially clash with their meal. The combination of fine wine, food and service enhance the diners experience and promotes a wine lifestyle.

Browns Restaurant is situated in Rivonia, Johannesburg.

Butcher Shop and Grill

The following information is taken from the Butcher Shop and Grill website.¹

“There is nothing better than being in Stellenbosch in the middle of winter; tasting wines with a winemaker,” says Allan Pick, owner of the Butcher Shop and Grill,

¹ <http://www.thebutchershop.co.za/>

Wine on the Square and Vintages, situated in Sandton, Johannesburg, who is passionate about wine. He spent two years in Stellenbosch as a restaurateur where he met many winemakers that he still has close ties with.

He is very clear that his wine selection is based on customer demand and lists Meerlust, Kanonkop, Rust en Vrede, Thelema and Veenwouden as his top selling wines. He also supports up and coming wineries such as De Trafford, Paul Cluver, and Rudera as he feels they are the future big names in the South African wine industry.

Allan believes that South Africans still have a rather restricted view of drinking wine, preferring to save it for a special occasion rather than enjoying it for its own sake, as the French do. “At The Butcher Shop & Grill we are trying to change the way people view wine. For example, we are continuously changing our wine menu, so that there is always something new to taste,” he says. The staff are all well trained and know how to serve and to sell wine effectively. This all adds to the overall wine experience.

Wine on the Square is another of Allan Pick’s wine lifestyle venues. All the wines on their wine list — at any time 40 reds and 20 whites chosen from South Africa’s top producers — are sold by the glass. This encourages customers to try a variety of different wines in a relaxed, ambient lounge-like environment.

Pomegranate Restaurant

The following information is taken from a telephone interview with Michael Israel, manager of Pomegranate Restaurant:

Michael Israel, manager of Pomegranate Restaurant, situated in Melville Johannesburg, is passionate about wine and food.

The focus of the restaurant is to have a wines list filled with the wines that Michael is passionate about and a flexible food menu that changes to include the freshest ingredients available. Pomegranate’s diners are encouraged to order wines by the

glass so that the wine and food enhance one another. This makes Pomegranate a semi-unique restaurant as each diner can tailor make their food and wine experience.

Michael ensures that all his staff have the same passion for food and wine matching as he does. They all have in-depth knowledge of how the food is prepared and which wines to suggest with each menu item. He also ensures that the staff have sufficient knowledge about the wines and farms on their list to be able to educate the diner which further enhances the experience.

The combination of knowledgeable staff, excellent food and wine matching offers diners an excellent and informed wine lifestyle experience.

Michael Fridjhon & Wine Magazine Wine Experience

This wine experience is the extreme example of food and wine matching and appreciation.

The following information was sourced from the Wine Magazine website¹ and The Food & Home magazine.²

This wine experience is an annual benchmarking event for wine and food enthusiasts presented by Michael Fridjhon and Wine Magazine. Its success is as much a tribute to its guest speakers as it is to those who have made a ritual of attending the weekend. Since 1996 'regulars' have had guided tastings of an amazing array of Médoc First Growths, Grand Cru Burgundy, single site Rhône reds and prestige cuvée Champagnes.

Michael Fridjhon attributes the success of the event and growth from just 50 guests in 1996 to over 200 in 2004 to the fact that the build-up of knowledge is cumulative. In other words, the more consumers know, the greater their hunger for knowledge. The main draw card for wine lovers is that the experience offers world class food and wine experience with international wine speakers at a fraction of its true cost. The menus for all the meals served at the experience are carefully paired with the wines by

¹ http://www.winemag.co.za/content/online/whats_on/wine_experience/index.asp

² "Creating an experience" by Angela Brooks Food & Home magazine, August 2005

Michael Fridjhon in conjunction with the Park Hyatt chefs to ensure the greatest enjoyment possible.

Wine and Culture

Wine and culture are inextricably linked. When the interviewees for my market research were asked if they thought there was a benefit in including other art and culture forms (exhibitions, theatre, music, food etc) at wine farms to add value to the experience 73% said yes.

This section will look at various forms of culture that are used by wine producers to enhance and add value to their brands.

Art and Wine

Winemaking is often referred to as an art form. The consumer who appreciates the time and effort it takes to create artwork will appreciate the effort it takes to make hand-crafted wines. This section looks at producers that combine wine and art as part of their marketing and wine experience.

Glen Carlou

The following information was referenced from the Hess Collection website.¹

Glen Carlou has recently been bought completely by the Napa Valley-based Hess family. The cellar and tasting center at Glen Carlou are currently undergoing major renovations with the vision that an impressive collection of local and international contemporary art will be housed in the new center.

Swiss-American business man Donald Hess is passionate about wine and art. The current Hess Collection of paintings and sculptures by contemporary European and American artists displayed in the Hess Collection Gallery in the Napa Valley represents a small portion of the artwork acquired over the past 30 years. The unique

¹ <http://www.hesscollection.com>

exhibition brings together an encompassing display of the vivid, powerful and thought-provoking works produced on the two continents since 1960.

This will make Glen Carlou a destination point for wine and art lovers and will add a really point of difference to the farm.

Tokara

The following information was referenced from audio interviews with Karin Alant, Marketing Manager for Tokara.

Art has become an integral part of Tokara hand crafted image. From a structural level, the gates and window screens were hand made by artist to create a look and feel of the building.

The tables in the restaurant were hand carved by artists from African rose wood to add a unique character to the restaurant.

The entrance to the cellar, restaurant and tasting area is used as an art exhibition area showcasing contemporary artwork from South African artists. The art adds to the sophisticated look and feel of Tokara and is constantly changing offering the visitor a different experience every time they return to visit Tokara.

Hazendal

The following information was taken from a telephone interview with Claudia Young, Sales and Marketing Manager for Hazendal, and the wine.co.za website.¹

The owner of Hazendal, Russian Mark Voloshin, is passionate about art and culture. When he bought the historic Hazendal homestead he restored it to its original Cape Dutch glory but wanted to merge some Russian culture into the project. This was achieved by opening the Marvol museum at Hazendal.

The museum features Russian art and culture and is uniquely positioned inside the wine cellar. The brilliant and colourful exhibition features 20th century Russian

¹ <http://www.wine.co.za/Directory/About.aspx?ABOUTID=768&PRODUCERID=1102>

paintings, icons (traditional objects of the Russian Orthodox Church) and beautiful objects of decorative arts and contemporary Fabergé Easter Eggs.

The Museum offers weekly presentations of different aspects of Russian culture to interested members of the public. The exquisite and very collectable Faberge ornaments can even be purchased at Hazendal.

To carry the Russian theme through there is a vast collection of vodkas from around the globe in the wine tasting area. This combination of cultures has offered a point of difference to Hazendal and it has become a popular tourist destination for both wine and culture lovers.

Theatre, Classical Music and Wine

The combination of wine and the performing arts is becoming increasingly popular in the Cape winelands. It not only draws people to visit the farm and taste the wines but offers a memorable entertainment that has a lasting impression. Wine, theatre and music lovers appreciate the dedication and perfectionism that is required for these arts.

La Motte

The following is sourced from a telephone interview with Wanda Vlok-Keuler, Marketing Manager for La Motte.

La Motte's owner, Hanneli Koegelenberg, has established herself under her professional name, Hanneli Rupert, as one of South Africa's leading mezzo-sopranos.

The Ruperts, through the family music foundation of which Hanneli is the chairman, offer much support to music and the arts in South Africa. The music theme is promoted at La Motte with classical concerts held at the homestead throughout the year.

La Motte uses music in their marketing. They see the blending of wine as a similar art to the harmony of music. They encourage wine lovers to taste their wines and music lovers to enjoy their musical entertainment.

Music offers an elegant, sophisticated, feminine background to La Motte's wines.

Paul Cluver

The following information is referenced from the Paul Cluver website.¹

One of the attractions of the Paul Cluver vineyards is the amphitheatre which is situated in a Eucalyptus forest. This encourages visitors to travel to the Elgin estate and have a cultural experience alongside their wine experience. The outdoor forest theatre provides a unique natural venue for a variety of performances ranging from revues, classic and contemporary musical performances and theatre. The entire venue, from seating to stage, has been created from timber felled on the farm.

The adjoining picnic area offers a tranquil setting for a pre-performance meal complimented by Paul Cluver Wines.

Performances such as The Soweto String Quartet and Tim Plewman's 'Defending the Caveman', reflect the calibre and diversity of the performances staged at the venue

Spier

The following information is referenced from the Spier website.²

In 1996, former MP and businessman Dick Enthoven presented the first Spier arts season. On opening the festival, Enthoven articulated his dream that "the Winelands of the Cape will provide fruitful soil not only for our glorious wines, but also for a summer performing arts festival that, in the not too distant future, will be internationally recognised as important".

This dream has become a reality and the annual Spier Arts Summer Season has played a significant role in enriching the local community both culturally and economically.

