

Wine Tourism

Luxury Brand Innovation

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Summer 2020

DE LAIR E
G R A F F
E S T A T E





Overview & Concept

Project Overview

The project brief was to identify opportunities for a strategic initiative in luxury tourism to stimulate growth through the development of an innovative concept. With a special focus on wine tourism, the project centred on Delaire Graff Estate, an award-winning wine estate and luxury destination in the Western Cape winelands of South Africa, featuring an already established wine tasting lounge, iconic wine club, full-service spa and personalized vineyard walks.



dundaz



Concept

In order to enhance the estates proposition and elevate appeal with their discerning local and global traveller, innovations explored in the development of the strategic initiative for Delaire Graff Estate include an oenology concept, vinotherapy spa offerings and the integration of discreet high-tech touchpoints.

For concept development, market and trend research in the sector was conducted to determine the most suitable opportunities for Delaire Graff Estate, and findings were then used to amplify the sense of luxurious indulgence and escapism in the vineyards.





Global Wine Industry

US\$370 bn

global revenue in wine sales in 2019

Contribution



wine contributed 24% of total alcoholic drinks revenue and 9% of volume

Sub-segments



still wine: 85%
sparkling wine: 11%
fortified wine: 4%

highest revenue generator

Consumption channels



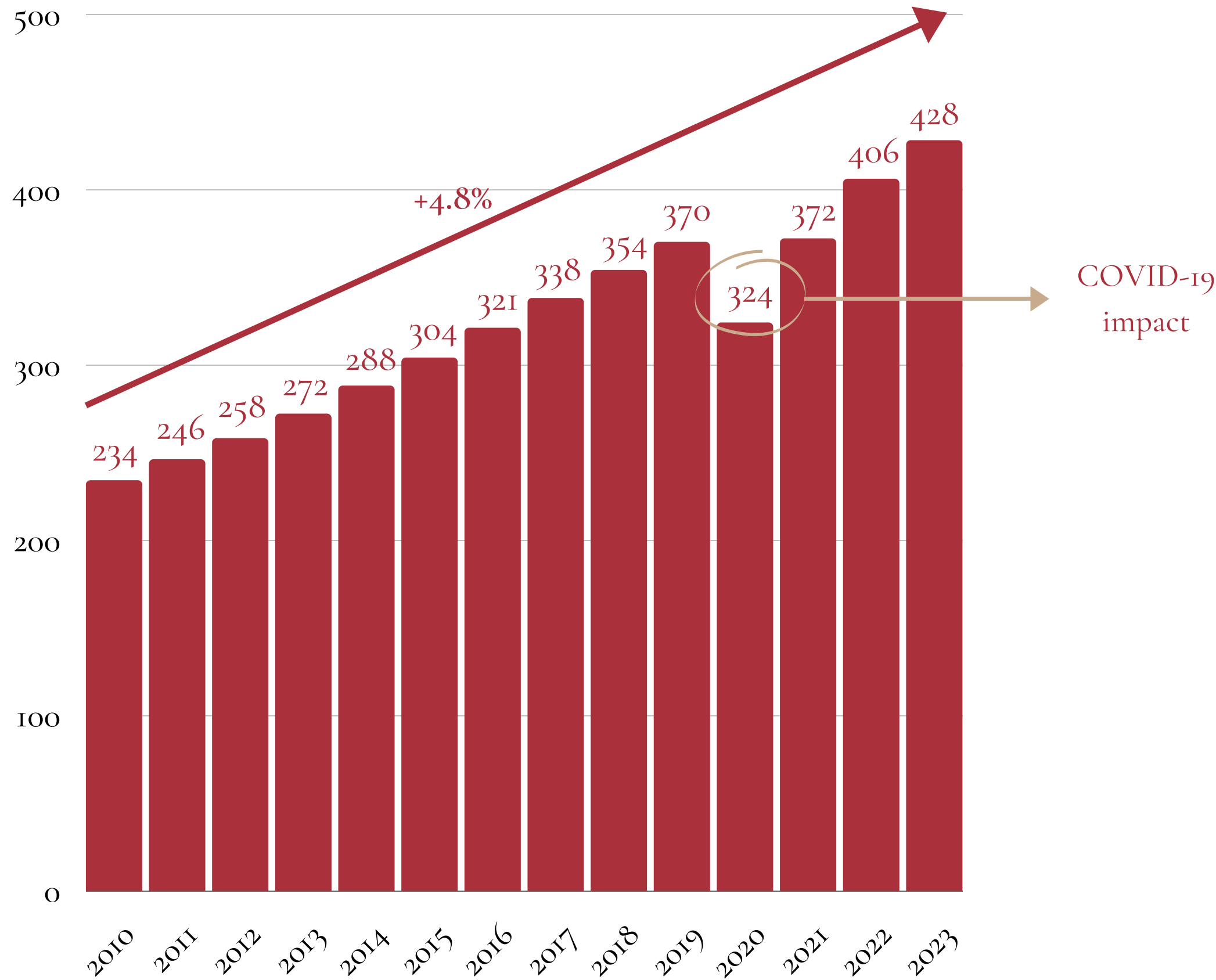
out-of-home: 55%



at home: 45%

Data source(s): Statista, Alcoholic Drinks Report 2020 – Wine

Worldwide revenue in billion US\$



+4.4%

wine sales growth
2019 vs. 2018

+4.8%

CAGR (2010 – 2023)

+3.7%

CAGR (2019 – 2023)

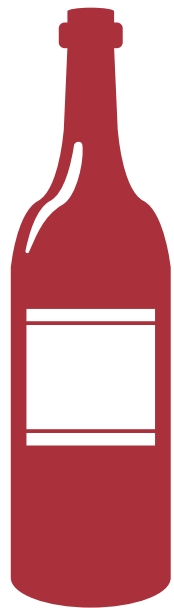


History

The South African wine industry dates back to the mid-17th century, and is one of the oldest outside Europe (vineyard planting and wine production). Vineyards are largely concentrated in the Western Cape province, with smaller vineyards located in northern and central regions.

The first South African wine route was established in 1971 in Stellenbosch (the Stellenbosch Wine Route).

