

This is one of a series of thought pieces on major issues for the global wine industry extracted from ongoing research programmes at Wine Intelligence

Is your back label right for China?

Why the back label matters in China

Wine bottle back labels often come as an afterthought. For many, they're there because they have to be – holders of information that a regulator somewhere has decided needs to go on the bottle, or perhaps information that wasn't important enough to make the cut on the front. Often a multilingual label will be stuck on the bottle with the intent of using the same back label the world over.

This strategy doesn't work in China. For one, regulations require a market-specific back label that meets certain formatting and content requirements for any bottle of wine that comes in through Chinese customs. If the brand owner does not provide a Chinese-language back label that meets requirements, the importer will produce one – often a simple black-and-white sticker with only the very most basic information, and with little in style or content that reflects the brand essence. Some importers will try to place this sticker next to the original back label, but often it will simply be stuck on top, generally with a less-than-professional finish.



Secondly, there's a considerable language barrier standing between wine brands and their consumers in China. The average Chinese consumer has limited exposure to foreign languages in their daily lives.

Even among the subset of the population drinking imported wines, processing information in Chinese is quicker, easier and more comfortable than in English. Wines are referred to using the Chinese versions of their brand names; opinions of regions and varietals are passed around in Chinese; and it's the Chinese words that jump out first when consumers are scanning the shelf.

While wine drinkers consistently say that they want the front label to maintain something that looks like an "original" appearance – free of Chinese text – in order to look the part of an authentic, imported brand, there is nonetheless still a need and demand for information that is presented in Chinese. For this, Chinese consumers turn the bottle around and look at the back.

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“Lack of enough information on the back label was cited as one of the top challenges when buying imported wine”

Moreover, in a market where wine is still a relatively new product and many consumers are less than fully confident in their ability to walk into a shop and choose a wine they'll like, well-presented information can help make the choice less daunting. In a recent survey that Wine Intelligence conducted with drinkers of imported wine in China, lack of enough information on the back label was cited as one of the top challenges when buying imported wine. Information such as the wine's Chinese brand name, country and region of origin in Chinese, varietal, and basic taste descriptors help consumers to confirm that they've picked up the bottle they were looking for, or that a new wine fits the type of style profile they prefer.

Top 5 challenges when buying imported wine

% that cite the following as barriers when buying imported wine
Base=All Chinese upper middle class drinkers of imported wine



vinitrac®

Source: Wine Intelligence, Vinitrac® China, November 2012, n=1,000, Chinese aged 18 - 50 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan

Finally, in a market where wine often passes through many hands before reaching the end consumer, the back label provides a unique opportunity to communicate the brand message directly to consumers. As the market message is transmitted from importer, to local distributor, to wine shop owner, to shop staff – many of whom are themselves new to wine – it risks becoming distorted or diluted. On the back label, the brand owner can speak with consumers in their own language and in the way that most effectively communicates the brand message.

Current customs regulations require back labels for imported wine to contain the following information:

- Brand name
- Country of origin and/or region of origin
- Ingredients (“grape juice” as raw material plus additional ingredients)
- Alcohol content
- Name, address and contact details of importer/distributor
- Bottling date
- Storage condition
- Net weight

Information below is normally included in the back labels of imported wines in China market, although according to regulations they are not compulsory:

- Producer name
- Vintage
- Wine category (dry/semi-dry/sweet/semi-sweet)

Sources:

1. *General Standard for the labelling of prepackaged alcoholic beverage (GB 10344-2005) latest revision 1st Oct 2007*, Official website of Commercial Ministry of Hunan Government, <http://www.hunancom.gov.cn/ZL/Gnmy/gnmyzcfq/88756.htm>, accessed on 14th May 2013
2. *General Standard for the labelling of prepackaged foods (GB 7718-2011) latest revision 20th Apr 2012*, Official website of Health Ministry of China, <http://sv.inciq.gov.cn/zlxz/201207/P020120718234704820728.pdf>, accessed on 14th May 2013

How to do it

At the most basic level, the wine bottle back label in China is required to include certain items of mandatory information in Chinese. At the time of writing, this included information such as origin, bottling date and importer contact details. It is always advisable to check these requirements with the local importer to stay up-to-date with new regulations.