The Spier Arts Trust is a non-profit, financially independent cultural organisation. It was established in 1996 to administer funds raised from the corporate, private and government sectors to present cultural events of a world-class standard. Its objectives

¹ <http://www.cluver.com>

² <http://www.spierarts.org.za/about.php>

include developing excellence and innovation in the arts, showcasing, promoting and developing emerging South African talent and building new audiences.

The Distell Foundation

The following information is sourced from the Distell website.¹

Previously known as the Oude Meester Foundation for the Performing Arts, the Distell Foundation was founded in 1978 and is one of several foundations initiated by Dr Anton Rupert, an ardent patron of the arts.

The primary aim of the Foundation is to support and develop performing arts in South Africa through specific and dedicated projects. The Distell Foundation also co-sponsors projects and organisations, groups and institutions throughout the country. Some of the Foundation's projects are:

- The Master-Concert Series at South African Universities
- The Distell Music Competition.
- The Fleur du Cap Theatre Awards
- The Distell Choir Festivals
- Estate concerts on wine farms

Also known as "the theatre in the winelands", the Oude Libertas Amphitheatre seats 430 theatre-goers and forms a quarter circle almost touching the stage, ensuring excellent acoustics. During the summer season, with its series of twilight concerts, lovers of the performing arts relax on the spacious lawns with picnic baskets, listening to jazz blended with the enjoyment of fine wine.

Performances are planned to suit a wide variety of tastes, including drama, opera, ballet, contemporary dance and musical preference.

Wine Lifestyle Venues

The concept of wine lifestyle venues is relatively new in South Africa. Looking at the concept internationally, there are few that have been successful. Vinopolis in London

¹ <http://www.distell.co.za/culture/default.aspx>

and National Wine Center for Australia in Adelaide have both had to diversify and offer conferencing facilities and other activities besides wine in order to survive. However, The Mondavi-inspired wine lifestyle center in the Napa Valley called Copia has become a very successful and popular wine destination.

It is a fun, interactive center where guests can investigate the fascinating cultural intersections of wine, food and the arts, tastings, classes, festivals, exhibitions and performances. Its diversity is the key to its success.

In South Africa we have Spier which has become a successful wine lifestyle destination with an equally diverse variety of activities and Cellar d'Or which is due to open in the Northern suburbs of Gauteng at the end of 2006 that promises to bring the winelands to Gauteng.

These venues combine the lifestyle links with wine that have been discussed in this project – tastings, food, education and culture.

Spier

The information below is taken from an audio interview with Mark Parson (the Education Director at Spier) and from the Spier website.¹

Spier is one of the Cape's premium wine destinations. It is unique in that it offers a diverse range of experiences from wine, various forms of the arts, wildlife, sporting activities and a selection of different cuisines served from five different restaurants.

Dick Enthoven, the owner of Spier since 1993, has a passion for wine, art and culture. He originally brought Mark Parsons over from the USA as a consultant on wine education. Mark's background included education and the arts; he has also had an invaluable experience working for Mondavi in the Napa Valley. It was at Mondavi that Mark experienced how important the integration of wine as a lifestyle and an art form. He has now been promoted to the Education Director and has already completely revamped the wine experiences on offer at Spier and is launching a major

¹ <http://www.spier.co.za/wtasting.asp>

education programme for all staff at Spier. This education will ensure that every member of staff will have a thorough knowledge about wine, culture and history and the Spier philosophy on hospitality.

The new wine experiences on offer at Spier include:

- **The Spier Wine Experience** - The complete introduction to Spier, the history, their place in the Winelands, and their commitment to the earth, their wines, and their guests, includes a guided tasting of three Spier wines and involves walking through vineyards
- **Spier Tasting** – A casual tasting experience offers guests the opportunity to taste a variety of Spier wines. The tasting includes a combination of five wines from the Discovery and Classic ranges
- **Winelands Select Tasting** - A guided tasting experience with an introduction to the specifics of wine tasting technique and appreciation. A selection of five reserve and/or limited release wines are tasted including wines from the Spier Private Collection
- **Wine Maker's Dinner** - This food and wine experience featuring Spier wines with each course, hosted by the winemaker
- **Guided Tasting** - This experience is a guided tasting of wines and includes both Classic and Private Collection Range Wines from Spier. A Wine Educator will provide insight into the Spier Collection and to the mission and vision of Spier as related to their wines and the experience
- **The Cheese Course** - This experience leads the participants on an exploration the relationship and balance between cheese and wine. Guests will taste red and white wines paired with regional, South African cheeses
- **Sustainability Tour and Tasting** - This experience provides insight into the working of a wine farm and gives experience in the vineyard and concludes with a tasting and simple lunch at the Vineyard Site. Particular attention is given to the commitment of Spier to Sustainability in regard to their wines, facilities, and mission.
- **The Art of Wine and Food** - This experience shows the diversity of wine styles and food pairings. The participants are led logically through tasting of wine with food. Facilitators will provide information regarding the wine

cultivars, style, vinification, and food friendly qualities and will guide a tasting process for each sense used in the exploration. Recipes and wine pairing suggestions will be provided at each station for participants to collect and place in a folder for the taking

- **Vintner's Lunch/Dinner** - The art of food and wine is showcased in this experience that features three, paired courses with Spier wines. Hosted by one of their Wine Educators, the guests will explore balance and creativity of wine and food, learn simple food pairing facts, and experience the best of Spier.

The variety of cuisines on offer at Spier range from modern sophisticated African cuisine at Moyo, an authentic Cape Malay buffet at the Jonkershuis, winelands style picnics on the banks of the Eerste River, French cuisine at Figaros and casual dining at the Taphuis Grill.

Spier also offers a variety of entertainment for the whole family which is something that not many other wine establishments offer. These include the Cheetah Outreach Programme, pony and horseback rides, an eagle centre and a children's play area. The deli and picnic area offers casual dining ideal for families with small children. For adults, there is an 18 hole golf course, tennis courts and other sporting facilities.

The Spier Summer Festival is another very popular attraction, which takes place in the 1,150 seater open-air amphitheatre and features opera, classical and contemporary music, theatre and dance.

The Village at Spier hotel is designed to recreate the intimate and relaxed atmosphere of a small village. The 155 rooms are situated in Cape styled buildings. The buildings are centred around six private courtyards and swimming pools, and connected by indigenous gardens and walkways. Emphasis has been placed on maintaining the ecological integrity of the area, and where possible, natural materials and resources have been used.

The Spier Wine Experience Mission

The nature of learning is such that the truth and value of the experience is best

realised in application through communication. The Spier Wine Experience combines passion and focus to provide our guests and our staff with opportunities for growth and challenge. Through the development of programs in wine, food & the arts we seek to:

- instil an appreciation for excellence
- encourage a commitment to a reverence for the earth
- provide unparalleled experiences that change perception
- maintain current and accurate information for our educators
- enable all Spier staff to feel connected and excited about where we work and what we do
- In cooperative learning and with determined energy the Education Team seeks to uplift and embody the goals and mission of Brand Spier. It is the pursuit of these ideals that we celebrate and strive to achieve through every educational program and initiative.

Cellar d'Or

The information below is taken from an audio interview with Keith Kirby, Director in charge of development and vision of Cellar d'Or, and from the Cellar d'Or website.¹

Cellar d'Or is destined to become Gauteng's premier wine and food destination, offering consumers an up-market lifestyle and entertainment experience, centred on the understanding, appreciation and enjoyment of wine and fine dining.

This unique centre will offer various components that will provide wine producers with a much-needed platform for the broader marketing of wine. It is also an exciting new concept for consumer education, wine tasting and informed purchasing of fine wines.

¹ <http://www.cellardor.co.za/>

The shareholders of Cellar d'Or are the wine producers themselves, which ensures that Cellar d'Or receives up-to-date information and continuity in supply of the quality wines.

Cellar d'Or will be located in the Sunninghill, situated Johannesburg's Northern Suburbs, close to the N1 Freeway and offering easy access to consumers.

Construction has commenced as of January 2006, with the grand opening due in November of 2006.

Key Elements include:

- Wine Route
- Corporate Suites & Cellars
- Wine Bar
- Winery
- Wine Academy
- Amphitheatre & Entertainment
- Fine Dining.

The Wine Route will present a permanent, yet dynamic display area showcasing Cellar d'Or's producers' wines. Displays will include detailed information and graphic displays, where consumers can learn more about the producers' wines, read up on winemakers tasting notes, production facilities and techniques, thus enabling better informed decisions on the purchase of wine.

Dedicated wine tastings will be on offer to visitors, led by individual wine experts and with the assistance of large screen audio visual displays, the consumer will be taken on a virtual journey through the Cape wine lands - an experience that takes wine tasting into an entirely new dimension. These tasting programmes will be scheduled in advance allowing enthusiasts to select and pre-book them. Cellar d'Or will also offer tailor-made tastings, which will be available on request.

Cellaring

Cellar d'Or will be taking private wine cellaring and the storage of wine to levels previously unseen in the South African market. Gauteng is the ideal place to launch this service as more than 50% of the fine wines in South Africa are consumed here.