South African Wine Industry



+4%

volume growth in 2018, reaching
449 million liters

+3%

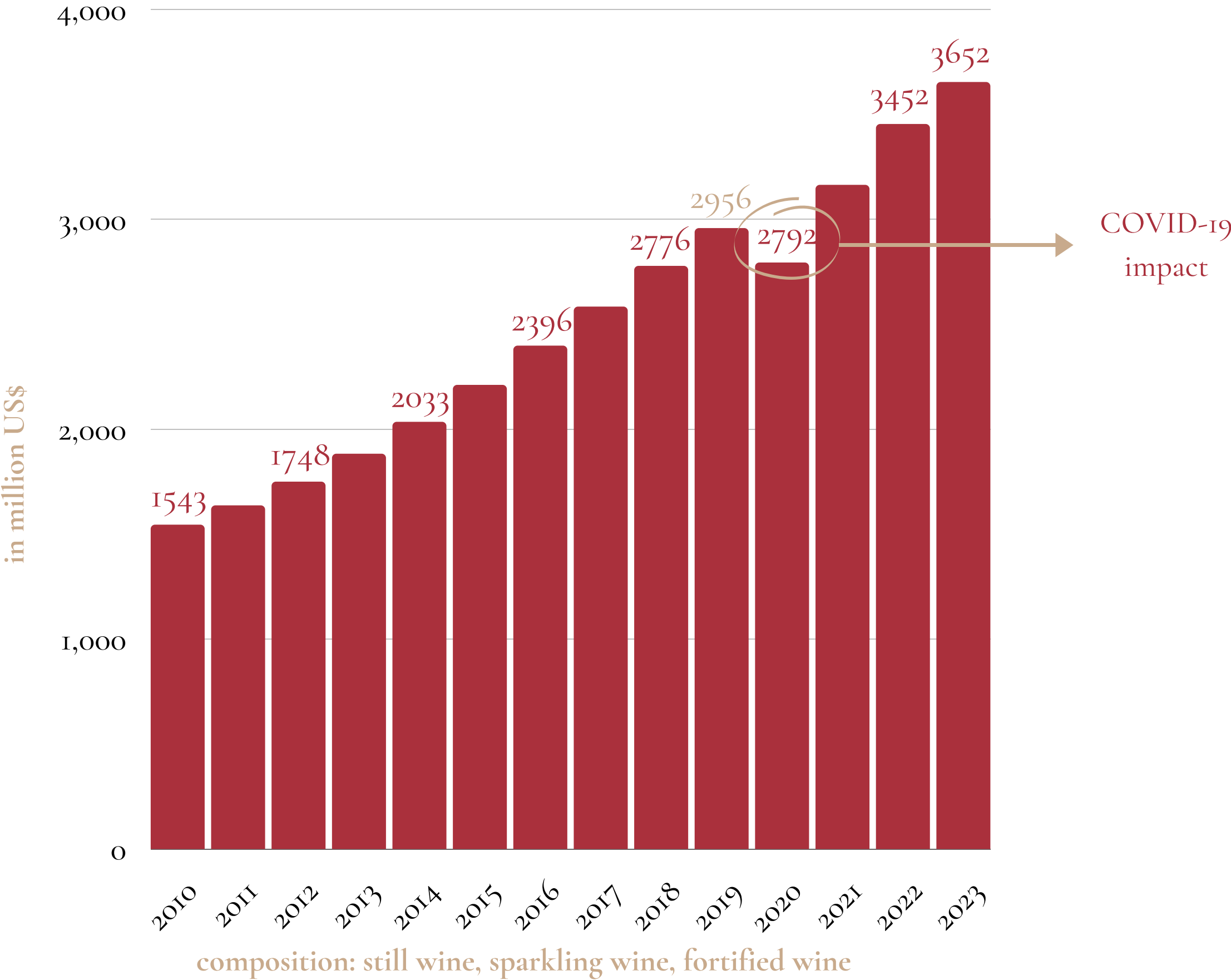
CAGR, projected volume uplift
by 2023, bringing size of the
category to an estimated 519
million liters



+14%

volume growth in 2018,
champagne was the most dynamic
category

Revenue in the wine market (in million US\$, South Africa)



US\$2,956

(million) revenue growth in 2019

+24%

projected % value growth (2019 – 2023) to reach US\$3,652 million

Category Insights

Millennial Consumer



Growing demand for sparkling wine and Méthode Cap Classique (MCC) driven by self-conscious millennials who see it as a status symbol, further reinforced by social media and lifestyle influencers. Seen as aspirational, and more affordable and accessible than champagne.

Environmental



Regional vineyards are still recovering from years of crippling drought, and the normalizing of wine production harvests will largely be reliant on continually favorable weather conditions.

Emerging Female Consumer

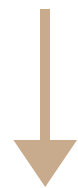


Young females are emerging as the new wine drinkers in South Africa (willing to try new things, very selective and driving new product development/innovation). Occasions include wine as a reward or relaxation, and sparkling wine or champagne when celebrating.

South African Fine Wines

US\$126.4

(million), 2019 sales growth value contribution of fine wine, champagne, spirits (e.g. luxury brandy and cognac)



attributed to an increase in affluent buyers with an appetite for high quality alcoholic beverages