Within and beyond this mandatory information, there is considerable freedom to format the back label to match the overall style of the brand, and to present information in a way that helps the wine to put its best foot forward.

The Chinese brand name

The Chinese brand name will usually sit at the top of the back label. In conversations with Chinese wine drinkers, you will hear them talking about not “Lafite” but “La-fei”, not Jacob’s Creek but instead “Jie-ka-si”. The back label needs to make it easy to find the Chinese brand name that consumers themselves use to refer to the brand.

There are many possible ways to translate a brand name into Chinese, and it’s a process that deserves as much thought and consideration as when choosing the original brand name. Broadly speaking, brands tend to choose one of the following routes:

1. **Literal translations:** One among a set of possible terms that reflects the approximate original meaning of the brand name
2. **Phonetic translation:** A combination of characters that when pronounced in Chinese approximates the sound of the original brand name
3. **Combination of literal and phonetic:** A loosely phonetic translation that uses Chinese words reflecting the brand meaning or essence in some way
4. **Entirely new brand name:** A name chosen purely for its resonance with target consumers, with either a loose or no connection to the original brand name

The most common approach in the wine category tends to be a purely phonetic translation, which consumers are accustomed to seeing used for imported brand names, and which therefore reinforces the identity of the wine as being imported, and by extension, high quality. The most successful phonetic translations will often use characters that in themselves have positive or fortuitous meaning. There are also examples of highly successful literal translations of brand names, as well as combinations of the two. A brand name with little or no connection to the original is more common in other categories than in wine, but can be appropriate for some brands.

Selecting a Chinese brand name typically involves crystallising what the brand essence of the wine should be in China, developing a set of potential name options, testing these with consumers, and then selecting a name that is both appealing and fits in with the brand strategy. Once selected, the name should be visible and prominent on the back label.

Information about the wine

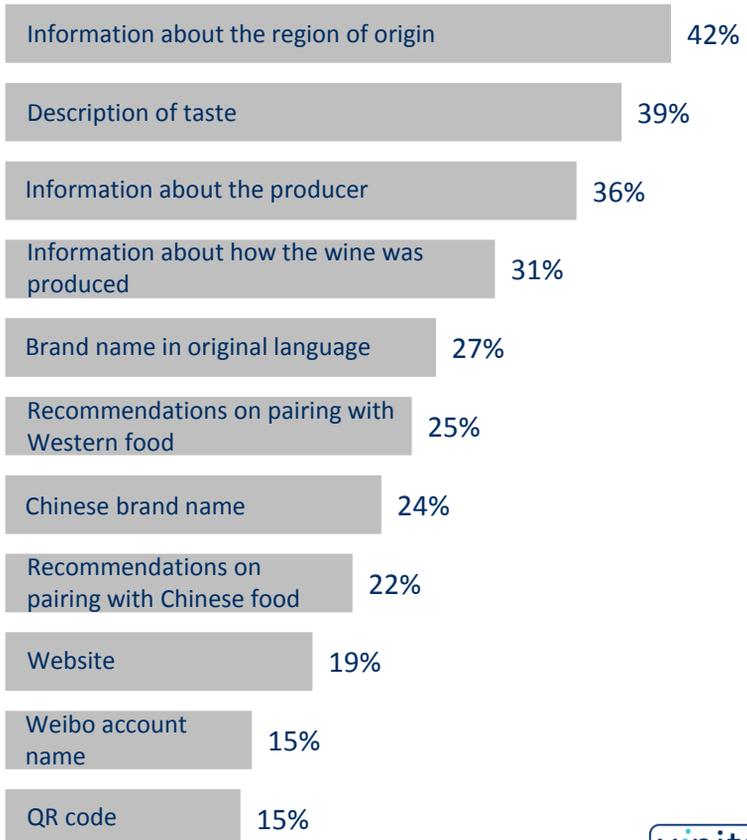
Following the Chinese brand name, the back label should be easy for consumers to scan for the main pieces of information used to decide which wine to buy. At the top of this list is information about the place of origin, both country and region. Information about where the wine is from can be paired with very basic information on how the wine is produced, or other relevant information about the producer, such as whether the wine comes from a family-owned vineyard.

