



WEIN & CO
Press Report

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An Innovative Company – and an Economic Marvel

The launch of WEIN & CO in October 1993 was welcomed with unprecedented media coverage, with extensive articles in all of Austria's major daily newspapers and magazines. The first five WEIN & CO shops were opened in Vienna (3), Linz and Graz. Looking back, the massive interest from the press seems perhaps a little over-exaggerated, but in relation to the contemporary market limitations, the founding of the first (and still only) specialist retail chain in Austria was regarded as a ground-breaking phenomenon.

With the EU-Membership in 1994 came the end of import controls and restrictions, which had been the cause of an unjust market place. Previously, international wines had been restricted to a very narrow portfolio of Italian and French wines, which were either cheap, high volume production wines found in the supermarkets or extortionately expensive Châteaux Labels for the elite in self-inhibiting vinothèques. Furthermore, the customs procedure and restrictive import contingents made the trade in even small quantities of quality wines in the mid-range price segment virtually impossible.

The unchanged market place at the beginning of the 1990s appealed to the entrepreneurial wine collector Heinz Kammerer. With his firm IKERA, a prosperous chain of bathroom and tile stores, Kammerer had collected over 15 years of specialised retail know-how. This experience, coupled with his "good nose for wine", resulted in the first step in democratising the Austrian Wine Trade.

"In 1993, the sales of Austrian wines were at a third of total turnover, and post the import restrictions, a much wider range of interesting wines from European and New World countries were finally reaching the consumer. The response was immense, with massive interest in Californian and Australian red wines. Also Bordeaux profited with new sales in all price segments – back then more expensive than today", recalls Heinz Kammerer from the initial start of his Company.

From the Novelty...

WEIN & CO started with a bang, and went beyond many boundaries. On the one hand it boasted an enormous portfolio of international wines and at the same time sold low-priced products (the opening offers included a Welschriesling for less than 10 Schillings, or equivalent today to under 1 Euro per bottle). Between expert guidance and advice from professional wine experts (many distinguished Sommeliers from top restaurants joined WEIN & CO) to an angst free shopping environment for amateurs and novices alike. It was sincerity with a touch of humour. The immediate success was unmatched, and thus WEIN & CO developed and rapidly opened more shops throughout Austria.

... to the Precedent

Currently in 2007, WEIN & CO is represented throughout Austria in 17 Shops, of which five are jointly WEIN & CO Bars and Restaurants. The trendy Bars offer an overwhelming list of wines by the glass as well as high quality, delicious dishes until midnight, every day. More significant however, is that wines in the adjoining Shop may be sold, unrestricted to the strict retail opening hours, daily until midnight, thanks to their legal "snack bar" status. The Restaurants in Vienna Stephansplatz and Graz are decorated with the "Austrian Quality Award".

WEIN & CO sells 2,5 million bottles per year, and records an annual turn over of 40 million Euros.

The Employees and Executive Management

Finding competent employees outside the restaurant trade with an adequate knowledge of wine was difficult in 1993, and the positions in wine buying and sales were filled only by renowned wine professionals. Today, the situation is much easier, much due to wine becoming a social status symbol of the growing Middle Class in the Nineties and finally losing its elitist and snobbish image. More recently the interest and passion for wine has reached out to a growing number of young adults.

Unsurprisingly WEIN & CO has no problem in recruiting motivated and qualified staff, with many applications coming from students and graduates from all faculties, wine amateurs from other professions, graduates from the "Weinakademiker" wine diploma course and prospective winemakers seeking wine trade experience – these are the professionals that make up the 120 young and dynamic sales and service team in WEIN & CO.

Climbing the Ladder to Top-Management Positions

Heinz Kammerer, as founder of WEIN & CO in 1993, has successfully brought WEIN & CO to its position today. Following an uninterrupted period of 13 years with him as sole Managing Director, Heinz Kammerer restructured the Company in 2006 and divided it into four essential areas of responsibility, each with its own Departmental-Manager, who has, through the years, worked his way from the bottom of the ladder (in the Shops) right up to the Top. It should be noted that no Manager is older than 40!

Christian Zehetbauer was initially responsible for the ongoing development and expansion of the WEIN & CO Bar concept, and is now Sales Director. He is charged with the responsibility of Quality Control and Customer Relations for the equally dynamic and demanding WEIN & CO customer (and guest), of which 150,000 are registered VinoCard-Holders.

Gerhard Hammer started his career with WEIN & CO in 1995 as Sales Advisor and was quickly promoted to Shop Manager. Today, he is responsible for Purchasing and Distribution, tactfully ensuring that the 2,000 wines and products from all sides of the World are bought at the right price and are on the right shelf in the right shop at the right time.

Oliver Sartena joined WEIN & CO in 1998 and built up the first (and still biggest) Online wine shop in Austria, which led to the development and expansion of what is today a very efficient Key Account and Mail-Order Service. He is now responsible for Marketing and Inter-Company Relations, constantly building up the successful WEIN & CO Brand and creating new sales opportunities.