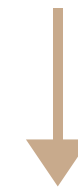


9.2%

forecast sales of fine wine
(% value growth)
2019 vs. 2024

1.8%

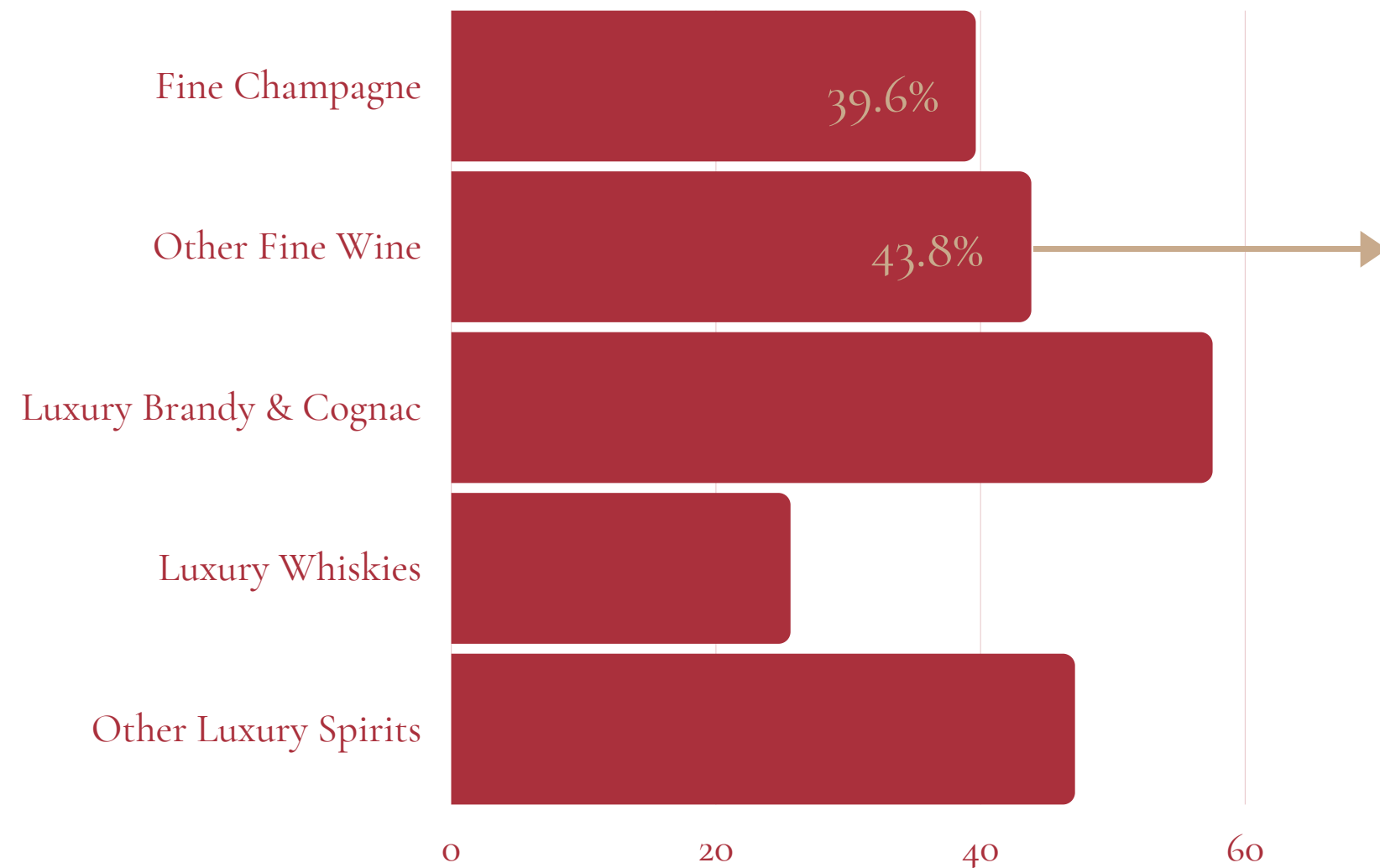
forecast sales of fine wine
CAGR
2019 – 2024



slower rate of value growth than projected for locally manufactured wines, softened by price increases driven by rising production costs, impact of the drought on wine farms and rising taxation

Data source(s): Euromonitor, Statista

Fine Wines: Category Growth



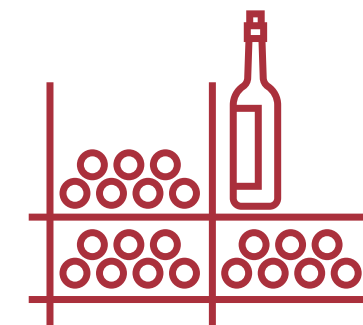
43.8%

fine wine value growth
2014 vs. 2019

7.5%

fine wine CAGR (value)
2014 – 2019

Distribution



Non-store based retailing
e.g. e-commerce
2.4%



Store based retailing e.g.
grocery, non-grocery
97.6%

Data source(s): Euromonitor

Insights

Consumers

Tradition

Well-established wine culture in South Africa which supports luxury sales growth, wine festivals drive high domestic and international tourism flows, and local consumers are wine connoisseurs with sophisticated preferences for premium and luxury brands across product categories, including fine wine.

Growing affluent Black consumers are driving demand for discretionary products and fine wines and champagne are status symbols for this consumer segment, significant spend also seen with wealthy African travelers with an increasingly high affinity for expensive and often limited-edition bottles, and the aspirational consumer perceives consumption as an experiential treat and status symbol.

Connoisseur Culture

Unique, rare and vintage-quality fine wines and champagne are sought out by wealthy consumers, and these hard to source bottles with high price tags become collectors' editions (not for immediate consumption).

Wine Tourism

Wine tourism in South Africa is largely a rural-based industry and wine route visits by international and domestic tourists rank highly as popular tourist attractions in South Africa. Wine tastings are common and increasingly popular and contribute to driving strong sales growth of fine wines, and many consumers are introduced to fine wine products at these tasting events which oftentimes is an affordable luxury. Although local wine production and selling span centuries, wine tourism is still in slow development compared with other international wine tourism destinations, and little emphasis has been placed on understanding the demand-side of wine tourism (consumer needs). Wine activities outside of commercial production are not considered a strategic business priority for the economy and there are limited perceptions around their incremental value, and consequently more needs to be done to integrate wine activities into the broader market-focused wine industry to extract and realize greater economic value.

Competitive Analysis

Fine Wine Category

Small and highly fragmented
Dominated by international players
Multitude of premium wine producers targeting a broad audience across price points (image builders)

Price Spectrum

Wide range of price points given scope of product availability
Affordable (distribution channels as critical)
Aspirational (advertising material and displays)
Absolute luxury (personal contact established in wine purchases and activities)

Competitors

TOKARA STELLENBOSCH

Estate Features

Fine art gallery
Terroir focused contemporary
cuisine
Vineyards and olive groves
Award-winning wines
Dramatic views over Stellenbosch
Tastings
TOKARA Premium Collection
TOKARA Reserve Collection
TOKARA Directors Reserve

1692 Spier

Estate Features

Spier artisan studio
Wine tastings
Werf cellar
Wine and food pairings
Award-winning Stellenbosch producer
Vineyard segway tour
Hotel and spa
Extensive range of signature, private,
vintage, sparkling and Méthode Cap
Classique wines

THE WINES OF JORDAN STELLENBOSCH

Estate Features

Luxury suites overlooking the
vineyards
Cellar experiences
Harvest experiences
Chardonnay brunch experience
Restaurant and bakery
Tasting and tours
Extensive range of reserve and
premium wines



Key Competitor



Situated in the Franschhoek valley, Leeu Estates features a hotel and spa, art collection, and premium winery with a whitewashed Cape Dutch-style cellar. The estate's Wine Studio is run by the Mullineux & Leeu Family Wines team, where guests are guided through "the finer nuances of premium handcrafted wines".

Signature, Single Terroir and Leeu Passant immersive wine tastings are offered in an intimate and elegant setting for the estates highly rated limited-availability wines.

