Mapping And Profiling Of Chinese Consumers Of Imported Bottled Wine In China

Final Deliverable | Executive Summary

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Survey Results

Campaign Recommendations

Consumption frequency of imported bottled wine is reasonably high, but consumption volumes are relatively low …

Consumption Volume

60% of the glasses of wine that respondents drink every week are imported bottled wine:
(note that some respondents don't drink at least one glass of wine per week, and are not captured here).

- Respondents drink ~1,200 glasses of wine a week, of which ~700 are imported bottled wine.
- 36% of respondents only drink imported bottled wine, 48% of respondents drink a mix of imported and domestic wine, while 16% of respondents mostly consume domestic wine.
- More respondents drink 1~2 glasses per week of imported than domestic wine, but more respondents drink 3 or more glasses per week of domestic than imported wine.

40% of respondents drink imported bottled wine at least once per week:

- 12% of respondents drink over once per week, 60% of respondents drink less than once per week.
- The share of those drinking at least once per week is higher for males than females, higher for the older age segment than the younger age segment, and higher for Italian wine drinkers than non-Italian wine drinkers. The same pattern generally holds true for the number of glasses drunk per week.
- The share of those drinking at least once per week increases with price segment. The same pattern holds true for the number of glasses drunk per week, such that the share of those that drink at least one glass per week is only 30% for RMB 100~150/bt drinkers, but as much as 74% for >RMB 300/bt drinkers.
- Consumption frequency varies between cities, even within the same tier. For example, close to 64% of respondents in Guangzhou drink at least once per week, compared with just 20% in Beijing. However, the number of glasses drunk per week increases with city tier, such that the share of those that drink at least one glass per week is only 48% for T3 city residents, but as much as 67% for T1 city residents.

… Imported bottled wine is most frequently consumed for socializing at home and in restaurants …

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Occasions & Locations

Socializing and health are the most common motivators for drinking imported bottled wine:

- Socializing is the most important motivator across all segments.
- Health is a more important motivator for females than males, and for the older age segment than younger segment.
- Entertaining for business/work is a more important motivator for males than for females.
- Food pairing and sensory pleasure become more important motivators with price segment.
- Italian wine drinkers are less motivated by good value for money than non-Italian wine drinkers.

Wine is now consumed in a wide variety of home, restaurant and night venues:

- Over 80% of respondents consume wine at home, and also in restaurants.
- Entertaining others at home is by far the most common location across all segments.
- The second and third most common locations are Western restaurants and Chinese restaurants. Chinese restaurants are a more common location for the older age segment than younger age segment. The importance of Western restaurants increases with price segment, while the importance of Chinese restaurants decreases.
- Over 50% of respondents consume wine in night venues, with bars being the most important. Night venues are a less common location for RMB 100~150/bt drinkers than higher price segments.

Drinking wine at dinner and in the evening are the most popular times of day:

- Lunchtime drinking is more popular at weekends than weekdays.
- More males drink wine at lunch than females, and more females drink wine in the afternoon than males.
- Drinking wine at lunch is less common for RMB 100~150/bt drinkers than higher price segments.

60% of respondents only consume wine with food, and pairing is the third most common motivator:

- The share of respondents that only consume wine with food decreases with city size. Paring varies between cities, even within the same tier, and is most important in Shanghai, Guangzhou, Nanjing and Fuzhou.
- Whereas 40% of >RMB 300/bt drinkers only consume wine with food and pay attention to pairing, 41% of >RMB 100~150/bt drinkers only consume wine with food but don’t pay attention to pairing,

… The most preferred wines are red, of French origin, and priced RMB 100~200 per bottle …

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Wine Type Preferences

56% of respondents commonly purchase wine between RMB 100~200/bt:

- 28% or respondents purchase wine at RMB 200~300/bt, and 16% at >RMB 300/bt.
- More males buy at higher price points than females, and more Italian wine drinkers than non-Italian wine drinkers.
- Price segments vary between cities, even within the same tier. For example, a much higher share of Shanghai residents purchase at higher price points than Beijing residents.

Red wine is most popular, followed by white wine then sparkling wine.