All private storage facilities at Cellar d'Or will offer a temperature and humidity controlled environment, thus ensuring optimum conditions to maintain the quality and enhance the value of the members' investment.

Winery

Cellar d'Or will have a fully operational winery included within the facility. During season, grapes will be selected from the Cape vineyards and transported in refrigerated vehicles to our winery. We will take visitors on a journey, with a winemaker, through the entire wine-making process, either to deepen their understanding of wine, or for you to merely enjoy and savour the moment. This fun filled, interactive experience, starting with the de-stalking and crushing of the grapes, through to bottling and labelling the wine, will be available to individuals, wine clubs and corporate clients, as team-building functions.

Wine Academy

Cellar d'Or will be offering a variety of entertaining and educational wine courses ranging from introductory to advanced level. The vision is to provide Gauteng consumers with a better knowledge and understanding of wine from basic tasting and appreciation, through to more in-depth courses about the making of wine. These courses will be offered at the centre on a scheduled basis.

Amphitheatre & Entertainment

Evening and weekend concerts and entertainment will be held in the amphitheatre. The public will be able to purchase wine and picnic hampers to enjoy outdoors or utilise the wine bar or restaurant patios, overlooking the amphitheatre. The format will encompass family theatre productions and live music in the evenings (light, classical, blues and jazz), to provide the perfect backdrop to sundowners and dining.

Fine Dining

The 'new concept delicatessen' styled on a 'Harrods Food Hall' experience, will offer patrons a vast selection of different and exiting foods to accompany their selected wines, either in the wine bar or in the corporate suite and private cellar lounge areas. The centre will also offer three top-class new-era restaurants supplying a variety of eating experiences, all with outside decks for alfresco dining and enjoyment of the entertainment provided.

Retail

Cellar d'Or, with its host of facilities, will afford consumers the opportunity of not only tasting wines prior to purchase, but will add a new dimension to purchasing wine.

Touch screen computer kiosks within the centre will give buyers the ability to browse all the available wines by various search criteria such as region, varietals, producer or price range. Detailed information and graphics of the wines and producers will be displayed on screen thus giving consumers the power to make a well informed purchase decision.

Cellar d'Or is creating a long-term marketing platform for wine and associated business in an area where there is South Africa's highest consumption and wealth density as well as the gateway to most foreign tourists to the country. Cellar d'Or will attract local consumers, both private and corporate, and foreign tourists and business people passing through Gauteng. Visitors will not only be able to taste the wines but also learn about the production of wine and its history.

Keith Kirby confirms that a primary focus of Cellar d'Or is to expose the Gauteng public to a wine lifestyle. This centre will offer a one stop wine experience to the South African public as well as the huge percentage of business tourists whose destination is Gauteng. The aim is also to balance the experience so that it appeals to both the wine novice and the connoisseur.

Kirby believes that Cellar d'Or will play a major role in demystifying wine which in turn will give wine consumers more confidence about wine and hopefully convert non wine drinkers.

Media advertising

There are dramatic difference in advertising spend in the beer and spirit industry versus the wine industry – that is in 2003 the beer industry spent R65.6 million on national advertising, spirit brands spent 117.6 million cumulatively and only R20.5 million was spent on the advertising of natural wine.¹

Advertising spend in the wine industry did increased by 53% between first quarter 2004 and first quarter 2005 of which 60% was targeted at the Gauteng market² but it is still way below the other industries.

It is unfortunate that we only have a few players in the wine industry who have the budgets for television adverts. I have focused on Distell's JC Le Roux and Nederburg's current television ad campaigns as they are the best, current, example of a wine lifestyle television advertisement.

Television and printed media

The information below is taken from an interview³ with Marius Schreuder, Business Unit Director from FCBCT (one of Distell's advertising agencies), and the Distell website.⁴

FCBCT, as one of the advertising agencies employed by Distell, works closely with them on many of their advertising campaigns.

¹ "Generic market development strategy for South Africa" by Professor SS Loubser (Nov 2004), pg X

² "Sights set on domestic market SA ... to little to late?" by Jeanine Wardman, Winelands (Oct 2004), pgs 60-61

³ Interview with Marius Schreuder (Appendix A interview 6)

⁴ <http://www.distell.co.za/investor/ar2004/health.html>

Distell has an interesting company policy that advertisements will not imply that alcoholic beverage consumption is essential to business and social success or acceptance, or that refusal to consume wine is a sign of weakness which has to be taken into account when developing advertising campaigns.

Marius explains that although he believes that lifestyle is an important part of marketing wines it should not be the only focus of a campaign. His point of view is that there are too many brands that follow that route with their advertising and a healthy mix between heritage and lifestyle is required.

It is Marius' opinion that, when advertising wine, it is important to demonstrate that wine lifestyle shows the social and drinking occasion – groups of friends enjoying a dinner together or a couple sharing a quiet, romantic evening.

He feels that wine needs to take ownership of home consumption and that this needs to be communicated through advertising campaigns. There is also a place for more emotive advertising that is relevant and interesting to a consumer.

With the campaigns that FCBCT is working on for Distell's products there is a shift to demonstrating the drinking occasion and the social aspects of wine without losing its heritage credentials, a good example being the new Nederburg television advert.

The advertising Agency that represents JC Le Roux, Bester Burke, has re-launched this range of sparkling wines using a similar philosophy to FCBCT. Their new commercial positions the brand as a drink not just for special occasions but to be enjoyed at any time, following an international trend popularising sparkling wines and champagnes.

"Le Good Life" is a 40-second television commercial presenting J.C. Le Roux as the vital element that turns any social gathering into a successful event.

The flighting of the television commercial is the catalyst for an extensive marketing campaign to bring "Le Good Life" directly to the consumer in trendy shopping environments and cinemas.

"Consumers are bombarded with thousands of brand messages every day and are very selective in what they ultimately absorb. It is therefore essential that our brand proposition is delivered in such a way that it is clearly differentiated from the competition and forms an indelible stamp in the consumer's mind,"¹ says Saramien Dekker, J.C. Le Roux Brand Manager at Distell. This was achieved with tastings, unexpected brand encounters in major centers and an sms competition.

Two Oceans

This is another Distell product that is marketed from an aspirational lifestyle angle. Their adverts are predominantly placed in print media.

The following information is taken from the Two Oceans website² and the Distell website.³

Two Oceans range of wines is about South Africa's friendly, laid-back, coastal and café lifestyle. It's enjoyed in trendy restaurants, at seaside homes with fun-loving friends or watching a beautiful sunset.

The marketing campaign is all about a world of lazy summer days, and life lived beautifully. The pictures used are aspirational – luxury yacht and carefree living. The wine is styled to match this image and is made for easy drinking.

Arniston Bay

The following information is taken from an audio interview with Carol Maggs, Marketing Manager for Omnia Wines.

The Arniston Bay wines are marketed as lifestyle products.

¹ <http://www.biz-community.com/Article.aspx?c=12&l=196&ai=6446>

² <http://www.twooceanswines.co.za>

³ <http://www.distell.co.za>

The marketing of these wines is closely linked to the coastal village of Arniston and it is this sense of place that is critical to the brand. In all the communication and branding the main emphasis is on tranquillity and a sense of well-being. This is achieved through using images of a bottle of wine on a rock with sea visible in the background and images of a sleepy, fishing village on all their print advertising. In South Africa, they have chosen to keep their marketing low key. They have only advertised in lifestyle magazines such as Eat In and Eat Out as they feel that these are the most effective magazines to get to their target market. They have deliberately stayed away from selling the wines through supermarkets and have instead looked at restaurants and wine retailers to sell and promote their wines.

They have distributed vibrant sun umbrellas to restaurants with their branding clearly visible which is a very striking form of advertising and use eye catching stands in retail space to promote their wines.

Arniston Bay wines are made and marketed to be accessible, lively, unconventional, unpretentious but not unsophisticated and a wine for every occasion.

Wine retail brochures

Over the past 18 months there has been a shift in the way that wine retailers market themselves. In particular, Ultra Liquors and Picardi Rebel have actively promoted wine from a lifestyle angle in their brochures. This is beneficial to the wine industry as these brochures are mass produced and distributed without a major cost implication to any wine producers.

The following information is taken from an interview with Sean Robinson, Marketing Director of Ultra Liquor.

Ultra Liquor produced their first wine brochure eighteen months ago. They print their brochures approximately three times a year and distribute them through local newspapers in the areas where they have stores, Wine Magazine and lifestyle magazines such as Food and Home. Sean believes that the brochures need a balance between promoting the lifestyle angle of wine, using wine descriptions and images

depicting wine and food, and the retail angle which includes product and price as this effectively gets the consumer to the store.

Through the wine brochures Sean is aiming to promote the Ultra Liquor stores and its affiliated stores as wine destinations and not as traditional bottle stores. He believes that the information included in the brochures such as the Platter Wine Guide ratings on all wines promoted and wine descriptions including wine regions for each wine allow the wine consumer to make informed choices. The brochure also allows the consumer to browse through their catalogue at their leisure and then purchase their selection through the Ultra Liquor stores.