Source(s): Leeu Collection, Condé Nast Traveler

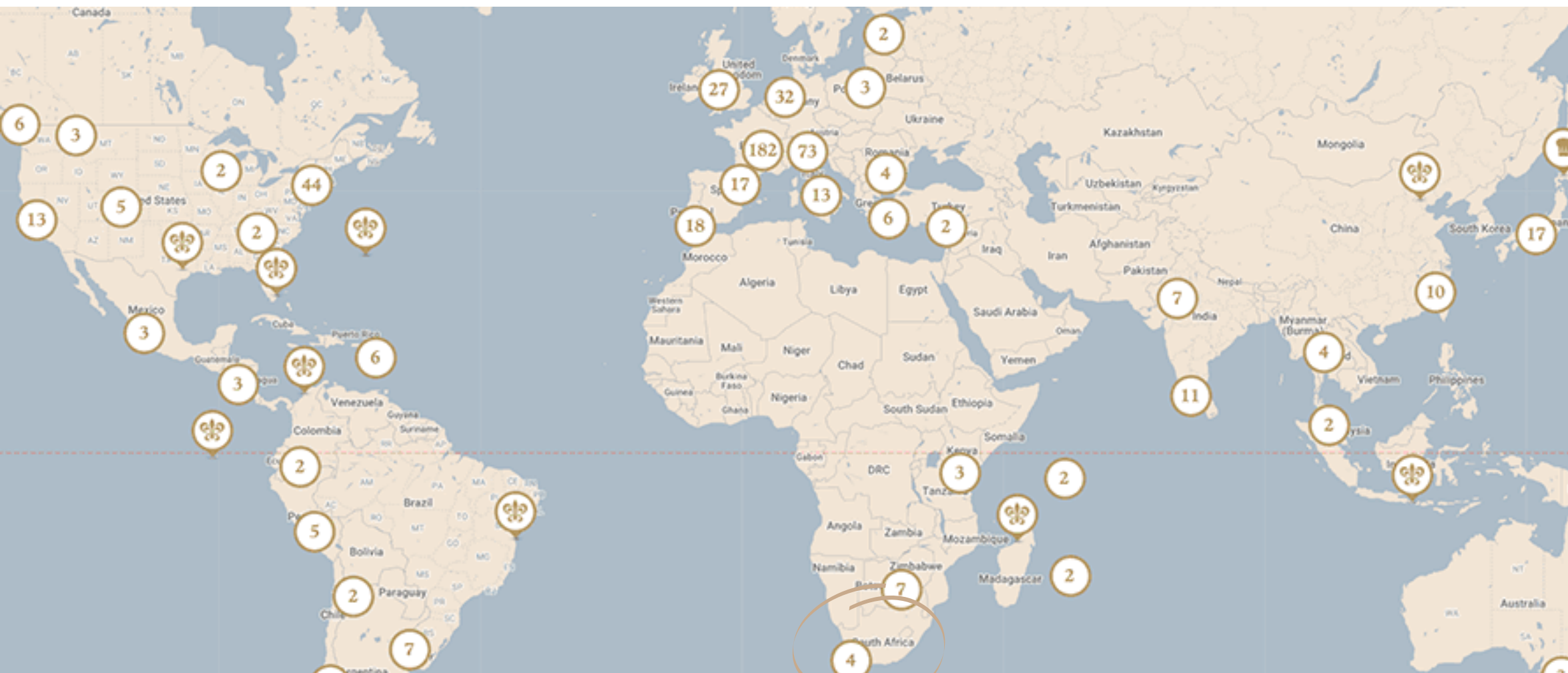


Delaire Graff Estate

Delaire Graff Estate is located in Stellenbosch, in the Western Cape Province of South Africa.

This exclusive luxury lodge in the heart of the winelands, also known as the "Jewel of the Cape Winelands", is part of the Relais Châteaux association, the world's most prestigious hotel association. With more than 580 landmark hotel and restaurant members. With a global presence from the Napa Valley vineyards to the French Provence, Relais Châteaux *"offers an introduction to a lifestyle inspired by local culture and a unique dip into human history"*.

Members like Delaire Graff are committed to preserving and promoting the richness and diversity of local heritage and the environment.



Delaire Graff Estate
Cape Town, South Africa

Data source(s): Relais & Châteaux, Forbes Travel Guide

Core Competencies & Competitive Advantage

The Estate

Locally anchored in the history and culture of the Cape Winelands
Unique terroir and top-notch wines
High industry recognition
Graff Diamonds' flagship African boutique on-site
Passion and expertise of winemaker Morné Vrey

Delaire Graff Proposition

Art collection
Ultra-modern winery
Award-winning bottles
Multi-sensory culinary experiences
Spa with Afro-Asian-inspired treatments
Elegant wine lounge
Exceptional suites and villas (10 rooms)
Wine tastings
Daily canapés and sparkling wine
Vineyard walks
Panoramic views of the mountains, vineyards and valleys

Relais Châteaux Membership

Guarantee of high quality lodging, amenities and fine dining
Shared expertise and capabilities
Desire to create locally immersive experiences
Shared *Maitre de Maison* service excellence
Commitment to enrich the history of cuisine and hospitality

Sophisticated Retreat



The Crowd

Global wine connoisseurs



The Drinks

Exquisitely nuanced, terroir-specific wines



The Food

Rustic local provenance



The Service

Impeccable, informed, and personal

Designer winery with wraparound
mountain and valley views

Largely international crowd

Small groups + private guides

Meet the winemaker

Artisanal treats from nearby
Boschendal Farm

Data source(s): Condé Nast Traveler

The Opportunity

Niche

- Wine tourism is considered to be of significant importance in the South African wine market
- There is a growing need to extend wine tourism offerings (experiences) to amplify the relationship with Cape wines (product)
- Wine tourist purchase motivations need to be defined to tailor a niche offering

