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Wherever we go in the world, pubs, bars and restaurants are trying to make a better fist of their wine strategies. Why? Because an interesting wine offer can dislodge people from their sofas and across the pub / bar / restaurant threshold.

For those whose focus is the UK on-trade, we recommend the latest Wine Intelligence report released this week. This Business Bulletin looks at the challenges facing the on-trade in key emerging wine markets. Brian blogs on the Hong Kong restaurant scene below, whilst WI correspondent Junior Vianna comments on the Brazil wine potential in restaurants.

To understand these insights on emerging markets in a macro context, we invite you to download and read the latest Wine Intelligence White Paper. In it, we put forward our Wine Market Evaluation Model – categorising key wine markets around the world in 5 distinct groups based on commonly-held characteristics. You'll find the link towards the bottom of this Bulletin.

The Brazil on-trade potential

Dirceu Vianna Junior MW, WI Brazil correspondent

With much of the wine industry focusing its attention and pinning its hopes on the Asian Market, there are certainly opportunities for development on the other side of the world. Overall the market for wine in the Brazil on-trade is still largely undeveloped, but there is enormous potential. The economy is strong; the consumer is confident, keen to learn and eager to embrace the cultural aspects of wine. The city of São Paulo alone has over 12,000 restaurants – some of them very sophisticated, international-standard operations.

The premium end of Brazil's restaurant scene understands wine, and is starting to deploy it successfully as part of its offer. However, for the vast majority of restaurants across Brazil, wine remains an afterthought. In most cases choices are limited, transport and storage are less than ideal and service and expertise leaves a lot to be desired.

In contrast to most Western countries, wine is still not typically part of an everyday meal in Brazil. When it does appear on the agenda – normally as part of some kind of special occasion – Wine Intelligence research shows that purchasing control remains firmly in male hands. Our latest usage and attitude study (January 2011) shows that 95% of men believe they choose the wine when ordering in the on-trade.

There are big changes happening in Brazil, and my advice to those looking at the market from a wine perspective is to observe how consumers are starting to behave in the big cities. If they embrace wine – as I believe they should! – the trends will ripple out to the rest of the country.

The latest wine consumer and market trends in Brazil will be released next week in the new Brazil Landscape report 2011. More details available on the website, or please contact us directly.

Related Reports:
Brazil Landscapes, *published in March 2011*

Vinifact...

In Brazil,

65% of imported wine drinkers drink red wine at least once per month.



However, due to the country's warm climate, consumers are beginning to show increasing levels of interest in white and rosé wines.

Source: Wine Intelligence
Vinitrac® Brazil
December'10, n=1,001
Brazilian imported wine drinkers

Observing the Hong Kong on-trade



Brian Howard, Associate Director

For a city-state that bills itself as the new hub of the global wine trade, Hong Kong still has a few eccentricities to iron out when it comes to wine service in its lively restaurant scene. Having ordered some wine by the glass in a smart-ish restaurant in the faintly international Causeway Bay area of Hong Kong, the wine server insists the serving measure is 4.5 glasses to the bottle. According to my mental measuring stick, that's 166.6666 recurring ml per glass. That'll keep the HK Weights and Measures tsars busy then! When it comes to full bottles, this restaurant's list is quite global, again featuring French classics such as Skalli, and was topped out by Cloudy Bay Sauvignon Blanc 2010 at HK\$580 (£48, or 55 Euros)

Meanwhile, back in the bustling Lan Kwai Fong district, the entrepreneurial answer to my weights-and-measures question is: "we give you big glass, sir". And yet, looking around this multi-floored restaurant that has more people in it than a fully-loaded Airbus A380 super-jumbo, evidence of wine is thin on the ground. The only bottle we saw was being surreptitiously pulled out of a brown bag (BYO, HK style) by a group of students, who struggled to pull the cork but quickly emptied the bottle between 3 of them.

Clearly these two experiences don't constitute exhaustive research, though other anecdotal evidence I've picked up tends to support the idea that wine's current position in the Hong Kong on-trade doesn't quite correspond with wine trade expectations. Fortunately we're talking about Hong Kong here, where money-making opportunities rarely go unexploited. When I return, I fully expect to see wine-led bars and restaurants competing for my attention. ... though still perhaps with flexible measures! I can't wait.

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

The Wine Intelligence White Paper

Introducing the global wine market evaluation model: A tool to assist investment strategies when planning development in international wine markets

Where should you increase or decrease investment in established markets? Which of the newer markets offer the best opportunities for sustainable volume and profit growth for my core offerings and competences? The new Wine Intelligence White Paper outlines some of the strategic questions surrounding investment balance which are facing wine businesses around the world.

Having developed and analysed several different scenarios, our conclusion is that the best approach is to think of markets in 5 stages of evolution. The position of each market represents a balance of demographic, economic, behavioural and attitudinal factors. There is another layer of analysis that is missing: how the characteristics and demands of each segment correspond with your organisation's abilities. If you'd like our support in answering this question, please get in touch.



Français

Résumé

L'accent sur les marchés émergents

1. Nouveau White Paper (livre blanc) : comment les marchés peuvent-ils être catégorisés à un niveau plus global ? Ces catégories vont de « nouveaux marchés émergents » à des « marchés traditionnels et établis».
2. Les barrières majeures pour la CHR au Brésil et à Hong Kong sont, entre autre, le manque de d'accent sur le vin et la mécompréhension de la catégorie par les consommateurs

Pour tout complément d'information sur un des ces sujets veuillez contacter Natasha par email natasha@wineintelligence.com



Español

Destacados de este boletín:

1. Un nuevo estudio sobre cómo catalogar los mercados de vino mundiales desde “Nuevos-emergentes” a “Tradicionales-maduros”.
2. Entre las barreras clave en el canal HoReCa de Hong Kong y Brasil se incluyen la falta de atención al vino y el bajo conocimiento de los consumidores.

Por favor contacte con Natasha, natasha@wineintelligence.com para más información.



中文

Business Bulletin 2011年3月23日:

新兴市场焦点动态

1. 2011年全球葡萄酒市场调查白皮书：从宏观角度定义新兴市场与传统市场。
2. 为扭转香港与巴西on-trade场所葡萄酒低迷销售局面的两大关键策略：
 - 突出葡萄酒在餐厅/酒吧内的关注度；
 - 增强对消费者的葡萄酒认识。

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