The following information is taken from an interview with Mark Norrish, National GM – Wine Division for Picardi Rebel

Picardi Rebel printed their first wine brochure in the middle of October 2005. They printed 500 000 copies and distributed them through the Business Day Newspaper, Cape Times Newspaper, Wine Magazine and community newspapers in areas where Picardi Rebel stores are situated.

Picardi Rebel used these brochures to promote their new focus on their wine departments and to change the perception of Picardi Rebel from a bottle store to a specialist wine store.

The brochure launched the Picardi Rebel Wine Country campaign and introduced consumers to their panel of wine experts and taste masters, their own medal award system and in-store services which include a try before you buy offering. The brochures marketed a wine lifestyle through detailed descriptions on all the wines featured, food and wine pairing advice and a competition with the prize of a wine tasting adventure at a private game reserve with their taste masters.

The brochure was a major success, not only in terms of the sales generated through the wines sold that were advertised in the catalogue but also through the shift in consumer perception of Picardi Rebel.

Other marketing approaches

Word of mouth marketing

For smaller producers with limited budgets the feasible options available to them are below the line advertising and word of mouth marketing. Many would argue that word of mouth marketing is the most effective. This can be generated by wine tastings either at the wine farm or wine festivals, in-store tastings, wine clubs etc.

Many of the country's premium wine producers also believe that a low key approach is best to promote their wines. This keeps a level of exclusivity about their brands and makes their customers feel like they are part of their family, which in turn builds great brand loyalty. The following are the opinions of various wine producers on other marketing approaches:

Gyles Webb, proprietor of Thelema, commenting on their wine marketing strategy: "In 2004 Wine Magazine has honoured Thelema twice, firstly by naming us as South Africa's No 1 producer in their 10th Anniversary issue. We also came second in their recent reader survey. I promise I didn't bribe anyone for these accolades. Point is: it must have been our customers who swung the vote, because we've chosen to adopt a low marketing profile. We haven't entered shows, apart from four entries to Diners Club over the years. And we've never advertised."¹

Debra Savage, Marketing and Sales manager for Rupert & Rothschild Vignerons, agrees on this approach. "Rupert & Rothschild has kept to a very low key approach of marketing. We mainly rely on word of mouth to promote our wines and any advertising that is used is focused on quality and must reflect the right image for the brand. Our image embraces many factors, such as the packaging, superior quality of our wines and the people behind the brand. Most importantly we have focused on building strong relationships with our global partners and distributors. This relationship with Rupert & Rothschild strengthens their belief in and loyalty towards the brand and its people. These are all long term marketing strategies which are very important to Rupert & Rothschild and are building a solid base for the brand."²

Jacqui Taylor, Marketing Manager for Meerlust Estate, confirms the success of the low key approach. "Meerlust does not market itself commercially. The initial focus

¹ <http://www.thelema.co.za/newsletters/past/july2004.php>

² Interview with Debra Savage (Appendix A interview 1)

was on gaining the respect and accreditation of the wine media, wine judges and wine connoisseurs. These influencers then did the marketing on Meerlust's behalf.

Meerlust is a luxury brand, just like the Orient-Express groups of hotels. Similar marketing principles apply – the marketing and branding of Meerlust is understated and not in your face.”¹

Jenny Ratcliffe CWM, of Warwick Wines, says “Warwick always had a great point of difference with Norma Ratcliffe, one of the first women winemakers in South Africa. It was also one of the first boutique wineries in South Africa. In the beginning, when Warwick started making wine, there was no real marketing, just plain, old fashioned word of mouth. The wines were good and they had a good, interesting story. Single-mindedness with regards to quality has taken us to where we are today.”²

Gareth Robertson, Marketing Manager for Waterford Estate, has this view:

“Waterford philosophy on marketing is to keep it very low key. Various functions are held through out the year and they rely on guests and media who attend these functions to market the brand by word of mouth or unsolicited articles. The media who are invited to these affairs are generally lifestyle writers as Waterford would rather have reviews in magazines marketing lifestyle than wine magazines.

Waterford has always held leaving parties for Stellenbosch University students. This may seem like a strange target market, but they see the students as their future customers and would like to build brand loyalty from an early stage. The students, in turn, support Waterford by introducing their parents and family to the farm which increases their client base.

Waterford also recognises the need to educate waitering staff from the restaurants who sell their wines. They arrange farm visits for these staff, offer them wine tastings and cellar tours. This has a big impact on their wine sales through these restaurants and also gives the staff more confidence when promoting wines in general.

¹ Interview with Jacqui Taylor (Appendix A interview 2)

² Interview with Jenny Ratcliffe (Appendix A interview 4)

Waterford has very strong alliances with the following lifestyle brands, Relais & Chateau and Mont Blanc. They believe that these alliances add to Waterford status and credibility as a premium wine producer.”¹

Art on wine labels

Chateau Mouton Rothschild was the first producer to use original artworks on their wine labels. Since then, exceptional artists such as Andy Warhol and Pablo Picasso have made the labels of Mouton Rothschild collectors' items in themselves, especially the rarer labels and vintages.

This concept of using art on wine labels being used by a few of South Africa's producers but for various reasons. Some follow the Mouton Rothschild's approach of creating a piece of artwork on a bottle as a collectors item while others use it to make a statement about the their brand. One of the trends currently is to use eye-catching artwork on labels, with the style of the artwork in line with the style of the wine in the bottle. Examples of this new trend include Fat Ladies, Juno and Murati Melck's Red. Melanie Bekker of WineCorp believes that the use of light-hearted artwork on the Fat Ladies range of wines makes it more attractive to younger consumers. It also brings a bit of fun to wine drinking. “We wanted to bring in a little fun into wine drinking, to counter the snobbishness that is associated with it.”²

Chateau Mouton Rothschild

*The following information is sourced from the Baron Phillippe de Rothschild website.*³

For the 1924 vintage, Baron Phillippe de Rothschild decided to bottle his entire vintage for the first time on the property instead of selling it to negotiants. This was a first in Bordeaux and in celebration of this historic moment; he had Jean Carlu design the very first "Art" label for Mouton.

¹ Audio interview with Gareth Robertson

² “Kuns op die bottle” by Engela Duvenage, Wineland Oct 2005, pgs 44 and 45 (Translated)

³ <http://www.bpdr.com/gb/default.asp>

Since then only two vintages have not had Artist's labels: 1953 which celebrated the initial purchase of the Mouton property and 1977 when the Queen Mother stayed at Mouton and the baron dedicated that year's vintage to her.

La Motte

The following is sourced from an interview with Wanda Vlok-Keuler, Marketing Manager for La Motte.

La Motte is working to establish a 'culture of quality' using the theme noble arts in harmony. They have an excellent reputation for quality and are trying to bring this into every aspect of the company. They have launched a range of premium wines with new packaging based on the famous South African artist, Pierneef. The Pierneef Collection will bring an element of art into their campaign. La Motte has chosen this artist as the owner, Hanneli Rupert, and her family have the largest collection of this famous South African artist's work.

De Trafford Winery

The following information is taken from an interview with David Trafford, owner of the De Trafford Winery.

The De Trafford Chenin Blanc and Vin de Paille feature artworks by David's wife Rita. The first time they chose to use the art on their labels was on their maiden Chenin Blanc vintage. At the time, Chenin Blanc was not a very popular varietal. They chose to experiment with a barrel fermented Chenin Blanc which was very unusual at that stage. They decided as it was an experimental wine it should be labelled differently to the rest of their wines in order to set it apart.

They felt that as the wine was hand crafted it deserved a label that depicted the same level of individuality. They chose to use Rita's artwork in order to convey the personality of the people behind the wine. Every year they select a new piece of Rita's art for the label.

The artwork on the label for their Vin de Paille is also by Rita but it has such a loyal following that they have chosen to keep the label the same for each vintage.

Zonnebloem Fine Art Wines

In 1996, Zonnebloem recognised that in order to meet the increased wine knowledge and sophistication of local and international wine drinkers, they needed to bring out a range of premium wines with dynamic packaging. They worked with local artists to create eye catching labels for this range of wines.¹ The concept was that a new piece of artwork would be selected every vintage. According to Jackie Thirion, the brand manager of Zonnebloem, they decided to discontinue this range of Zonnebloem wines as with every new vintage they had to start brand marketing all over again due to the label change.²

Wine – an aspirational product

Serving the right brands of wine has become increasingly important to a large group of wine consumers. The status symbols of certain brands can not be denied and many premium restaurants have identified with this and therefore ensure that these brands are well represented on their wine lists.

With the political transformations that have occurred over the last eleven years in South Africa there is a large aspiring consumer group who are being exposed to first world culture and lifestyles. Wine is considered an important aspect of first world lifestyles and is inextricably connected with food. The aspiring consumer is therefore drawn into this lifestyle and is faced with the challenge of learning about wines and dining culture.