Varietal is increasingly used by more involved consumers as a taste reference. For newer consumers, the concept of varietals is not always familiar, and these consumers may find it confusing to distinguish between brand name, region of origin, and varietal – distinctions that the back label should help make clear. The fact that translations for varietals into Chinese are not always standardised adds to the confusion for many consumers, and reinforces the need for a format that makes clear what each piece of information means.

What consumers want to see on a back label

% that rank the following among the top 3 most important types of information to find on a back label

Base=All Chinese upper middle class drinkers of imported wine



vinitrac.

Source: Wine Intelligence, Vinitrac® China, November 2012, n=1,000, Chinese aged 18 - 50 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan

**China Portraits:
6 wine drinker segments**

Adventurous Connoisseurs 9%
High-spending, highly involved consumers who are confident in their wine knowledge, are interested in wine, and tend to be middle-aged and high earners
Prestige-seeking Traditionalists 22%
Conservative, high-spending consumers who predominantly drink French wine, often drink wine in a business context, tend to be older than average, are high earners, and in addition to wine frequently drink various forms of Chinese alcohol
Social Newbies 26%
Younger consumers who are new to the category and drink wine either as a social drink with friends or at work functions
Casual-at-Homers 18%
Middle-aged consumers who drink wine at home, shop at mainstream price points, and enjoy drinking wine because they find it relaxing and appreciate the health benefits
Health Sippers 14%
Price-conscious wine drinkers with a narrow repertoire, who drink wine infrequently, and when they do are motivated mainly by perceived health benefits
Frugal Occasionals 12%
Low-engaged, infrequent drinkers who drink wine for specific occasions and choose mainly based on price

Source: Wine Intelligence, China Portraits report

Describing wine taste in a way that makes sense locally

In its early stages, the Chinese wine market was known for its obsession with the pedigree of what was written on the bottle rather than the taste of what was inside. As the market matures and consumers increasingly buy the wines they like, communicating what the wine tastes like has also become more important.

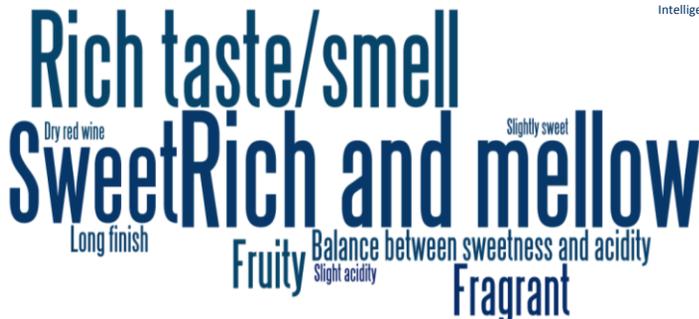
For most consumers, the way they think and talk about wine taste focuses on general concepts such as sweetness, acidity (referred to as “sourness” by consumers), fruitiness and “astringency”, the slightly harsh sensation that often comes with a wine that is overly dry, high in tannins or high in alcohol. Simple descriptors of where the wine sits along these key dimensions – or better yet, visuals such as scales – help the consumer to quickly understand the overall style of the wine.

Next in the information hierarchy come more detailed descriptions of the wine style. While the specific description will vary depending on the style of the wine, consumers tend to look for terms such as “delicate/refined”, “soft” or “mellow”, “rich”, “fresh” and “easy to drink”. More examples of words used to describe favourite wines can be found in word cloud below. There are some differences by consumer group – both women and Casual-at-Homers (the more mainstream consumer segment), for example, are especially drawn to wines that are “delicate/refined”. Adventurous Connoisseurs look for “rich flavour” and “soft” wines, while Prestige-Seeking Traditionalists also look for “rich flavour”, but care less about a wine being “smooth” and more about finding wines that are “distinctive”.

On the whole, consumers look to avoid wines that are overly “sharp”, “astringent”, or “bitter”. The concept of astringency – “se” in Chinese – is particularly important for wine in China. The right amount of “astringency” can help distinguish the wine from grape juice and gives the wine character, but in excess it makes the wine too harsh to be enjoyed. High alcohol can also be a warning flag for consumers – one that matters less for the more involved consumer segments such as Adventurous Connoisseurs and Prestige-Seeking Traditionalists, but often a negative sign for Healthy Sippers.

