

### MARKET EXPERTS



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Want to talk about wine consumers in Asia this week? Meet **Lulie Halstead, CEO** and **Stephanie Duboudin, Country Manager Australia** in Hong Kong at the upcoming **Hong Kong International Wine Fair** and **Wine Future Hong Kong** events.

Please **get in touch** if you're interested in learning more about wine consumer and market insights Wine Intelligence can provide; alternatively join the digital debate with Lulie, as she moderates the **"The use of Internet and social media"** session at the **Wine Future event** on November 8th (08:30 – 09:45).

### 5 Chinese wine websites you need to know

Domestic websites dominate the Chinese internet landscape, and this stands true in a wine context as well. Not only have domestic sites fared better when it comes to censorship – with potential rivals like Facebook and Twitter currently inaccessible to most on the mainland – they have also tailored their content to give the Chinese audience what it wants.

When Chinese wine drinkers go online to learn about wine (which, our research tells us, they do frequently), their top websites include **Baidu** (the ubiquitous Chinese search engine and information platform) and **Sina Weibo** (China's largest microblog). However, they're also likely to use wine information websites, such as **winechina.cn**, and relative to their peers in the West they're more likely to use social media platforms in a wine context. Together with a high degree of trust for information coming directly for brands, this presents a promising landscape for brand owners who want to connect directly with this highly engaged and highly wired consumer base.



**1 Baidu**  
China's largest search engine, with 65% of total search engine market share<sup>1</sup>



**2 Winechina.cn**  
Wine information website providing wine industry information and news



**3 Sina Weibo**  
China's largest microblog, similar to Twitter



**4 Baidu Zhidao (Baidu Knows)**  
User-generated Q&A, similar to Ask.com



**5 Wineinchina.com.cn**  
Wine magazine website/sales platform, the only wine magazine approved by GAPP<sup>2</sup>

SOURCE: Wine Intelligence, Vinitrac China, July 2011, n=1,017 Chinese upper middle class imported wine drinkers  
<sup>1</sup>Base=Chinese upper middle class imported wine drinkers aged 18-50 in Beijing, Shanghai, Wuhan and Guangzhou who use the internet  
<sup>2</sup>With Google Gone, Baidu Rules China, Bloomberg Businessweek, 24 March 2010  
<sup>3</sup>GAPP: General Administration of Press and Publication of the People's Republic of China

Further reading: [China Internet & Social Media report](#)



## Language Matters

### White Wine

#### Bai Putaojiu

It is not uncommon for Chinese consumers to say red wine (“Hongjiu”) when they are actually referring to white grape-based wine (“Bai Putaojiu”).

“Bai Putaojiu” is not always top of mind for Chinese consumers’ due to the length and difficult pronunciation of the phrase.

To complicate white wine matters further, the direct translation of “white wine” into Chinese actually refers to Chinese distilled alcoholic beverage, called “Baijiu”, which is about 40% - 60% ABV!



South Korea Vinitrac® survey launching soon.



[Talking to South Korean wine consumers starts here](#)

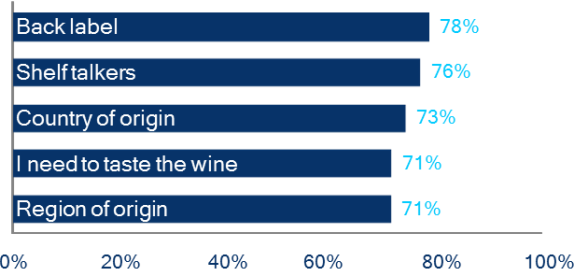
## What motivates Asian wine drinkers?

Let’s start with a reality check: the idea of the “Asian” wine drinker is a fiction. It’s a bit like characterising Swedish and French wine drinkers as “European” wine consumers – geographically correct, but not helpful on many other levels.

Having said that, we can identify some patterns of consumer behaviour in the key Asian wine markets of China, South Korea and Japan. China and South Korea can be grouped as emerging wine markets with wine consumers that share much in common: their attitudes towards wine and how wine is consumed socially; their almost obsessive reliance on the internet and social media (far more so than in the West); and their more ritualistic relationship with alcohol, which offers some benefits but also some drawbacks. Moreover, ‘wine’ for these markets is not confined to grape-based, as rice and grain wine heavily dominate markets. Culturally the 18.6 million imported wine drinkers\* in China and 10.7 million in South Korea need to be approached in different ways to those in established markets like Japan.