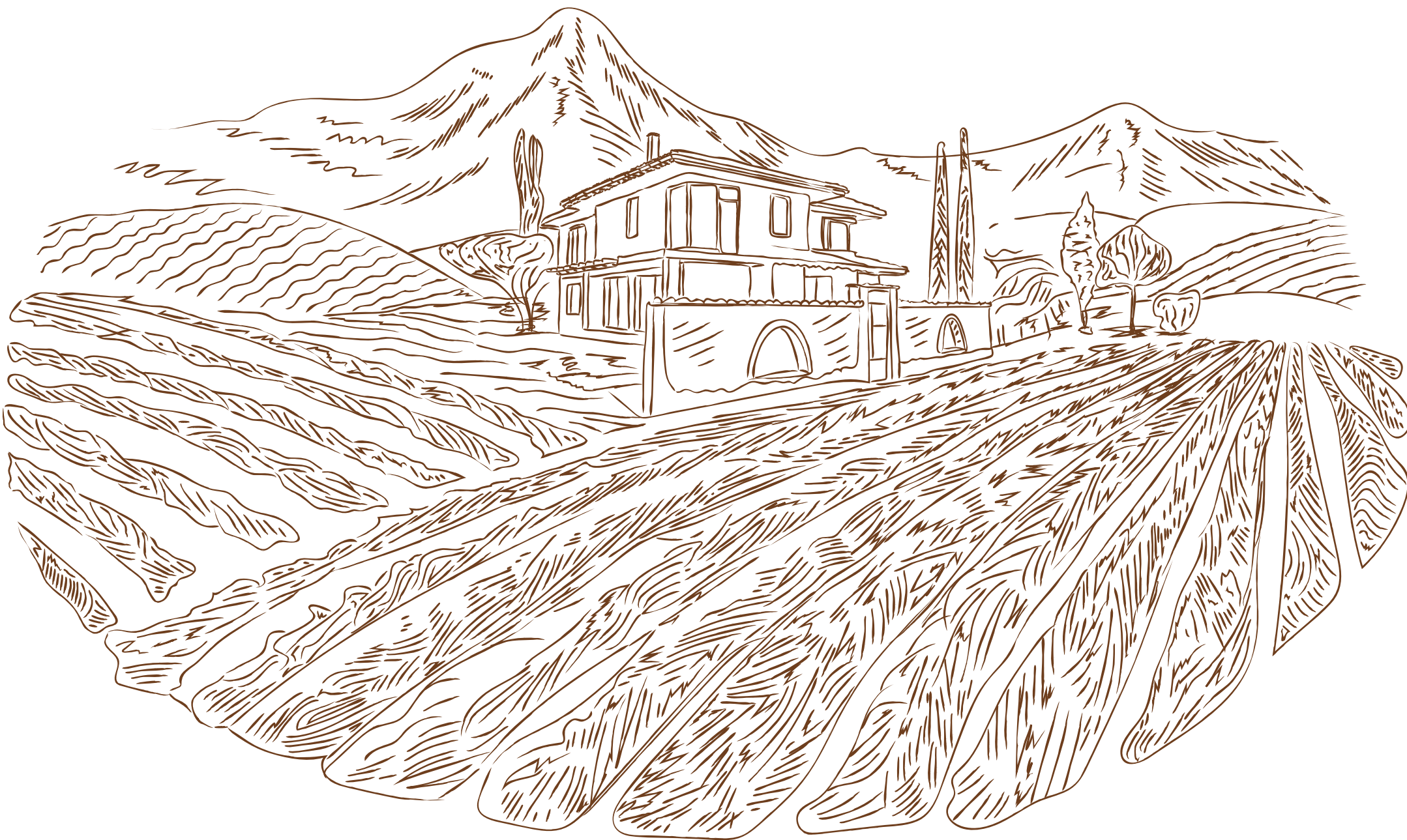
Space for growth, innovation and development

- Wine tourism is still in slow development compared with other international wine tourism destinations
- Opportunity to attract more wine tourists to the region
- Wine tourists are looking for a full immersive experience and winemakers need to adapt, to increase cellar door sales plus realize incremental benefits and revenue from other wine activities
- Wine tourism needs to be prioritized by local tourism marketing authorities to develop the sector
- Significant investments are being made to attract wine tourists to wine routes, cellars and estates
- Opportunity to extend experience offering beyond wine consumption
- Highly rated characteristics include the quality of wines and the overall wine experience



Strategic Initiatives

Overview



The first Cape vineyard was planted in 1655 with vines imported from France, Spain, and the Rhineland (Western Germany). In 1659, the first Cape wine was produced, leading to the extensive planting of vines in the Constantia valley. The emigration and settlement of the French Huguenots in the Franschhoek valley in 1688, resulted in the transplanting of knowledge in viticulture and winemaking techniques.

Stellenbosch was first established as a town in 1678 by Dutch governor, Simon van der Stel, and in 1971, almost 300 years later the first wine route in the country, the Stellenbosch Wine Route was founded.

Overview

Wine Routes



With a 400-year winemaking history and European imprint, the Stellenbosch Wine Route features more than 150 wineries offering unique cellar door experiences, and 5 wine sub-routes with unique terroir, greenery and cultural influences. Nestled in the landscape of the valleys with views of Table Mountain are vineyards and wine farms, residential and commercial properties with Cape Dutch-style architecture, art galleries and museums, and fine dining restaurants.



Festivals

Numerous festivals are held in The Cape throughout the year, including art, music and jazz, oyster, food and wine, beer, champagne and cap classique festivals.

Premier food and wine festivals hosted in the Stellenbosch valley include:

Harvest Festival at Delheim, January

South African Cheese Festival, April

The Chocolate Festival, August

Stellenbosch Fine Wine and Food Festival, August

Trends

Tailor-made Experiences

Wine tourists are looking for tailor-made tours allowing them to be immersed in authentic local experiences. Unique activities e.g. fine dining, food and wine pairings, cellar tours, meeting the winemaker, and food and wine tasting events have further enhanced appeal.

Wine Route Discovery

Less established and relatively unexplored wine routes in the Cape such as Hermanus, Swartland, and Robertson Valley have seen significant increases in tours, although top established routes in Stellenbosch, Franschhoek, and Constantia remain the drawcard.

Sustainability

Sustainability plays a significant role in the booking and purchase decision process for wine tourists. Eco-conscious wine tourists factor in practices such as biodynamic winemaking, carbon neutrality and organic farming.



Western Cape Wine Tourism

+16%

growth, 2016 - 2017

99%

of tour operator itineraries
include a winelands trip

Growth Factors

- Positive media coverage
- International wine awards
- Investment in local wine industry
- Specialist wine tour companies showcasing boutique wine producers and wineries
- Rise in experiential offerings e.g. cooking classes, winemaking and blending experiences