How Chinese wine drinkers describe their favourite wine

Top 10 most frequently stated words
Based on open-ended question on how respondents describe their favourite wine.
Size of word reflects frequency with which word was written.
Base= All Chinese upper middle class drinkers of imported wine

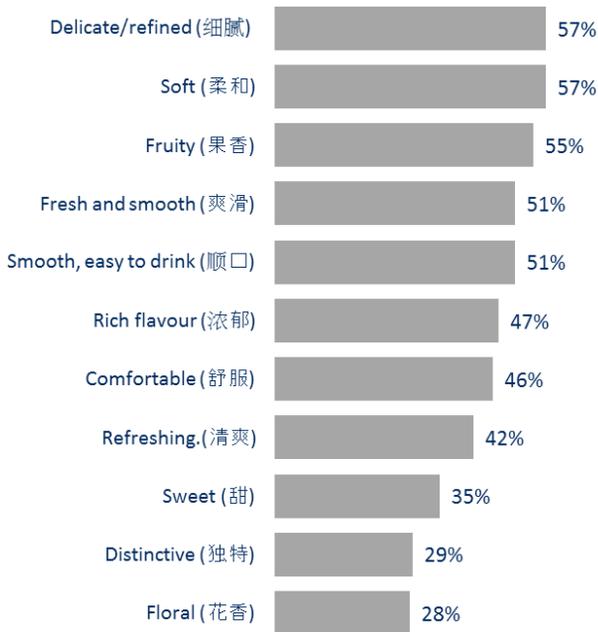


Source: Wine Intelligence, Vinitrac China, Mar 2013, n=1,024, Chinese urban aged 18 - 49 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang and Wuhan

IS YOUR BACK LABEL RIGHT FOR CHINA?

Wine taste: Top positive descriptors

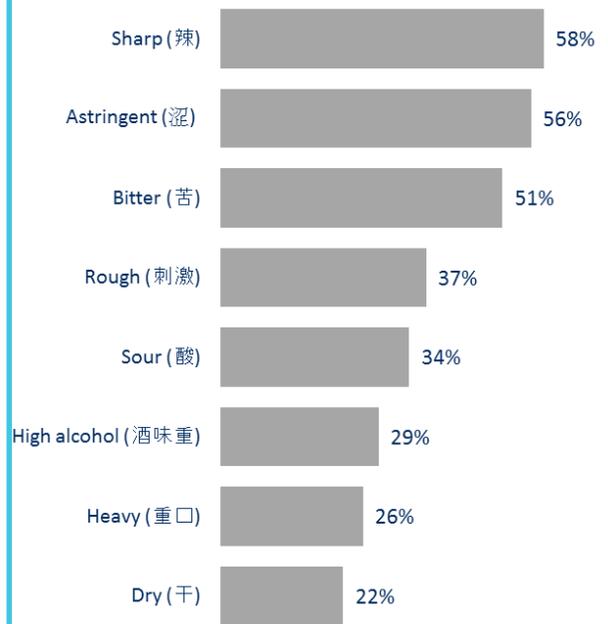
% that say the term could be used to describe a wine they like
Base=All Chinese upper middle class drinkers of imported wine



Source: Wine Intelligence, Vinitrac® China, November 2012, n=1,000, Chinese aged 18 - 50 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan

Wine taste: Top negative descriptors

% that say the term could be used to describe a wine they dislike
Base=All Chinese upper middle class drinkers of imported wine



Source: Wine Intelligence, Vinitrac® China, November 2012, n=1,000, Chinese aged 18 - 50 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan

Last in the information hierarchy are references that link the wine taste to other flavours in the aroma library. To some extent, this is driven by lack of familiarity with the wine culture of mature markets that uses a broad repertoire of flavours to describe the taste of individual wines. For most Chinese wine drinkers, wine is expected to taste like “wine” and nothing else. However, it certainly doesn't help that many of the standard flavour descriptions printed on the back labels of imported wine as less than helpful for the consumers they target. Imagine a wine description talking of “yangmei, hawthorn and wolfberry”. Would you know what to expect when you pop the cork? Would the average Western consumer, looking for a safe choice on the supermarket shelf, know what this would taste like?

Many of the common flavour descriptors used in the West to describe wine flavours are similarly puzzling for Chinese consumers, who rarely come across flavours such as elderflower or blackcurrant in their daily lives. That doesn't mean that no “international” flavours can be used – lemon and strawberry, for example, are familiar flavours for most Chinese consumers. It does mean that an accessible flavour description needs to use only the international flavours that are familiar locally, and complement these with local flavours where appropriate.