- Females are more likely to drink red wine than males, and males are more likely to drink white wine than females.
- T1 city residents are more likely to drink red wine than T3 city residents.
- Italian wine drinkers are more likely to drink white wine than non-Italian wine drinkers.
- >RMB 300/bt drinkers consume all types of wine more often than those in lower price segments.

French wine is by far the most popular, while Italian wines lag in sixth place:

- French wines are over 3 times more popular than the next best country. French wine is popular across all segments, although its popularity does decrease with city size.
- Italian wine ranks in sixth position. It is unsurprising that Italian wine is relatively popular among Italian wine drinkers, jumping ahead of American wines, but still only comparable with Australian, Chilean and Spanish wines.
- RMB 200~300/bt drinkers are relatively open to non-French wines. However, the popularity of Italian wines is low for this price segment. Instead, Italian wines are more popular with RMB 150~200/bt and >RMB 300/bt drinkers.

There are clear taste preference statements across the 5 tasting dimensions:

- Males prefer full bodied and dry wines, while females prefer light and sweet wines.
- There are variations in taste preferences between cities, even within the same tier. For example, Beijing residents prefer light and dry wines, while Guangzhou residents prefer full bodied and sweet wines.
- In contrast, there is little variation in preferred tastes between the older age segment and younger age segment, between price segments, and between Italian wine drinkers and non-Italian wine drinkers.

… There are a wide range of influences, but it is very important to taste the wine …

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Purchasing Influencers

93% claim that the product influences their wine selection:
- The taste of the wine, and therefore wine-tasting, is the most important influence.
- The older age segment is more influenced by the wine brand than the younger age segment.
- T2 and T3 residents are more influenced by the wine brand and grape variety than T1 city residents.
- The RMB 100~150/bt drinkers are less influenced by country of origin.

86% claim that marketing influences their wine selection:
- Word-of-mouth from family, friends and colleagues is the most important influence.
- Females are more influenced by in-store suggestions by sales staff and in-store promotions than males.
- The older age segment is more influenced by online advertizing than the younger age segment.
- T2 and T3 residents are more influenced by expert speakers than T1 city residents.
- The influence of expert speakers and online advertising increases with price segment.

83% claim that the price & packaging influence their wine selection:
- Brand image is the most important influence.
- Females are more influenced by the packaging than males.
- T2 and T3 residents are more influenced by the price point than T1 city residents.
- The influence of outer packaging, bottle design and label design increases with price segment.
- Italian wine drinkers are more influenced by the packaging than non-Italian wine drinkers.

Over 20% of respondents post about their wine experience on social media at least once per month:
- More females post than males, and more Italian wine drinkers than non-Italian wine drinkers.
- Posting increases with city size and price segment.
- Shanghai and Guangzhou residents are much more likely to post than Beijing residents.

… A wide variety of both online and offline channels are used for purchasing imported bottled wine …

Channels & Gifting

88% of respondents use offline channels:

- Physical supermarkets are the most commonly used channel, followed by specialty stores and duty free shops.
- Males are more likely to use specialty stores than females, and females more likely to use supermarkets than males.
- The older age segment is more likely to use department stores than the younger age segment.
- Purchasing from specialty stores and duty free increases with price point.
- Italian wine drinkers are less likely to purchase from supermarkets than non-Italian wine drinkers.

60% of respondents use online channels:

- Purchasing is evenly distributed across online supermarkets, specialty stores and flagship stores.
- Purchasing from specialty stores and duty free increases with price point.

45% of respondents receive wine as gifts from family/friends, and 13% from their employers:

- The younger age segment is more likely to receive gifts from family/friends than the older age segment.
- Italian wine drinkers are less likely to receive gifts from family/friends than non-Italian wine drinkers.

35% of respondents say they purchase wine for gifting at least half the time:

- Purchasing for gifting increases significantly with price point, and also with city size. Females are more likely to purchase for gifting than males, and Italian wine drinkers than non-Italian wine drinkers.
- Gifting wine is most common at CNY and when visiting friends/family.
- The older age segment is more likely to gift wine at CNY. In contrast, high price segments, T3 city residents and Italian wine drinkers are more likely to gift when visiting friends/family. Females are more likely to gift wine for birthdays than males.

11% of respondents also purchase directly from distributors, increasing with price point.