Data source(s): Bizcommunity: Tourism News South Africa

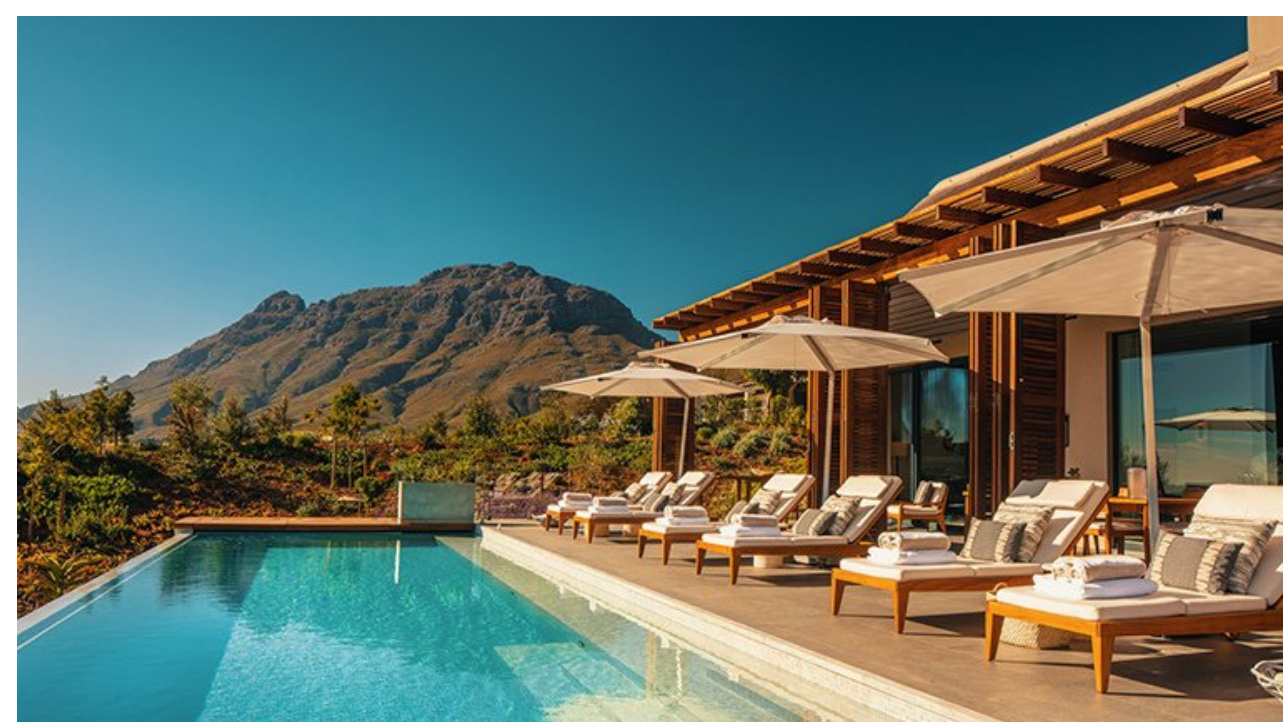
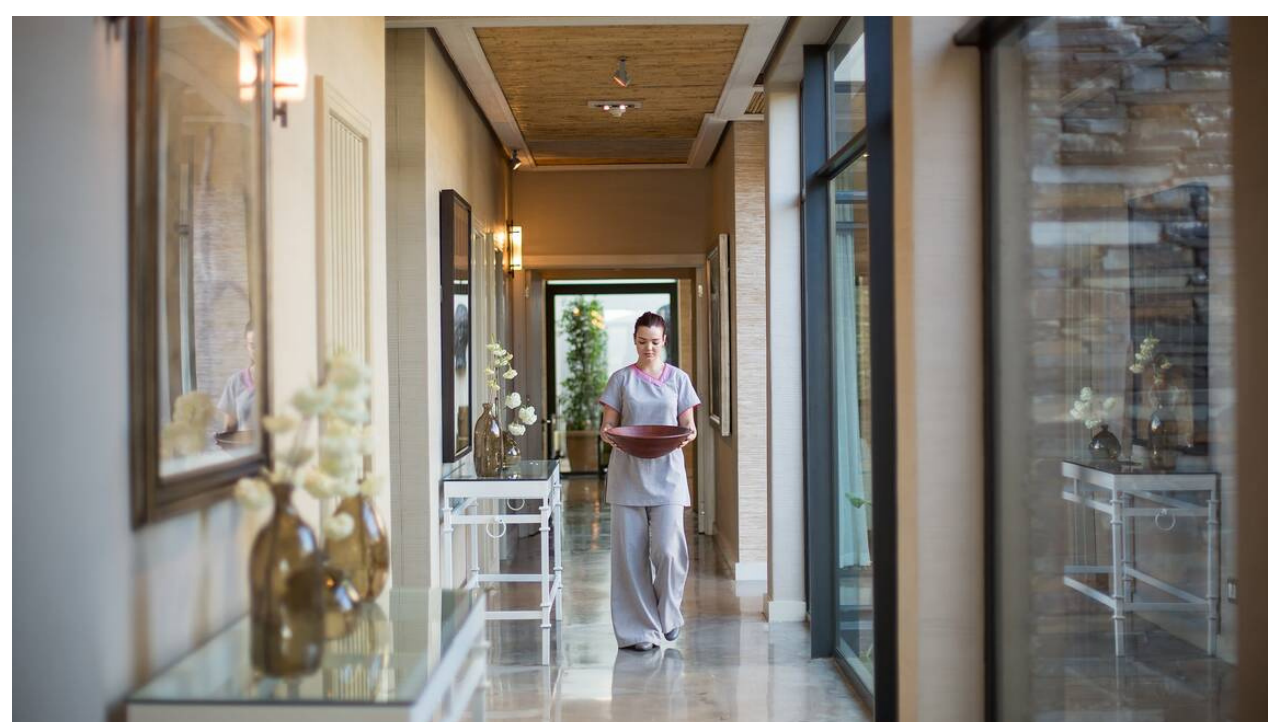
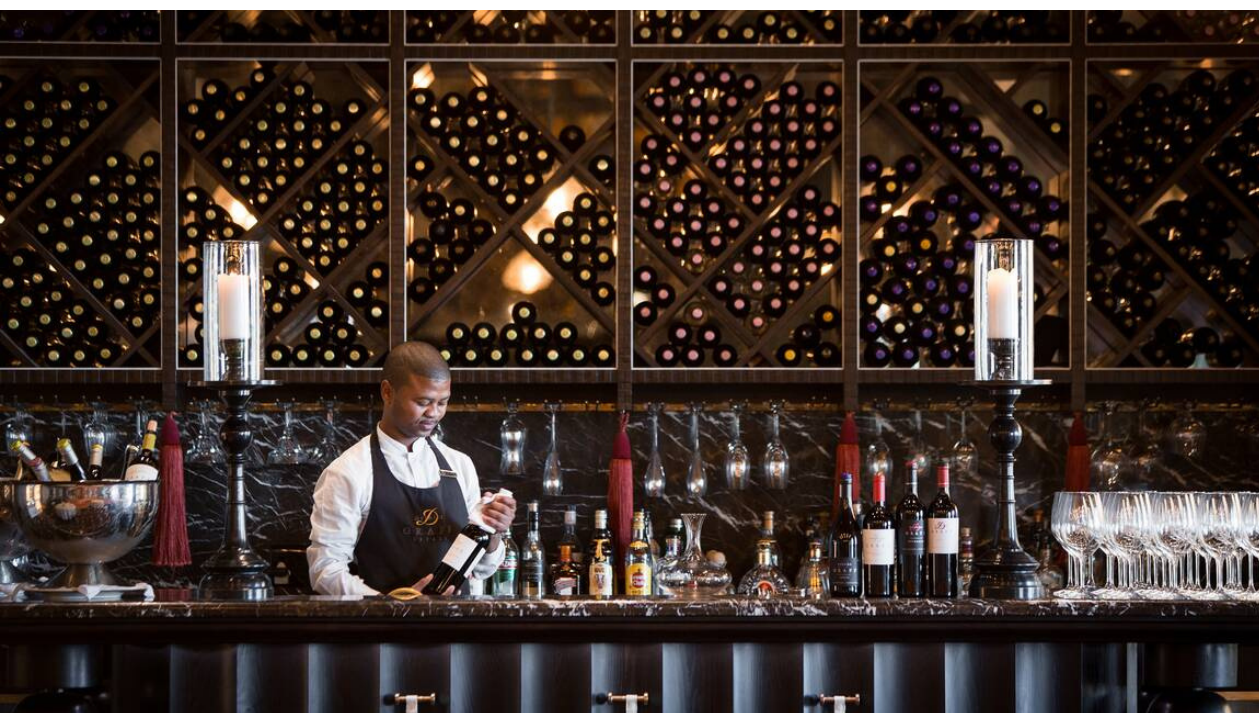