What flavour descriptors work locally? The top 20 list includes both some local flavours, such as “lychee” and “jasmine tea leaves”, as well as many (but not all) of the usual suspects familiar in other markets. Women see “rose” as the most appealing flavour, while men prefer “raisin”. Older consumers are more likely to look for “oak”, and Adventurous Connoisseurs, the most involved consumers, like to see terms such as “vanilla”, “raisin” and “red apple”.

Top 20 flavour references for Chinese consumers

Ranking based on % that say they usually find the following flavours in their favourite wine
Base: All Chinese upper middle class drinkers of imported wine

1	Rose	玫瑰
2	Raisin	葡萄干
3	Vanilla	香草
4	Red apple	红苹果
5	Strawberry	草莓
6	Honey	蜂蜜
7	Peach	桃子
8	Oak	橡木
9	Lemon	柠檬[黄]
10	Mint	薄荷
11	Mango	芒果
12	Lychee	荔枝
13	Lavender	薰衣草
14	Lime	青柠檬/泰国柠檬
15	Chocolate	巧克力
16	Jasmine tea leaves	茉莉花茶叶
17	Guavas	番石榴
18	Coconut	椰子
19	Pear	梨
20	Orange peel	橙皮

Source: Wine Intelligence, Vinitrac® China, November 2012, n=1,000, Chinese aged 18 - 50 upper middle class drinkers of imported wine in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan

Last in the flavour hierarchy comes food pairing recommendations, which generally aren't a priority for most Chinese consumers. If they are included, general guidance on the type of food (e.g. red meat, seafood, desserts) or specific Western dishes (e.g. pasta, pizza, steak, cheese etc.) are preferred over details on the type of cuisine or specific Chinese dishes. Food pairing guidance can act as a “disaster check” to make sure that the intended pairing of an unfamiliar wine with an unfamiliar Western food is acceptable, but when it comes to Chinese cuisine, food pairing is not top-of-mind.

The future: Standing out from the crowd

A quick review of imported wine back labels in the market indicated that big improvements are possible just through reviewing translations and getting the basics right. Once this is done, what is the next frontier in making the most of this underused asset?

Some of the more forward-thinking wine brands have begun to look at ways to use back labels to their full extent. One examples of this is making creative use of QR codes, either to provide more interactive marketing content, or offering consumers a way to check that the wine is authentic. Counterfeiting is the top concern among Chinese consumers drinking imported wine, and interactive back label tools can serve as the consumer's and the brand owner's best tool in the fight against counterfeiting.

Summing up: The back label checklist

At a minimum, imported wines are required to have a basic Chinese back label to be sold in China. Going beyond the basics, however, offers an opportunity to engage directly with consumers in China using the language and format that they prefer. Is your Chinese back label doing your wine justice? Check that you have:

- Chinese-language back label that meets all mandatory requirements
- Strong Chinese translation of brand name
- Information about place of origin, varietal and producer
- Clear and simply presented information on key taste aspects, such as sweetness and acidity
- Taste description using keywords that consumers find appealing and flavour references that make sense in local context , such as lemon, apple, rose, or yangmei
- Optional extras to further communicate taste information and/or reassure that wine is authentic

Wine Intelligence China office
Beijing, China
June 2013

About Wine Intelligence



Wine Intelligence is the leading research-led strategy consultancy serving the global wine industry. It conducts client-specific research projects to enable companies to gain greater insights into wine markets and wine consumers, and helps business leaders develop business strategy and marketing plans. The company also assists businesses in developing new brands, and in formulating and communicating marketing messages within the industry. Wine Intelligence has been conducting research in Mainland China since 2009 and has completed over 30 client engagements. It also runs a twice-yearly omnibus survey of Chinese wine consumers, called Vinitrac[®] China. For more information, please visit www.wineintelligence.com

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Rui manages quantitative research projects at Wine Intelligence, and leads many of our engagements in China. She joined the Wine Intelligence team in February 2011, after obtaining an MSc degree in Strategic Marketing at Cranfield University in the UK. Born and raised in Guangzhou, Rui is a native speaker of both Mandarin and Cantonese.



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