… Knowledge of Italian wine is scarce, and limited to specific segments …

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Italian Wine Knowledge

Not many respondents have knowingly consumed Italian wine:
- Only 33% of respondents have consumed Italian wine.
- There are more Italian wine drinkers in T1 cities, exceeding 50% of respondents.
- In some T2 and T3 cities, only 20% of respondents have drunk Italian wine.
- The share of Italian wine drinkers is twice as large for >RMB 300/bt drinkers than for RMB 100~150/bt drinkers.

Awareness/knowledge of Italian wines and Italian wine production is scarce and limited:
- 60% of respondents say they are less aware of Italian wines than other countries, and 37% claim to know nothing.
- Indeed, less than 20% of respondents could provide any facts about Italy as a wine producing country, or name an Italian DOs, or list an Italian wine brand.
- Less than 25% of respondents know (or guessed correctly) that Italy is the largest wine producing country worldwide, and less than half responded correctly to other true/false questions on Italian wine production.

Awareness/knowledge is higher among T1 city residents and >RMB 300/bt wine drinkers:
- Awareness varies between cities, even within the same tier. Close to 50% of Beijing respondents claim to know nothing about Italian wine, compared to just 20% in Guangzhou.
- Awareness increases with price point. The share of respondents who say they are less awareness of Italian wines than other countries is under 50% for >RMB 300/bt drinkers, but as high as 75% for RMB 100~150 /bt drinkers.

Those that do know about Italian wines and Italian wine production are favorable:
- Italy is regarded as a major wine producing country with a long history of wine production.
- It is described as having suitable climatic conditions, good wine production techniques, and high quality products.
- The best known wine producing regions are Piemonte, Lazio, Veneto, Lombard and Florence.
- Barolo was by far the most mentioned Italian wine brand.

… Almost any initiative was deemed useful to improving the appeal of Italian wines, but some more than others

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Campaign Suggestions

Over 70% of the respondents deemed each of the 10 initiatives to be useful:

- Of the 10 initiatives tested, wine tastings were deemed to be the most useful.
- Females deemed official rankings and bottle designs to be more useful than males.
- The younger age segment deemed improved understanding to be more useful than the older age segment.
- The deemed usefulness of product availability increased with city tier.
- Each price segment placed a different emphasis on what they suggested as very useful initiatives.
- Italian wine drinkers deemed branding, understanding and rankings to be more useful than non-Italian wine drinkers.

Over 60% of the respondents deemed each of the 12 channels to be useful:

- Of the 12 channels tested WOM and wine tasting events were deemed to be the most useful, while celebrity endorsements and TV were also deemed to be very useful.
- Females deemed outdoor posters to be more useful than males.
- The younger age segment deemed online advertising and outdoor posters to be more useful than the older segment.
- The deemed usefulness of in-store suggestions and in-store promotions was higher in T1 and T2 cities than T3 cities, while the deemed usefulness of WeChat and Weibo was higher in T2 and T3 cities than T1 cities.
- A higher share of >RMB 300/bt drinkers than lower price segments deemed WOM, celebrity endorsements and TV to be very useful.
- A higher share of Italian wine drinkers deemed WOM to be very useful than non-Italian wine drinkers.

Survey Results

Campaign Recommendations

Focusing activation in restaurants and retail channels …

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Recommended Activities

- **Restaurant Activation:** The survey results suggest that wine is more often consumed in restaurants than night venues. Indeed, two of the top suggestions for improving the appeal of Italian wines was (a) making Italian wines more readily available, including in restaurants (b) better promoting Italian wines, including making them stand out in restaurants. The campaign should therefore consider partnering with restaurants, both Western and Chinese, drawing on the list of preferred venues in each city contained in the appendix to this report. Activation could include table displays, tasting flights and pairing suggestions. Target consumers would likely be switching from non-Italian wines rather than from other alcoholic beverages, and therefore high margin wines should be selected to better incentivize the restaurants.