About

Delaire Graff Estate

Delaire Graff Estate is the ultimate luxury winelands experience, nestled between the Cape mountains and overlooking Stellenbosch vineyards, offering guests panoramic views and an elegant sanctuary to escape. The Estate offers the finest vineyard experience and features gastronomic fine dining restaurants, a state-of-the-art winery, a fine art collection, exclusive lodges, destination spa, and luxury boutiques. This destination boasts award-winning wines and was recently named 2020's Best Winery in Africa and 14th globally by the World's Best Vineyards (panel of over 500 leading wine experts, sommeliers, and travel writers).

Data source(s): Delaire Graff Estate



Inspiration

Motivation

Establish newness to stimulate growth
for Delaire Graff
Attract new wine tourists to the region
Support the growth of a well-established
South African wine culture through
alternative wine tourism activities in
Stellenbosch
Contribute to revenue generation of
Cape fine wines

Purpose

To fulfil wine tourist need states for
authentic and tailor-made winery
experiences by creating occasions centred
around winemaking and wine by-
products

Gap To Be Filled

Niche immersive wine experiences
Escapism: vinotherapy
Education: oenology
Tap into:
1) the emerging female consumer, as
South Africa's new wine drinker, who is
experimental, selective and sophisticated
2) connoisseur culture, driven by wealthy
consumers with an appreciation for
unique, rare and vintage-quality fine
wines

The Innovation



Oenology

Amplify "meet the winemaker" experience

Exclusive sensory immersions

Wine blending

Vertical tasting



Vinotherapy

Wine spa

Distinct wine relaxation experiences

Treatments created with wine by-products

Graff Vines Experience

Bespoke Oenology and Vinotherapy Package



Microsite, In-suite iPad, App

Dedicated webpage for experiences

In-suite iPad with interactive dashboard

Downloadable app

Curate Vines des Delaire Graff

tailored itineraries

Oenology

The *oenology* concept will be an extension of Delaire Graff's wine tasting offering and will provide overnight guests and day-trippers immersive insight into winemaking.

Wine blending: the discovery and creation of unique blends with Delaire Graff's cellar master Morné Vrey, and signature Cape blend bottle personalization.

Vertical tasting: a rare and seasonal experience presented by cellar master Morné Vrey, featuring an intimate on-site vinothèque housing a selection of unique vintages. Guests will embark on a sensorial journey and sample vintages of the same wine, extending the wine education of discerning wine connoisseurs and sophisticated wine enthusiasts. Due to the rarity of the older wines and the investment required to store vintages under optimal conditions, this experience will be a limited-time-offer commanding a higher price point.





Vinotherapy

The *vinotherapy* concept is designed to establish newness in the estate's spa proposition and pique interest with wine tourists seeking escapism in the vineyards and with an appetite for treatments derived from the Stellenbosch vines. The wine spa envisioned for Delaire Graff Estate offers detoxifying treatments and products formulated with grape seeds and grape seed oils, fresh grapes and vine leaves, and sap packed with antioxidants and anti-aging properties.

In collaboration with Terres D'Afrique, whose products are already featured in the estate's spa, a bespoke Delaire Graff x Terres D'Afrique luxury spa product line and signature treatment menu will be developed to pay homage to the Cape vines and the continent. The products and treatments will combine African botanicals synonymous with Terres D'Afrique (shea butter, rooibos, aloe, marula, baobab, etc), and Delaire Graff vine ingredients.

Through this collaboration, a specially curated menu of scrubs, wraps, facials, masks, and wine baths will be offered for indulgent pampering while engulfed in vineyard views, complemented with select wines pulled from the vinothèque. Overnight guests and day-trippers will be immersed in a unique wine spa experience and will leave with an appreciation for Cape vine and African tribal spa rituals.

The five suites available in the spa will also be equipped with in-suite iPads featuring a dashboard of extra services guests can request.





Wine Spa

Vines des Delaire Graff Signature Treatments

Selection of signature
Delaire Graff x Terres D'Afrique massages,
facials, wraps, masks, baths and scrubs
Ranging from 15 mins - 90 mins
Available to overnight guests and
day-trippers

Jewel of the Winelands Exclusive Treatments

Decadent and sophisticated VIP treatments
specially curated for wine club members and
overnight guests
Complimentary glass of vintage claret
Laurence Graff Reserve
Bespoke wine-infused beauty products packed
with polyphenols and developed with Terres
D'Afrique available for purchase

Rituals Extended Treatments

Tailor-made full day packages
Guests can curate Cape Vine Rituals from a
selection of wine spa treatments
Includes complimentary in-spa wine tasting
Bite-size fine dining menu's from the estates
restaurants



Wine Spa Treatments Menu



Baths and Scrubs

(15 - 30 mins)

Rooibos and Red Vine Bath

Coconut Shell and Merlot Bath

Myrrh and Crushed Merlot Scrub

Aloe, Salt and Grape Seed Oil Scrub

Coconut Shell, Rooibos Flakes and Sauvignon Blanc Scrub

Rooibos Flakes and Vine Leaf Exfoliation

Massages and Body Wraps

(30 - 90 mins)