In China and South Korea, where the wine comes from (country and region of origin) is a dominant factor for wine drinkers when it comes to choosing wine, together with recommendations. Back labels also are particularly important, especially in South Korea.

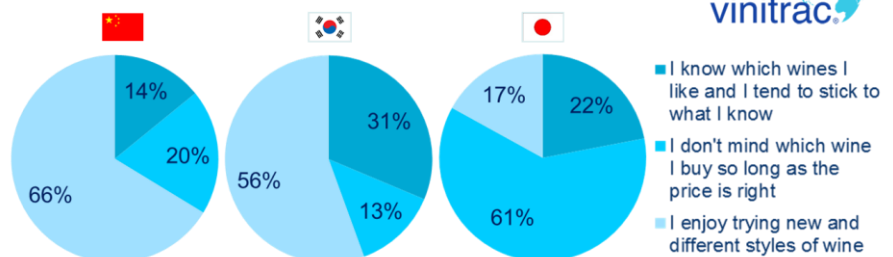
### Choice cues when buying wine in South Korea



Choice cues when buying imported grape-based wine in a supermarket/hypermarket % who agree or strongly agree with the following statements  
 Base= All South Korean imported grape-based wine drinkers (n=1,050)  
 Source: Wine Intelligence Vinitrac® South Korea, July '10, n=1,050 South Korean imported grape-based wine drinkers

Japan is an established market which is much more price driven. There is a big wine drinking population (47.4 million adults drinking wine monthly or more\*) although consumption per capita remains small. In a moribund economy, Japanese wine drinkers are increasingly price-conscious. Over 60% of regular wine drinkers in Japan quoted “I do not mind what wine I buy as long as the price is right”, which contrasts starkly to the adventurous wine drinkers in China and South Korea.

### Attitude towards wine in China, South Korea and Japan



Source: Wine Intelligence, Vinitrac®  
 China, March 2011, n=1,011 Chinese upper middle class imported wine drinkers. South Korea, July 2010, n=1,050 South Korean imported grape-based wine drinkers. Japan, July 2011, 1,004 Japanese regular wine drinkers

## ASIA REPORTS



### [Japan Landscapes](#)

(Sep 2011)

### [China & South Korea Market Overview](#)

(Sep 2011)

### [China Internet & Social Media](#)

(Sep 2011)

### [South Korea Landscapes](#)

(Jul 2011)

### [China Landscapes](#)

(June 2011)

### [Doing Business in China](#)

(May 2011)

*Further reading:* [China, South Korea and Japan Landscapes reports](#)

\* In China, number of wine drinkers refers to urban 18-50 upper middle class imported wine drinkers; in South Korea it refers to imported grape-based wine drinkers; and in Japan it refers to adult drinkers of still light wine at least once per month.

## MARKET SUCCESS POINTERS

### From “mianzi” to “guanxi”

As many China-watchers know, *mianzi* means “face” and *guanxi* stands for relationship or network - crucial concepts when doing business in China. They not only apply to the business environment, but are deeply rooted in the Chinese culture.

Wine Intelligence research in China consistently finds a strong connection among consumers between drinking wine and boosting their *mianzi*. Wine represents social status, which helps to explain the soaring price of prestigious vintage wines in global auctions and Chinese consumers’ zest for wines from chateaus in France.

At business occasions where we need *mianzi* it’s called *baijiu*, or imported wine, on the whole the more expensive, the better  
*Female, 18-29, Shenzhen*

Some people think drinking imported wine represent higher social status  
*Male, 40-49, Beijing*

A good local partner is crucial to the success in this complex market. Incentives and benefits foster relationships but do not ensure the good partnership with your importer or distributor. The correct *guanxi* is crucial when doing business in China, as your local partner’s network will have a huge impact on the availability of your brand in this market and your *guanxi* will also determine how much effort they would put to sell your wine.

Wine Intelligence can help you to get the right *guanxi* in Asia by finding out what your contacts want through our trade interview programme. [Contact us](#) for more information.

*Further reading:* [Doing Business in China report](#)

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