Marilyn Cooper, Managing Director of the Cape Wine Academy, says: “Wine is seen as a drink for the discerning, innovative and aspirational, linked to an affluent lifestyle in South Africa and the world. Those who have already reached this level will be encouraged to attend the show, to broaden their knowledge and enjoy a social event. A new market of people who would feel more comfortable attending such an event in their own home environ, will be enticed to experience and taste something new.”³

¹ <http://www.vgallery.co.za/2000article41/vzine.htm>

² “Kuns op die bottle” by Engela Duvenage, Wineland Oct 2005, pgs 44 and 45 (Translated)

³ Grape.co.za, Soweto Wine Festival - <http://www.grape.org.za/News/050704soweto.htm>

Industry opinion – is wine a product that people aspire to?

The following are comments from the wine industry about wine and wine brands that consumers aspire to:

Su Birch, CEO WOSA, says “Wine can be aspirational as it is traditionally associated with dining, sophistication etc. But this does depend on the type of wine drinker – for example, the Oom Tas drinker does not see wine as aspirational.”¹

Jacqui Taylor, Marketing Manager for Meerlust Estate, agrees with the lifestyle angle. “Meerlust is a lifestyle brand, just like many other lifestyle brands. The attributes are linked to the sense of history and presence that the brand has in the minds of consumers, the quality of the product, the reliability of the produce and its exclusivity. People want to associate with the Meerlust brand because of all the positive connotations linked with the brand. They want to be part of the Meerlust ‘family’ because it brings them recognition amongst their friends and peers.”² -

Debra Savage, Marketing Manager for Rupert & Rothschild Vignerons, says that wine is definitely an image related product. “Rupert & Rothschild is perceived amongst the wine circles as superior in that it has a certain image and of course the right name and reputation for good quality. People who are able to afford to serve it to their friends or order R&R at a restaurant see it as an image booster which gives them a certain social status. They also know that their guests will not be disappointed by their choice.”³

Jenny Ratcliffe CWM, of Warwick wines: “Regular or knowledgeable wine consumers do aspire to drink Warwick wines. This is because of the reputation of quality. As soon as a consumer gains more knowledge of a subject, they aspire to have the best. This is how brands with long established reputations of quality, such as Warwick, become aspirational. As it is a high quality item, aspiring consumers will

¹ Interview with Su Birch (Appendix A interview 3)

² Interview with Jacqui Taylor (Appendix A interview 2)

³ Interview with Debra Savage (Appendix A interview 1)

feel that by drinking Warwick wines, they will be associating themselves with wine connoisseurs, wine lovers and other sophisticated individuals.”¹

Deborah Chilcott, Brand manager for Moët & Chandon, talks about her brands appeal in relation to differing market segments. “Moët & Chandon appeals to an aspirational market due to its extrinsic properties, but it also appeals to a market that has 'made it' where the intrinsic properties may be more important. We use the different varietals to talk to the different segments of the market.”²

Wine retailers and their influence on marketing wine lifestyle

Wine retailers in South Africa have taken on an important role of educating their clients through tastings, informative e-mails and websites.

Norman Goodfellows

The following information is sourced from an audio interview with Carrie Adams, part owner of Norman Goodfellows.

Retailers have taken on huge role in marketing wine lifestyle in South Africa. This is achieved by offering advice and information as well as tastings either in-store or in Carrie's case, in client's homes, which introduces them to new wines and producers. These tastings are also very educational; they expose clients to new varietals, wine making methods and brands and give the client the confidence to experiment with wines.

In Carrie's opinion the specialist wine retailers have the credibility required to influence client's purchasing decision. As an added service they are also able to offer expert advice on wine lifestyle related matters such as cellaring wines, food and wine matching etc. This plays a vital role in marketing a wine lifestyle.

¹ Interview with Jenny Ratcliffe (Appendix A interview 4)

² Interview with Deborah Chilcott (Appendix A interview 5)

Makro stores

The following information is sourced from an audio interview with Carolyn Barton, head wine buyer for Makro.

In the last four years Makro has been promoting wine in-store. The tastings started in the Woodmead store and their success has led to them being phased into most of their liquor outlets. These tastings encourage their customers to try new brands and expose them to new experience.

Makro has a huge database of clients. Through their store cards, which record all the customers' purchases, the wine division has been tailor making wine lifestyle tastings for specific target markets. For example, they held a Fairview wine and cheese tasting and only invited customers who had bought Fairview wines from their stores. This is an incredibly useful tool to not only create client loyalty by offering their customers something special that appeals to them but also promotes a food and wine lifestyle.

The wine team at Makro is incredibly passionate about the wine and lifestyle. They are constantly looking at new ways to promote wine and convert non wine drinkers to the product. Carolyn sees wine lifestyle marketing as the key to this conversion. In their various marketing campaigns they have linked occasions in life to wine in the effort to attract these customers to wine.

Carolyn sees there is a huge opportunity to market wine through lifestyle. Her opinion is that wine producers would have more success with in-store tastings if they linked the brand with lifestyle e.g. Zevenwacht promoting their wines with their cheeses and Arniston Bay including a few beach related props. The added benefit of such links is that they create a point of difference which will also ensure that the brands are remembered by the customer which will in turn help build brand loyalty.

Makro also has a wine newsletter¹ that is e-mailed to their customers and posted on their website. The newsletter is interesting and educational. It includes new releases and special offers, offers education on different wine varietals and styles and lists upcoming wine events and tastings.

Wine Direct

The following information is sourced from an audio interview with Runa Turanjanin, Director of Wine Direct.

Wine Direct is a catalogue retail company that focuses strongly on the lifestyle angle of wine. We use this to create a point of difference to our competitors. We are in regular contact with our client base through e-mails and newsletters and like to include food and wine matching suggestions and ageing potential when promoting the wines in our portfolio. Our clients also trust our recommendations and often contact us for wine and food suggestions when entertaining at home.

As we don't have a retail shop front we do not have face-to-face contact with our clients. In order to meet our clients and to add value to them we have been hosting food and wine evenings over the last four years. We select a producer from our portfolio of wines and arrange for the winemaker or owner to present their wines at the dinner. For the dinners we choose restaurants that are known for their passion for wine and food and select a menu that compliments the wines. Our clients love the direct interaction with the winelands personalities and gourmet experience.

We see these dinners as relationship building and educational. Many of our clients attend these evenings to try wines they haven't experienced before. They also learn about the history behind the wines, the winemaking process and even some interesting food and wine combinations they may not have thought to try.

Wine Direct is also very involved in the corporate market. We are often approached to present wine tastings for corporates who use it as client entertainment. These are ideal opportunities to introduce people to wine. We usually present the wines in blind

¹ <http://www.makro.co.za/WineNewsletter2.asp>

tasting format. This sounds daunting but we make it a fun, team building exercise. The group is divided into teams that compete against each other. They are usually given 6 different cultivars to taste and have to work through the wines to guess what the wines are. The Wine Direct representative gives them detailed descriptions about each cultivar's characteristics to assist them to analyze the wines and come to their own conclusions. This educational exercise helps the guests to appreciate and understand wines as well as demystifying it.

We have found this format to be successful and all who attend enjoy the experience. The beauty of it is that even those who do not drink wine could take part in assessing the aroma and maybe converted to enjoying wine or have a level of appreciation for it.

We ensure that all the staff that works directly with customers are knowledgeable passionate about wine and live the wine lifestyle. We taste wines in the office on a regular basis and often experiment with food and wine matching. We believe that you have to have a thorough understanding of your product and the lifestyle in order to promote and sell it.

Picardi Rebel

The following information is sourced from an audio interview with Mark Norwich, National GM-Wine Division.

Picardi Rebel is taking a prominent position in the retail wine market. They are re-positioning themselves and specialist wine merchants with a bottle store environment.

In order to do this they have taken the following steps:

- They have appointed a team of wine experts including Colin Frith who is an honorary member of the Institute of Cape Wine Masters.
- They have developed their own award medal structure that is used in all their marketing communications.
- All their store assistance have attended the basic Cape Wine Academy course.

- They offer a “try before you buy” service that allows customers to taste from chosen selection of at least six wines to assist the wine buyer with their choice.
- They have published, in conjunction with Wine Magazine, a Guide to Home Cellaring.

Mark has identified that customers are looking for guidance and it is his mission to make wine more use-friendly, accessible and the wine buying experience a pleasurable one. He has set-up an e-mail service whereby customers can e-mail Picardi Rebel’s team of experts with any wine related queries. Mark is confident that this approach will help convert non wine drinkers to wine and establish Picardi Rebel as a leader in South African wine retailing.

Retailers opinion on what influences consumer wine choices

The following retailers reflect on what influences consumer wine choices - wine ratings such as John Platter South African Wine Guide and awards or other aspects of wine. This information is taken from the wine.co.za website.¹

Makro Stores

Carolyn Barton, Makro's national wine buyer, says consumers do come in asking for wines praised by the newspaper and magazine wine columnists but editorial features on TV and radio tend to have bigger pull. The Platter guide, however, is very important in clinching a sale, where consumers are looking for affirmation of their choice.