Signature Jojoba Oil and Chardonnay Seed Oil Massage

Winemakers Baobab Oil and Cape Red Vintage Extract Massage

Eucalyptus Oil and Vine Leaf Massage

Kalahari Melon Oil and Fresh Grape Wrap

Shea Butter and Graff Shiraz Wrap

Facials and Masks

(30 - 60 mins)

Aloe and Grapevine Sap Facial

Moringa Oil, Sugar and Harvest Grape Facial

Clay, Coconut Oil and Grapeseed Sap Mask

Signature Marula Oil and Grape Extract Mask



Tech

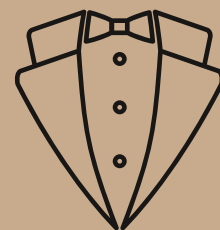
High-Tech and High-Touch In-room and In-spa suite connectedness

In order to integrate tech innovation in the estate's *Maitre de Maison* service delivery, a high-tech touchpoint will be introduced to enhance guest experiences, and will work to complement high-touch services already available from front desk staff and the concierge. Overnight guests and day-trip spa guests will have access to AI-powered in-room and in-suite iPad's featuring an interactive dashboard of service options for self-service and personalization.

Welcome, Kudzayi



Butler Service



Concierge



Wine Routes



Local Attractions



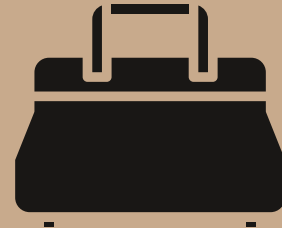
Wine Club



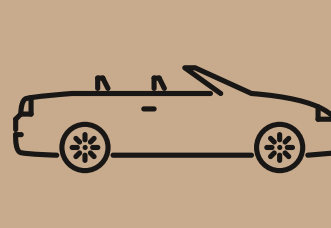
Tastings



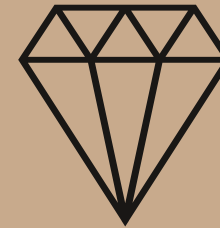
Itinerary



Manage Trip



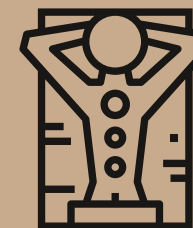
Transport



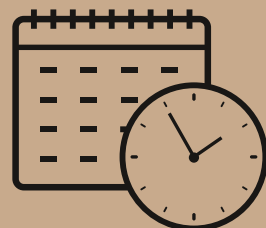
Graff Diamonds



Wine Spa



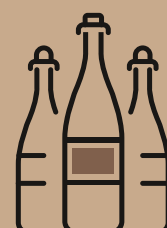
Spa Treatments



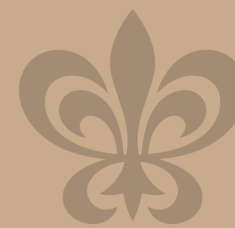
Calendar



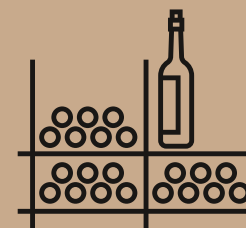
Discover



Orders



Relais & Châteaux



Blending



Curate



Icon Wine Club



"The Delaire Graff Icon Wine Club, South Africa's most exclusive wine membership, offers members an opportunity to savour the unique terroir through a portfolio of wines which rank among the most prestigious in the Southern Hemisphere. As an Icon Member, you gain access to limited edition vintage releases and pre-releases from our coveted Icon Range to complete your private wine library." - Delaire Graff Estate

Club membership currently includes:

Bi-annual shipments of 12 bottles of wine

Exclusive access to limited edition vintage releases

Two complimentary tastings of five wines when visiting the estate

20% discount on current vintage wine purchases

Complimentary bottle of Delaire Graff Sunrise Brut MCC when dining at the estate

Preferential accommodation rates

15% discount on Delaire Graff Spa treatments

An invitation to annual members only events

Seasonal recipes created by the executive chef, perfectly paired to your wine selection

Rewards Program

Web and App based

With the launch of the high-tech interface for in-suite and in-spa experiences, a rewards program will be integrated as build-on to the current Delaire Graff Icon Wine Club. This not only establishes digital access to a distinguished program for the wine connoisseur and wine enthusiast, but will aim to:

Establish discovery and trial

Support the growth of fine wine in the valley

How?

Connect members to small premium wine estates in the Stellenbosch region

Create an ordering system with specially curated wine selections from small premium wine estates

Drive sector collaboration and unlock vineyard trips to other prime wineries handpicked by Delaire Graff

Wine Club Rewards



Value-added services:

Personalized wine release recommendations, push notifications
Seasonal recipes with recommended pairings (video content), push notifications



Tier 1: Jewel of the Winelands

The Connoisseur

Vintage and Icon wine selections
Manage wine club membership
Curate and book *exclusive* wine spa treatments
Curate and book *private* winemaking classes
Build and unlock *VIP rewards* and experiences
Curate and manage wine route itineraries
Discover local attractions and experiences
Access network of partner art galleries
Personal concierge chat function
Book a *luxury* vehicle with our partners

Tier 2: Vines des Delaire Graff

The Enthusiast

Premium wine selections
Manage wine club membership
Curate and book *signature* wine spa treatments
Curate and book winemaking classes
Build and unlock experiences
Curate and manage wine route itineraries
Discover local attractions and experiences
Book a *premium* vehicle with our partners



Activity			
App	Concept, Development, Launch	Jan, 2021 Launch	
Microsite	Concept, Development, Launch	Jan, 2021 Launch	
Social	Creative Idea, Content Development, Media Buying, Teaser, Launch	July, 2021 Teasers	
		Aug, 2021 Launch	
Stakeholder Engagement	Media, Government, Tourism Board, Wine Tourism Bodies, Specialized Travel Agents	Mar, 2021 Launch	
		Aug, 2021 Stellenbosch Fine Wine & Food Festival	
PR	Micro Influencer Outreach, Social, Estate Visits, Product Drops	Sept, 2021 Spring	
Oenology & Wine Spa	Concept Development, Product Development, Launch	July - Aug, 2021 Launch	
Reward Program	Program Development, Platform Integration, Launch	July, 2021 Soft Launch	
		Sept, 2021 Product Launch	

Sources:

Wines of South Africa. *Three centuries of Cape wine*.

<https://www.wosa.co.za/The-Industry/History/Three-Centuries-of-Cape-Wine/Cape-Wines-Before-the-20th-Century/Timeline/>

The Best Festivals in Cape Town. <https://insideguide.co.za/cape-town/best-festivals/>

Western Cape wine tourism grows by 16%, lesser known wine routes enjoy increased popularity.

<https://www.bizcommunity.com/Article/196/373/174775.html>

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