



# HONG KONG WINE MARKET LANDSCAPE REPORT

AUGUST 2017



**wine intelligence**

HONG KONG WINE MARKET  
LANDSCAPE REPORT  
AUGUST 2017

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**Report price:**  
GBP 2,500  
USD 3,250  
AUD 4,500  
EUR 3,00

### The **Hong Kong Landscapes 2017** report includes:

- A 96-page PowerPoint report with the latest information regarding the Hong Kong wine market, supported by:
  - Wine Intelligence Vinitrac®
  - Wine Intelligence market experience
  - In-depth trade interviews
  - Secondary sources
- User-friendly data table with all the measures from Vinitrac® showing significances, cross tabbed with:
  - All Hong Kong semi-annual wine drinkers in 2017
  - Gender groups
  - Age groups
  - Annual income groups
- Tracking data 2017 vs. 2016 & 2015

### Data table:

- User-friendly data table with all the measures from Vinitrac® showing significances, and cross tabbed with gender, age and annual income groups

		Gender		
		All sample	Male	Female
<b>Wine attitude</b>				
	I enjoy trying new and different styles of wine on a regular basis	42%	43%	42%
	I don't mind what I buy so long as the price is right	12%	16%	9%
	I know what I like and I tend to stick to what I know	46%	41%	50%
<b>Wine involvement statements</b>				
	Drinking wine gives me pleasure	85%	80%	89%
	Generally speaking, wine is reasonably priced	62%	58%	65%
	I like to take my time when I purchase a bottle of wine	61%	58%	63%
	Deciding which wine to buy is an important decision	57%	57%	57%
	I always look for the best quality wines I can get for my budget	54%	50%	56%
	I have a strong interest in wine	46%	48%	44%
	Wine is important to me in my lifestyle	33%	33%	38%
	Compared to others, I know less about the subject of wine	33%	32%	33%
	I feel competent about my knowledge of wine	30%	35%	28%
	Generally speaking, wine is an expensive drink	27%	27%	28%
	Wine is a luxury item	26%	21%	29%
		27%	28%	25%

Our team is always available in case you need guidance on how to use our data tables

### Report:

- A 96-page PowerPoint report with the latest information regarding the Hong Kong wine market

**Barriers to ordering wine in the on-trade**  
While lack of staff knowledge and poor quality wines are barriers to bars, high prices act as a deterrent for consumers buying wine from bars.

**Off-trade consumption**  
A relaxing drink at the end of the day for consumers in Hong Kong

**Key trends in Hong Kong: Strong presence from New World**  
Increased focus on New World wine, driven by strong presence and activity from country promotional organisations

- New World wine increasing in presence due to:
  - Easy drinking styles and lower price points
  - Strong promotional campaigns from country generic organisations
  - These countries are tourist destinations for Hong Kong residents, resulting in a growing awareness of their wine offers
  - Strong and dominant brand owners from the New World with effective distribution and stronger marketing campaigns
- Over the last four years, Australian imports to Hong Kong have experienced 3% growth, while US imports have grown by a considerable 8% since 2012<sup>1</sup>
- Although semi-annual wine drinkers still show high awareness for French regions<sup>2</sup>, imports from the country have experienced year on year decline since 2012, with volumes dropping from 1,030 to 888 ('000s of 9L cases)<sup>3</sup>

**Wine attitude**

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# Contents



▪ Management summary	p. 6	▪ Wine consumption in the off-trade and in the on-trade	p. 54
▪ Key Trends in the Hong Kong market	p. 15	Off-trade consumption frequency by occasion	
▪ Wine market overview	p. 28	Off-trade spend by occasion	
Wine market share		On-trade consumption frequency by occasion	
Per capita consumption of still light wine		On-trade spend by occasion	
▪ Overview of the Hong Kong wine market	p. 32	<b>Hot topic: On-trade scene in Hong Kong</b>	p.62
Demographics of Hong Kong semi-annual wine drinkers		On-trade location frequency	
Wine consumption frequency		Wine consumption by trade outlet	
▪ Beverage repertoire	p. 36	Sparkling wine consumption by trade outlet	
Alcoholic beverage repertoire		Barriers to ordering wine in the on-trade	
Varietal consumption		▪ Wine involvement and attitude	p. 69
Country of origin awareness and consumption		Wine attitude	
Region of origin awareness and purchase		Wine involvement	
▪ Wine buying behaviour	p. 46	Attitudes towards closures	
Channel usage		▪ Brand health (including tracking)	p. 73
Retailer usage		Brand power	
Choice cues		Brand awareness	
		Brand purchase	
		Brand conversion	
		Brand affinity	
		Brand recommendation	
		▪ Wine drinker profiling	p. 85
		Profiling summary	
		By age	
		Methodology	p. 92

### 1. STATIC WINE MARKET

- Static wine market with limited growth potential

### 2. GROWING COMPETITION FROM CRAFT BEER & SPIRITS

- Strong competition for wine from cocktails, craft beer and craft spirits

### 3. SOME GROWTH AHEAD FOR WHITE WINE

- Hong Kong remains a red wine-dominated market, with signs of future acceleration in white and potentially rosé

### 4. GROWTH IN SPARKLING FROM SMALL BASE

- Overall growth in Sparkling wine (a category still dominated by Champagne), but there is strong growth in Prosecco which is allowing Sparkling wine to extend its occasion set

### 5. STRONG PRESENCE FROM NEW WORLD

- Increased focus on New World wine, driven by strong presence and activity from country promotional organisations