However, increasingly consumers who perhaps might not even be aware of the Platter guide are calling on Makro and other stores and basing their decisions on brand awareness or sales staff recommendations. Typically, these consumers are upwardly mobile, black, and relatively new to wine and keen to learn. Although their first preference is for established brands, they will try single bottles of other wines and then come back to buy their new favourites by the case.

¹ <http://www.wine.co.za/news/newsservice/NewsReader.aspx?NEWSID=7906&CLIENTID=3>

Spar

Ray Edwards of TOPS at Spar does find the impact of the critics to be very strong. "What they say makes a huge difference. Every time they write something favourable about a wine, we'll have a run on that product. But by the same token, if they slate a wine, it loses its luster for many wine-interested consumers."

The face of his consumers is also changing, with younger consumers buying wine, who buy on the basis of the brands they know, not what the critics have to say. For them wine is a lifestyle drink rather than a hobby. "The big brands are definitely getting stronger. If anything they have all entrenched their positions. It's because people buy what they know, although after a while they begin to hunger for more knowledge."

Edwards says over 40% of TOPS at Spar consumers are women, especially younger women.

Shoprite Checkers

Neil Schreuder, marketing manager for the Shoprite Checkers Group, says the Platter guide is most certainly a source of affirmation for consumers. The company's wine booklets, produced to aid shoppers in making their choices, also highlight those wines given three or more stars in Platter. "Any wine with a Platter score of three and above will sell well if the price is right," he says. "For shoppers the guide is a shortcut, a quick route to finding your way around the world of wine, which can be very confusing."

He confirms that positive ratings from individual wine critics also drive sales.

"There's always a lot of talk and interest among consumers when wines are rated highly by newspaper or magazine critics. But principally, what impacts on decision-making is occasion. What you buy to serve at home to the family is likely to be very different from what you will buy as a gift, where you'll tend to go for something special, maybe a very highly rated brand. Similarly, where positive past experience will result in a repeat purchase for yourself, a Platter rating or Veritas award can aid decision-making when choosing a wine for that special occasion, where a social risk is attached."

Norman Goodfellows

In the experience of Norman Goodfellows general manager Eric Guignard, many of the specialist retailer's consumers in Johannesburg do come in asking for wines highly rated by the critics in their newspaper and magazine columns. "But more often than not, when a customer comes in to browse, he or she will make a preliminary selection and then refer to the Platter guide to confirm the choice," he says.

Caroline Fine Wines

Yet Jane Ferreira of Caroline Fine Wines in Cape Town finds top wines sell on pedigree alone. "People will come in and ask for the wines of a specific winery, regardless of how they have been rated. We tend to find that newer labels send consumers to the Platter for consultation. Often, customers will make a decision based on the award stickers on the bottle, especially if it's obvious they are getting good value for money. With the exception of those who will buy on the recommendation of the sales assistant, most people want some basis to support their choice. Sometimes when news of a five star rating in Platter or WINE Magazine becomes known, stocks of those which we carry sell out within a matter of days."

Recommendations and conclusion

Over the past eleven years the wine industry has become an important and substantial part of the South African economy, contributing R22.5 billion to the GDP in 2003. Unfortunately, the industry is faced with a serious problem – it has geared itself up for a bullish export market that has been negatively affected by the strong Rand. Many producers are now losing money on their exports and due to the intense competition abroad they are unable to increase their prices to allow for this less advantageous exchange rate.

This situation has highlighted the urgent need to focus locally in order to create a viable and profitable wine consuming market in South Africa. This is a challenge as wine consumption per capita in South Africa has been decreasing over the last ten years to a low of 6.73 litres in 2004.

Since 1994, the South African wine industry (through WOSA) has focused heavily and successfully on increasing and promoting Brand South Africa in the export market. Within the local market, brands and producers compete amongst themselves to convert wine consumers to their specific products. This is shortsighted as it would be more beneficial for the industry as a whole if producers focused on converting the South African alcoholic beverage consumer (primarily drinking beer and spirits) to wine, and then went on to promote themselves individually to a larger, more aware and newly receptive market. This has raised the question of whether a generic wine strategy is needed in South Africa.

The South African Wine and Brandy Company has already addressed this through Professor Loubser's positioning paper on generic marketing development strategy for South Africa. The result of this paper was an agreement by all concerned parties including government to fund an extensive market research campaign with the objective of understanding the South African consumer in order to form an effective generic marketing strategy.

In the paper it was suggested that a focused approach aimed at specific markets would be more successful than a mass-marketing approach. This concept has been echoed in the consumer questionnaire research on marketing the lifestyle angle of wine.

How to effectively market a wine lifestyle

Wine education plays a vital part in wine appreciation. It can take many forms, from a basic level through to formal wine education courses. The following are effective approaches to educate the consumer:

- **Wine tastings** help to demystify wine and allow the consumer to identify what style of wine they enjoy. These tastings can take place in retail stores, at wine shows, in restaurants, wine venues or even at the wine farms themselves.
- **Informative wine labels** including the style of wine in user-friendly terms, simple food and wine matching suggestions, serving recommendation (e.g. serve chilled or at room temperature) and, on more premium wines, the ageing potential.
- **Wine tourism** such as cellar tastings and farm tours offer the perfect opportunity to educate current and potential consumers. It is also the ideal opportunity for the producer to make a lasting impression and create customer loyalty.
- **Wine lifestyle venues** offering a one-stop wine education experience, including wine tastings, wine education, food and wine focused restaurants and many other attractions.
- **Formal wine education** does not appeal to all wine consumers. It is, however, interesting to note from my market research that the perception of many wine consumers is that education enhances enjoyment. Formal education is also vital for people who deal with the consumer such as wine retail store staff, waiters and cellar door staff. Knowledgeable staff will not only enable clients to make informed wine decisions but will educate them and make them more confident about wine in general.
- **Wine publications and brochures** help demystify wines and inform the wine consumer. They aim to educate consumers by featuring all aspects of wine and

wine lifestyle, and include wine ratings to assist consumers in making informed purchases from the vast selection available to them.

The health benefits of wine are an important factor in marketing the wine lifestyle. Wine enjoys distinct health advantages over other alcoholic beverages, and this can be used to convert social drinkers who are increasingly lifestyle oriented and encourage non-wine drinkers to convert this healthier option.

By linking wine to art and culture it helps to enforce the image that wine is more than just an alcoholic beverage. This could be used effectively to promote wines to various segments in the black market by linking wine to arts and culture that they associate with.

Food and wine are inextricably linked. By marketing the two together in the media (television, magazines and radio) and in restaurants and retail stores it helps uplift the image of wine and educate the consumer on how wine can be introduced into their own lifestyle.

In marketing anything with a lifestyle bent to a new or undeveloped market, it is also vital that the lifestyle of the target consumer is also understood. It has been shown that the local market is poorly understood, and also diverse in itself rather than a single entity.

When applying the previously mentioned educational marketing tools to this market, it is therefore essential that the diversity and needs of all market segments are understood and catered for where possible and appropriate.

By using these tools, addressing who is responsible for promoting and marketing wine and most importantly understanding and addressing the differing needs of the many segments of the current potential wine market in South Africa, the industry can keep growing with the knowledge that they have a loyal wine consuming nation that will support them and thus exports can become an extra avenue for the farms rather than their lifeblood.

Recommendations

This research has highlighted the urgent need to market wine as a lifestyle product in order to convert consumers to this beverage. I recommend the following:

- Market Research - Wine producers and marketers need to spend time with their target market, understand their needs and situation, level of education about wine, role models, lifestyles and aspirations. By understanding these aspects an effective marketing campaign can be put into place.
- All parties involved in the sale of wine to the consumer i.e. the producer, wholesaler, restaurants and retail stores must take on the responsibility of marketing wine lifestyle. The government can play a vital role by providing the financial resources required for a generic wine marketing body in South Africa.
- Find novel ways to market wine to non-drinking wine consumers, for example sports sponsorships and converting role models such as soccer players, television personalities etc into wine ambassadors. Focusing on the health benefits of wine through these wine ambassadors could be a very effective marketing tool.
- Convert shebeen and tavern owners to wine and ensure that there is efficient distribution in the areas where these clients are situated.
- Wine producers need to address the packaging preferences and requirements of wine market segments and produce wine styles specifically for these consumers. For example, this could include alternate forms of packaging that are light and easy to store such as tetra packs and cans, and developing sweeter, lower-alcohol wines.
- Create innovative, non –threatening ways to educate consumers about wine and boost their confidence. This could be achieved through informative wine labels, informal wine tastings, promoting food and wine matching ideas with recipes in lifestyle magazines such as Drum, You and Bona that appeal to a broad range of consumers most of whom would be occasional or non wine drinkers. This would help introduce wine as a part of their every day life and

discourage the image that wine is an intimidating beverage to be limited to special occasions only.