Mag. Gerald Hiebler is the Newcomer, joining in 2006, and is responsible for Finance and Controlling. He is a finance specialist, previously head of Controlling for the Advertising Giant GGK.

Heinz Kammerer is thus gradually passing on the responsibility for the success of the Company to a younger generation, leaving him more time to concentrate on future strategies and projects.

An entrepreneurial Entrepreneur

Heinz Kammerer's talents do not just lie in the success of his Company, as he is also a much requested interview partner for commerce and economical issues. He speaks out his mind in the press and follows issues through with immense commitment and conviction.

So in this way Kammerer dealt with the petty Bureaucracy behind the rigid retail opening hours in Austria – in a way often humorous and cause for attention. This led to many fines from the local authorities, but the last laugh belongs to Kammerer and came with the opening of the WEIN & CO BAR, which are legally registered as "Inbissstube" – the equivalent to a Hot Dog Stand – and are permitted the sale of wine and food products from the Shop until late into the night.

Immense energy, time and legal fees were also invested by Heinz Kammerer in the repeal of the drinks tax, a local tax imposed on retailers, but not on agricultural companies, thus making the sale of wine non-competitive. Kammerer took the widely reported case against the State of Austria to the EU High Court and won. The drinks tax was repealed in 2000.

Unconventional Marketing and Serving the Customer

WEIN & CO became a household name not only because of the massive wine selection, but also due to its unconventional Marketing ideas.

WEIN & CO caused an uproar with its opening offers of "1 bottle of Welschriesling for 9.90 Schillings", and at the same time the price of the legendary Château Mouton-Rothschild 1945 in its first price list. Free in-store wine tastings and the sales advice of wine professionals was a real treat for the supermarket shopper in the early 1990s. The introduction of the "VinoCard" Customer Card brought attractive features and benefits to the consumer long before the Austrians knew what it was.

WEIN & CO "discovered" the wines of Australia in the sense that it was the first and only wine retailer to introduce a wide portfolio of New World Wines to Austria. The peak of this success was marked by a two-day Massive Event "The New World Wine Experience" in the magnificent Secession Building in Vienna, where winemakers from Australia, Chile, California, South Africa and New Zealand personally poured out their wines to customers – a real novelty for all Austrians.

WEIN & CO's product range reflects the current consumer trend. For example, at the end of the 1990s, the wine business boomed, and the quality-orientated Austrian strived to buy better and ever-more expensive wines. The average price of a bottle climbed consistently and in 2001 was double the value of 1993. At the same time, the Austrian premium red wines boomed in the wake of the top 1997 and the millennium 2000 vintages, in some cases reaching comparatively high prices, and many who enjoy a glass of wine tended to opt for a white or red wine from an Austrian vineyard.

Thus two-thirds of the total sales are made with around 700 labels of Austrian wines, with the remaining 1,300 wines typically coming from Italy, France and the New World, as well as trendy rediscovered regions such as DOC Spain, Portugal, Slovenia, Greece and Hungary and so on.

On the Move

The latter half of 2001 witnessed an event that hit all whole luxury goods products. The consumer then sought good value for money. For a long period of time, highly priced wines did not sell at all, and demand for entry level wines under 5 Euros grew dramatically. This is a figure that seemed a lot of Schillings in 1993, but seems cheap today.

Over the past two years, there has been a growing demand for more moderately priced, high quality wines – as long as the price in relation to the quality of the wine is right, and the customer is prepared to pay more for qualitative, reliable brands and well made, flavoursome wines.

A New Generation of Customers and a new approach to Wine

The demand for a wider range of low-priced wines has grown in proportion with the ever younger consumer. “Up to 20 years ago, the typical customer was male and in the 50 to 60 year old age bracket; today our most important clients are in their Thirties and Forties” remarks Marketing Director Oliver Sartena. WEIN & CO profits from being a youthful and dynamic company, and organises innovative events, such as the “Music & Wine”, where the wines are put into different musical categories, based on their appearance, smell and taste – thus making wine more accessible to a wider, younger audience.

The new VinoCard

The WEIN & CO Customer Card was popular right from the beginning. Today there are more than 100,000 registered VinoCard customers, and 80% of all sales are credited to VinoCard-Holders. WEIN & CO has therefore achieved an extremely high customer retention and loyalty quota.

At the end of 2006, a new generation of VinoCard was launched. It is a Customer Loyalty Card that offers annual savings and bonuses off all purchases and functions as an internationally accepted DinersClub Credit Card.

WEIN & CO offers something revolutionary – a DinersClub Credit Card including all of its benefits – completely free! The advantages are listed below.

- + 5% Annual Credit Bonus on all WEIN & CO purchases (including sales, purchases in the Wine Outlet Shop and on all consumptions in the Bars and Restaurant)
- + the full benefits of a DINERS Club Card FREE
- + Payment for your purchases up to 6 weeks later
- + Up to a 20% Rabatt off all WEIN & CO Events!
- + Payments in instalments und worldwide Cash point facilities
- + No risk if stolen or lost
- + Safe and risk free use in internet
- + Full Insurance package including Travel Cancellations
- + Diners Club Bonus Selection

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