### 6. DOMINANT NEW WORLD BRANDS

- Dominance in Hong Kong market from key New World big player brand owners

### 7. DOWNWARD PRESSURE ON PRICE

- Strong downward pressure on price, driven by strong discounts and pricing transparency from online retailers

### 8. LIMITED OPPORTUNITY BYEOND 750ML

- 750ml continues to dominate, but there is some potential for limited smaller format offers

### 9. MINIMAL OPPORTUNITY FOR 'ECO' WINE

- Currently there are very limited opportunities for organic, Fair Trade, bio-dynamic and natural wines

### 10. NO DEMAND FOR LOWER ALCOHOL WINE

- Currently, no demand for lower or no alcohol wines in Hong Kong has been identified

### 11. SCREWCAPS ACCEPTABLE FOR MAINSTREAM

- Screwcaps accepted for entry levels wines, but they continue to be rejected for premium and typically Old World wines

### 12. GROWING WINE INVOLVEMENT

- Consumers are showing increased knowledge of varietals and are attributing higher importance to choice cues such as country and region of origin when deciding which wine to purchase

### Vinitrac®:

- The data for this survey was collected in Hong Kong in March 2015, March 2016 and March 2017
- Data was gathered via Wine Intelligence's Vinitrac® online survey:
  - 600 Hong Kong semi-annual wine drinkers (March 2015)
  - 600 Hong Kong semi-annual wine drinkers (March 2016)
  - 602 Hong Kong semi-annual wine drinkers (March 2017)
- Respondents were screened to ensure that they drink wine at least twice per year; drink red, white or rosé wine; and buy wine in the off-trade and/or in the on-trade
- Invalid respondents (those who sped through the survey or gave inconsistent answers to selected questions) were removed before analysis
- The data is representative of Hong Kong semi-annual wine drinkers in terms of age and gender

**Sources:** Wine Intelligence, Vinitrac® Hong Kong, Mar'15 (n=600), Mar'16 (n=600), Mar'17 (n=602) Hong Kong semi-annual wine drinkers

### Trade interview methodology:

- Trade Interviews were conducted with five experienced industry professionals in the Hong Kong wine trade in August 2017
- Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing
- The five interviewees were members of the wine trade working in different roles:
  - 2 x producers
  - 1 x distributor
  - 1 x influencer
  - 1 x educator & expert

## How does Vinitrac<sup>®</sup> work?

### 1) Defining the right samples:

- Wine Intelligence, with the support of global research companies (e.g. TNS, YouGov), regularly runs calibration studies in each market in order to define demographic specifications of the wine consumers and the size of the market (i.e. penetration of wine consumption)

### 2) Running the online survey:

- Invitations to participate in an online survey programmed by Wine Intelligence are then distributed to residents in each market
- Respondents are directed to a URL address, which provides access to the online survey
- Based on given criteria (e.g. age, beverage, frequency of wine consumption) respondents will either proceed or screen out of the survey
- Wine Intelligence monitors completed responses to build samples representative of the target markets' wine drinking population based on the most recent calibration study

### 3) Cleaning the data:

- When a representative sample is logged, the survey is closed
- Wine Intelligence will then clean out all invalid data points (e.g. those who sped through the survey or gave inconsistent answers to selected questions) and weight the data in order to ensure representability

REPORT PRICE: • AUD 4,500 • GBP 2,500 • USD 3,250 • EUR 3,000 • 5 Report Credits

Format: 96-page PowerPoint (PDF)

Purchase online: <http://www.wineintelligence.com/product-category/report-type/wine-landscape-reports/>

Contact us directly: [reports-shop@wineintelligence.com](mailto:reports-shop@wineintelligence.com)

If you have any questions, please contact your local Wine Intelligence office:

#### **AVIGNON**

Jean-Philippe Perrouty, Director, Wine Intelligence France | T +33 (0)486 408 417 | Email: [jean-philippe@wineintelligence.com](mailto:jean-philippe@wineintelligence.com)

#### **CAPE TOWN**

Dimitri Coutras, South Africa Country Manager | T +27 828288866 | Email: [dcoutras@iafrica.com](mailto:dcoutras@iafrica.com)

#### **DELAWARE**

Erica Donoho, USA Country Manager | T +1 973 699 4158 | Email: [erica@wineintelligence.com](mailto:erica@wineintelligence.com)

#### **FRANKFURT**

Wilhelm Lerner, Associate Director/Germany Country Manager | T +49 (0)175 5806 151 | Email: [wilhelm@wineintelligence.com](mailto:wilhelm@wineintelligence.com)

#### **LONDON**

Eleanor Hickey, Business Manager | T +44 020 7378 1277 | Email: [eleanor@wineintelligence.com](mailto:eleanor@wineintelligence.com)

#### **SAO PAULO**

Rodrigo Lanari, Brazil Country Manager | T +55 (0) 11 3065-8411 | Email: [rodrigo@wineintelligence.com](mailto:rodrigo@wineintelligence.com)

#### **SYDNEY**

Liz Lee, Australia Country Manager | T +61 (0) 416 638 272 | Email: [liz@wineintelligence.com](mailto:liz@wineintelligence.com)

#### **TRIESTE**

Pierpaolo Penco, Italy Country Manager | T +39 349 424 3371 | Email: [pierpaolo@wineintelligence.com](mailto:pierpaolo@wineintelligence.com)

#### **VALLADOLID**

Juan Park, Director, South America and Iberia | T +34 637 214 829 | Email: [juan@wineintelligence.com](mailto:juan@wineintelligence.com)