- Make wine tourism appealing and accessible to all South Africans. This could be achieved through improved infrastructure to the wine land areas as not all consumers have the luxury of their own transport or by being creative with wine tourism (for example, taking the various wine routes as a wine show to other areas in the country).
- Take advantage and encourage the growth of the inherent consumer loyalty towards South African wines that already exists. This could be achieved through an aggressive generic marketing campaign to promote Brand South Africa right here where it is needed.

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Appendix A – interviews

Interview 1 – Debra Savage

My topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

What is your opinion on the term "wine lifestyle"?

I would define "Wine Lifestyle" as where one positions yourself and your friends/guests in the social and wine drinking world, i.e. low-prices (cheap and cheerful in any age category), medium-priced (average income looking for affordable wine in any age category), premium sector (the connoisseur who is fussy about what he/she serve their guests and of course consume themselves in the younger up and coming and more mature age groups). "Wine Lifestyle" also defines the "image" of the consumer and where it is important for he/she to be associated in the social circle/wine drinking circle. At the end of the day it is all about image in today's society and therefore this sets the trend for the different categories of "Wine Lifestyles". That's how I see it.

Do you think wine consumers aspire to drink Rupert & Rothschild wines? If so, what do you think this can be attributed to?

Rupert & Rothschild is perceived amongst the wine circles as superior in that it has a certain image and of course the right name and reputation for good quality (an honest brand) - people who are able to afford and serve it to their friends or order R&R at a restaurant see it as an image booster which gives them a certain social status. Also they know them or their guests will not be disappointed by their choice.

What marketing did Rupert & Rothschild do to become the brand it is?

On the marketing side we have kept a very "low key approach" - word of mouth, minimum advertising (no big brand advertising), focused on quality and extremely important, the right image for the brand. The image embraces many factors, such as the packaging, once again the quality, the people behind the brand. Most importantly, we have focused on building strong relationships with our global partners (distributors) thus strengthening their belief in and loyalty towards the brand and its people. Long-term marketing strategies are very important to R&R and in our marketing we have focused on this building a solid base for the brand.

Do you think Rupert & Rothschild is a lifestyle brand - if so why?

R&R is a lifestyle brand to a certain, limited sector of society who will continue to drink the wine for many years to come(long-term).

Interview 2 – Jacqui Taylor

I am working on my Cape Wine Masters Research project and I am hoping you can assist me by answering a few questions.

My topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

What is your opinion on the term "wine lifestyle"?

All the intangibles that come to mind when drinking a glass of wine – the environment/physical setting; the atmosphere (relaxation/social), the connotations with smell and those with taste. All of these intangibles are positive

and pleasurable; adding to the experience one has of the drink. Generally perceptions of the outdoors, fresh air, friendly people, slower pace of life allowing one to ‘smell the roses’.

Do you think wine consumers aspire to drink Meerlust wines? If so, what do you think this can be attributed to?

Very definitely so. We are a lifestyle brand, just like many other lifestyle brands. The attributes are linked to the sense of history/presence that the brand has in the minds of consumers, the quality of the product, the reliability of the product and its exclusivity (allocations – i.e. scarcity factor).

What marketing did Meerlust do to become the brand it is today?

Meerlust does not market itself commercially. The initial focus was on gaining the respect and accreditation of the wine media, wine judges and wine connoisseurs. These ‘influencers’ then did the marketing on our behalf.

Do you think Meerlust is a lifestyle brand - if so why?

People want to associate with the Meerlust brand because of all the positive connotations, including those mentioned above. They want to be part of the Meerlust ‘family’ because it brings them recognition amongst their friends and peers.

Interview 3 – Su Birch

My topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

What are your thoughts on this point of view?

I agree that wine is part of a whole lifestyle, particularly as it relates to food. It is also inextricably linked to place, and all that that means to a visitor's experience.

As WOSA - is wine lifestyle an angle that you promote in terms of promoting SA wines internationally?

Yes very much so. We bring specialist wine writers out, but also writers from gourmet and travel magazines. Even magazines such as décor and design titles have a food and wine feature. In Germany WOSA jointly publishes Cape Mag with Satour focusing on wine and tourism in the Winelands.

As WOSA - would you look at promoting SA wine to South Africans? If so - would you look at using the wine lifestyle angle?

In terms of WOSA's current funding we can not work on the local market. In terms of the Marketing Act the levy has to be spent on generic international promotion. If we were to work locally we would need a new source of funding.

Is wine a product that appeals to an aspirational market and if yes, why?

Wine can be aspirational as it is traditionally associated with dining, sophistication etc. But it depends what drinker you are talking about. I am sure the Oom Tas drinker does not see wine as aspirational.

How important do you think wine education is in order to convert South Africans and why?

I think educating the correct people like waiters is important. But the idea that you have to be educated as in taught to drink wine makes it very stuffy and pompous and threatening to the average consumer.

Do you have any campaigns running currently to promote SA wines in SA?

No, although we do sponsor training by The Cape Wine Academy for horeca staff that interface with tourists such as game lodges, township restaurants etc.

Interview 4 - Jenny Ratcliffe

I am working on my Cape Wine Masters Research project - my topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

What is your opinion on the term "wine lifestyle"?

Wine lifestyle starts with the notion that drinking wine makes life better. It makes food taste nicer, and occasions more fun, it makes people relax and have a better time. The lifestyle aspect is also embellished as wine is seen as sophisticated, and by drinking it, the drinker automatically gets transported to a more sophisticated way of life.

Do you think wine consumers aspire to drink Warwick wines? If so, what do you think this can be attributed to?

Regular or knowledgeable wine consumers do aspire to drink Warwick wines. This is because of the reputation of quality. As soon as a consumer gains more knowledge of a subject, they aspire to have the best. Therefore brands with long established reputations of quality, such as Warwick, become aspirational.

What marketing did Warwick do to become the brand it is today?

Warwick always had a great point of difference with Norma Ratcliffe, one of the first women winemakers in South Africa. It was also one of the first boutique wineries in South Africa. In the beginning, when Warwick started making wine,

there was no real marketing, just plain, old fashioned word of mouth. The wines were good and they had a good, interesting story. Single-mindedness with regards to quality has taken us to where we are today.

Do you think Warwick is a lifestyle brand - if so why?

Yes, because it is seen as a high quality aspirational item. By drinking it, you will be associating yourself with wine connoisseurs, wine lovers and other sophisticated individuals.

What do you think needs to be done to promote wine as a way of life in SA?

This needs to occur starting at the entry level. There is a very small percentage of the population that actually drinks wine. People fear it as they don't know what they are drinking, don't know what to expect, don't know how to pronounce the names etc. Basic wine education is necessary for the entry level wine consumer that is presented in a fun way. It can be education in the form of an explanation on the back label, on the shelf or in the form of a pamphlet. Wine also needs to be demystified so that entry level wine is easy to understand and enjoy. We need to take a page out of the beer and alcoholic fruit beverage advertiser's book.

How important do you think wine education is in promoting wine in SA?

Wine education is all important, but does not have to be presented in a stuffy, old school manner. A consumer will find this presumptuous. It can be fun, light hearted but informative.

How would you go about promoting wine in SA to convert South Africans to wine?

Education and advertising. Wine needs to be advertised as any other lifestyle product would be: showing people having fun / loving what they are doing. I.e. in a similar manner that cigarettes were advertised in 90's or the way that perfume is advertised now. Showing a consumer a picture of a vineyard /

winemaker / cellar / homestead / bunch of grapes is like showing the tobacco in a cigarette ad. Unless your consumer is a scholar of wine, this will fall flat.

Interview 5 - Deborah Chilcott

I am working on my Cape Wine Masters Research project - my topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

Would you agree that Moet & Chandon has used the lifestyle as the corner stone of their marketing campaigns?

Yes, a lifestyle that depicts glamour in its entirety however this is not the only aspect that the brand uses.

Is Moet a product that appeals to an aspirational market and if yes, why?

Yes, it does appeal to an aspirational market due to its extrinsic properties, but it also appeals to a market that has 'made it' where the intrinsic properties may be more important. We use the different varietals to talk to the different segments of the market.

How has Champagne and in turn Moet & Chandon become synonymous with celebrations?

Celebrations have been synonymous with Champagne since the brands inception (for some 250 years). One example that exists is when Napoleon and his generals would celebrate with a bottle of Brut Imperial after a long day on the 'battle field'. Champagne has moved into a new area where it is not just about consuming it during a celebration. Champagne is now consumed during more regular occasions.

Do you have very strict guidelines to follow in terms of marketing Moët in SA? If so what are they?

Yes, quite a few of the major trade and marketing activities are set up by Moët - France, we can then make a call on what we want to use and how to adapt it the local market

Do you think marketing a wine lifestyle is essential when marketing a premium product, if yes - why?

Not necessarily a wine lifestyle, but more a glamorous lifestyle where eating and drinking forms a big part of it as well as where you are eating and what you are drinking.

Moët is also synonymous with fashion and Polo - what makes these events the ideal marketing opportunities for Moët?