- **Retail Activation:** The survey results suggest that entertaining at home is the most common occasion for consuming wine. This requires purchasing from retailers, with supermarkets and specialty stores being the two most important offline channels, plus a variety of online channels. As with restaurants, the campaign should therefore consider partnering with retailers, both offline and online, drawing on the list of preferred retailers in each city contained in the appendix to this report. In offline channels, activation could include point of sale materials, special displays and push girls. Activation could also be located in high traffic areas, such as shopping malls and office foyers. In online channels, activation could include online advertising, search engine optimization, and cross-marketing with pairing suggestions.

… Creating WOM buzz, with wine tastings helping to create that buzz …

Recommended Activities

- **WOM Buzz:** The survey results suggest that the most important marketing influencer is word-of-mouth, whether traditional or digital. Indeed, one of the top suggestions for improving the appeal of Italian wines was seeing more "buzz" around Italian wines in the mainstream media and/or social media. The campaign should therefore consider making the generation of WOM "buzz" a core component of the marketing strategy. This should be feasible, as a significant share post wine experiences on social media. There are many approaches to generating buzz, including (a) reaching out to bloggers and social media influencers (b) building suspense around the campaign (c) running activities that engage consumers.

- **Wine Tastings:** The survey results suggest that the most important product influencer is taste. The campaign should therefore consider making wine tastings a core component of the market strategy. Wine tastings could be co-organized with third parties, such as associations and companies. Wine tastings could also be integrated with the restaurant and retailer activation, and should also support the WOM buzz component above. Product availability is a concern, and for the campaign to have a sustainable impact, all wines promoted in wine tastings need to be readily available through online retailers. QR codes on marketing materials at the events could be used to direct consumers to relevant online retailers.

… High impact messages with socializing imagery and education on food pairing …

Recommended Content

- **Messaging:** The survey results suggest that the popularity of Italian wine ranks only sixth, and that Chinese consumers have a very scarce and limited knowledge of Italian wines. For example, only 20% knew (or correctly guessed) that Italy is the largest wine growing country in the world. Given that Chinese consumers often perceive the biggest to be the best, there should be potential to greatly raise the profile of Italy as a wine producing country. The campaign should consider a small number of high impact messages about Italian wine and Italian wine production, then repeat these messages again and again in every activity and every material.

- **Socializing & Gifting:** The survey results suggest that the most common motivator for drinking wine is socializing. The campaign should therefore consider positioning Italian wine to be the beverage of choice for social occasions, whether dining with family in restaurants or entertaining friends at home. Marketing materials could use imagery showing social occasions, including how Italians drink wine for social occasions in Italy, drawing parallels between how Italians socialize and Chinese socialize. Purchasing for gifting is also very common, and dovetails with entertaining friends at home or being entertained by friends at their homes.

- **Food Pairing:** The survey results suggest that the majority of consumers only consume wine with food, and that one of the most common motivators for drinking wine is pairing with food. Given that Chinese consumers are still relatively new to wine, their knowledge of pairing with both Western and Chinese dishes is limited, and their knowledge of pairing Italian wines is close to zero. The campaign should therefore consider educating consumers about pairing Italian wines, making every touch point an opportunity for education.

… Customizing by region (only)

Recommended Customization

- **Customized By Region:** The survey results suggest that preferences remain for red wine, and that there is a strong market in the RMB 100~200/bt price segment. However, and very importantly, taste preferences vary by city, being more related to geographic regions than city tiers. The campaign should therefore consider promoting a portfolio of wines that (a) is biased towards red wines (b) include wines both in the RMB 100~200/bt, RMB 200~300/bt and >RMB 300/bt price segments (c) has a range of taste profiles. Then different wines should be promoted in different regions/cities, selecting the wines that best meet the taste preferences of a given city.

- **Similarities > Differences:** The survey results suggest that there are more similarities between the various segments than differences, with the differences often being of small rather than large degrees. This applies to males vs. females, the 25~30 year olds vs. the 31~45 year olds, the T1 vs. T2 vs. T3 cities, the low vs. high price segments, and the Italian wine drinkers vs. the non-Italian wine drinkers. Designing separate campaign strategies for specific segments would involve significant additional cost and complexity. It risks distracting from running the fundamentals of the campaign well, and even if it doesn't, may not improve the impact of the campaign sufficiently to justify the cost and complexity. The campaign should therefore consider running a homogenous campaign across all segments, except for the customization by region as described above.

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