Globally Moët has a history with fashion and takes part in many fashion events worldwide. This is a natural Link due to its trendy, glamorous positioning. On the sports side polo is a natural fit, this is not only due to the money involved in the game but more because of the brand Polo has built for itself. If you think about it Polo has always been associated with royalty and so has Champagne since the beginning of time!

Interview 6 – Marius Schreuder

As you work very closely with Distell - I was hoping you could help me with a few questions I have on their marketing strategy and your points of view of marketing wine in general.

My topic is marketing wine lifestyle in South Africa. I believe that wine is more than just an alcoholic beverage and in order to convert more South African's to drinking wine it is important to market the lifestyle aspect of the product rather than just a brand.

What are your thoughts on this point of view?

Lifestyle is a double edged sword - too many brands follow that route. A healthy mix between heritage and lifestyle is required.

Most important for wine as a category is to show the drinking occasion (i.e. groups, more intimate, self). Wine also needs to take ownership of home consumption and this needs to be communicated

With the various Distell brands - how much emphasis is placed on marketing a wine lifestyle versus just marketing a brand or wine?

At this stage the shift is to demonstrating the drinking occasion and the social aspect of wine without losing its heritage credentials.

Which brands focus on lifestyle as a selling point and why?

Examples are Nederburg and Graca.

How important do you feel wine lifestyle is from a marketing perspective?

It's all about demonstrating the wine lifestyle, social and drinking occasion. I don't think this is the only way to communicate with consumers. More emotive advertising that is relevant and interesting to a consumer also has a big place in this category

Has there been a shift in focus over the last 5 years to advertising lifestyle over product?

As I said there seems to be a shift to owning the drinking occasion

Does Distell focus on an aspirational audience/consumer when looking at target markets?

No, you either communicate with your target market to defend and grow share (might be aspirational or not) or you pursue a target market segment that has the potential to grow volume (might be aspirational or not)

How do you decide where the adverts are placed?

A media strategy is developed based on the brand's business and communication objectives & targets market.

Interview 7 – Eion du Toit

How would you describe the black wine consumer?

The most important aspect of understanding the black wine market is to understand that there is no 'black wine market'. I have identified 16 market segments each with their own wine behaviour, usage and consumption behaviour.

What are the major hurdles in converting the black market to wine?

The first hurdle is that the black consumer does not know wine. Secondly, wine distribution into townships is very poor and therefore wine does not get to the potential consumers.

What have you identified as key areas that need to be addressed in order to make wine more accessible to these segments?

Understand that you are working in the fast moving consumable goods (fmcg) market. Wine as an fmcg has to meet other criteria, demands and needs. Packaging is an important aspect of this – to certain of the segments papsak is the most convenient way to purchase wines. In other segments, wine with screw

cap tops is seen as a 'cheap alternative' to cork, which is part of the wine experience.

Is educating these segments important and if so how would it be best achieved?

Once gain, you have to look at the different segments. Education is important but it does not have to be in the form of a wine course; for example you can educate people through information on wine labels and more relevant information at the cellar door for those segments which travel.

With wine labels, what is the most important information to include?

The style and taste of the wine e.g. dry white, dry red, off dry etc. Do not believe that the black market only drinks semi sweet to sweet wines.

Food and wine pairing suggestions.

Usage suggestions, i.e. when to drink these wines – is it a function or party wine, every day drinking wine etc.

Alcohol content – this is a very important piece of information for this market. It allows the wine consumer to pace themselves so they do not over-indulge. This is an important part of wine drinking habits. Women may also choose to dilute their wine if they feel the alcohol content is too high.

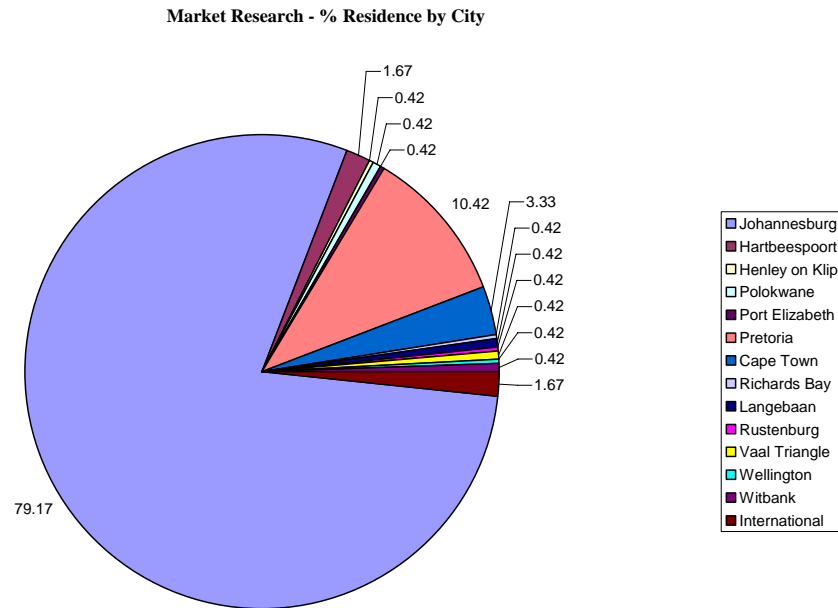
What is the most important advice for wine producers looking to sell to the black market?

Understand that there is no one market, identify the segment you want to market to and then understand that segment. Spend time with your target market, understand their needs and consumption behaviour and then develop the brand for that specific market.

Appendix B – market research

Consumer questionnaire

245 wine buyers and consumers were targeted via e-mail through the data base of a specialised wine retailer through a mainly multiple choice questionnaire (see Appendix C: questionnaire) This group of wine consumers are predominantly from Gauteng. This market research revealed the following:



Gender:

Male - 68.57%

Female – 31.43%

Age Group:

Age 18-25: 0.40%

Age 26-35: 20.65%

Age 36-45: 37.65%

Age 46-55: 27.94%

Age 56-65: 12.96%

Age 66+: 0.40%

Level of Education:

Matric: 11.69%

Degree: 62.10%

Masters: 20.56%

Other: 5.65%

Frequency of wine consumption:

Never: 1.61% - these consumers purchased wine for other people to consume

Less than once a month: 1.21%

Occasionally (once or twice a month): 11.29%

Regularly (once or twice a week): 57.26%

Daily: 28.63%

Reason for wine consumption – the interviewees could choose more than one option:

Celebrations – 89 responses (19.69%)

Socially – 156 responses (34.51%)

With meals – 207 responses (45.80%)

Style of wine consumed - the interviewees could choose more than one option:

Sweet white - 22 responses (4.17%)

Dry white – 166 responses (31.50%)

Red – 208 responses (39.47%)

Sparkling - 80 responses (15.18%)

Fortified – 32 responses (6.07%)

All kinds – 19 responses (3.61%)

31 % of interviewees only drink South African wines

69% of interviewees drink South African and international wines

Other Beverages consumed - the interviewees could choose more than one option:

Beer responses - 117 responses (31.2%)

Whiskey – 134 responses (35.73%)

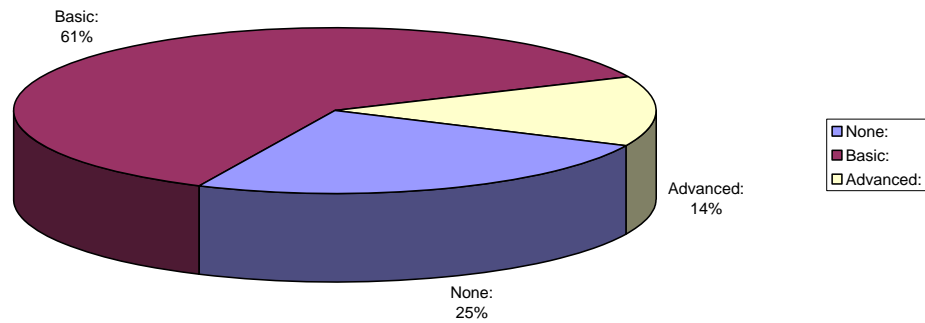
Brandy – 33 responses (8.8%)

Vodka – 31 responses (8.27%)

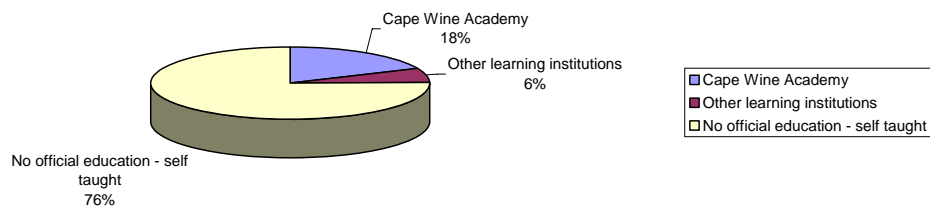
Coolers – 34 responses (9.07%)

None – 26 responses (6.93%)

Market Research - Levels of Wine Education



Market Research - Forms of Wine Education



Interestingly, when asked if wine education enhance wine appreciation 87% of interviewees answered yes and only 13% answered no.