



# SOUTH KOREAN WINE MARKET LANDSCAPE REPORT

## OCTOBER 2017

# South Korea Landscapes 2017

## Report overview



### The South Korea Landscapes 2017 report includes:

- A 74-page PowerPoint report with the latest information regarding the South Korean wine market, supported by:
  - Wine Intelligence Vinitrac®
  - Wine Intelligence market experience
  - Secondary sources
- User-friendly data table with all the measures from Vinitrac® showing significances, cross tabbed with:
  - All South Korean semi-annual imported wine drinkers in 2017
  - Gender groups
  - Age groups
  - Income
  - Tracking data vs. 2016



# South Korea Landscapes 2017

## Sample output

### Data table:

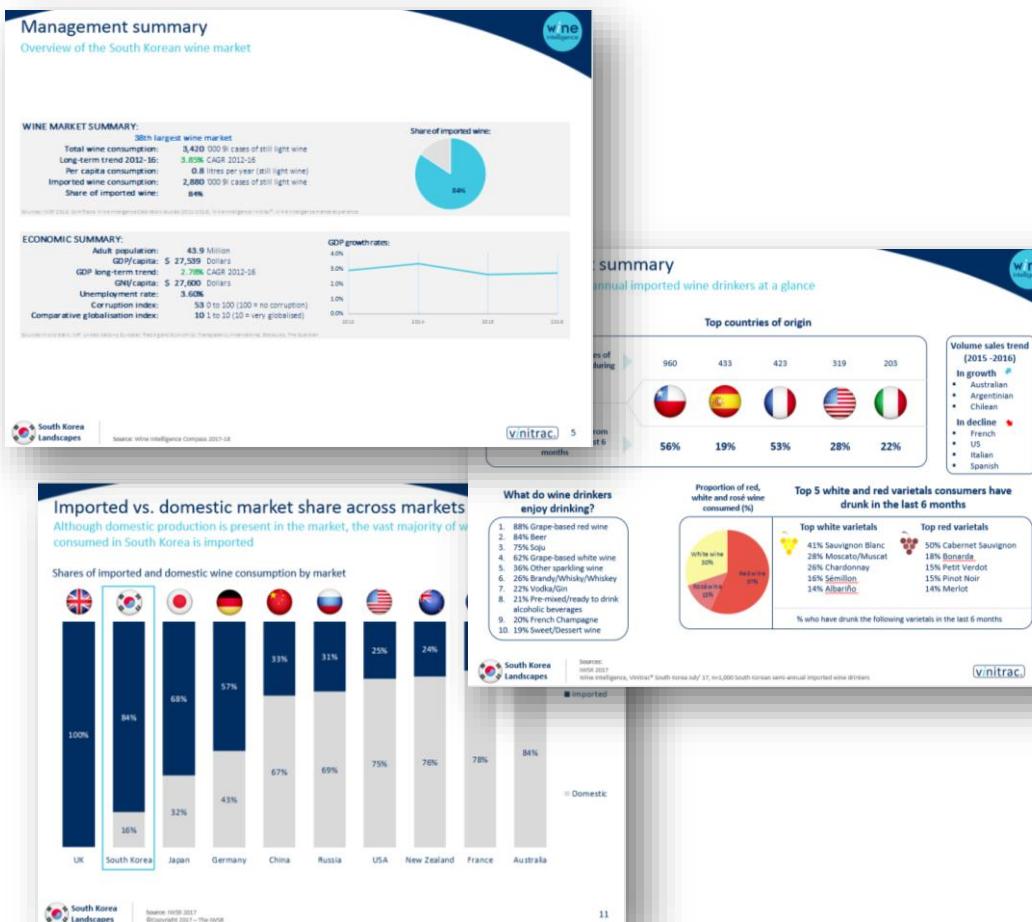
- User-friendly data table with all the measures from Vinitrac® showing significances, and cross tabbed with gender, age and annual income groups

		Gender		
		All sample	Male	Female
Gender	Male	51%	100%	0%
	Female	49%	0%	100%
Age	15-24	7%	8%	7%
	25-34	20%	21%	19%
	35-44	26%	30%	21%
	45-54	36%	32%	40%
	55 and over	12%	11%	14%
Household Income	Under ₩500,000	2%	1%	2%
	₩500,000 - ₩1,339,399	1%	1%	1%
	₩1,339,399 - ₩1,539,399	2%	3%	1%
	₩1,539,399 - ₩2,439,399	4%	2%	5%
	₩2,439,399 - ₩2,539,399	6%	5%	7%
	₩2,539,399 - ₩3,439,399	6%	6%	6%
	₩3,439,399 - ₩3,539,399	8%	8%	8%
	₩3,539,399 - ₩4,339,399	8%	8%	8%
	₩4,339,399 - ₩5,339,399	14%	13%	14%
	More than ₩5,339,399	18%	19%	17%
	More than ₩6,000,000	2%	2%	2%
	No income	1%	1%	1%
	Prefer not to answer	2%	2%	1%
Household Income recoded	₩33,333	20%	19%	22%
	₩1-₩33,333	16%	18%	15%
	₩33,333-₩43,333	14%	13%	14%
	₩43,333-₩53,333	18%	19%	17%
	₩53,333-₩60,000	28%	28%	28%
	Prefer not to answer	4%	3%	4%

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

### Report:

- A 74-page PowerPoint report with the latest information regarding the South Korean wine market



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# Management summary

## Key trends in the South Korean wine market 2017

### 1. LONG TERM GROWTH, SHORT TERM DECLINE

- Still light wine volumes in the South Korean market have experienced a small decline after several years of consecutive growth and there has also been a decrease in the percentage of weekly wine drinkers since 2016
- Members of the trade are of the opinion that supply is beginning to outstrip demand

### 2. WINE STILL OFTEN VIEWED AS A LUXURY PRODUCT

- Relatively high tax rates on imported wine, compared with other beverages, causing wine to often be viewed as a luxury product
- Other beverages, such as beer and soju, are viewed as being more accessible and offering better value than wine

### 3. WINE UNDER THREAT FROM OTHER BEVERAGES, PRIMARILY BEER

- Beer is a major threat, due to diversity and price
- Other ready-to-drink alcoholic beverages which have been carbonated, and are not classified as beer, are becoming increasingly popular

### 4. INCREASED DEMAND FOR PRICE TRANSPARENCY AND ACCESSIBILITY

- Consumers in South Korea increasingly accessing more information to find out price differences between retailers and versus other international markets
- Sales of liquor online, aside from traditional alcohol beverages, are currently not allowed. Discussion regarding whether online sales would provide convenience and price benefits

### 5. UNSTABLE ENVIRONMENT FOR DISTRIBUTORS

- Members of the trade expect a consolidation of distributors who, up until recently, have benefitted from a strong growth in the wine market



# Management summary

## Key trends in the South Korean wine market 2017

### 1. STRONG CHILEAN PRESENCE, WITH AUSTRALIA INCREASING

- Since 2016, Chile has overtaken France in consumption levels amongst wine drinkers in South Korea, however classical French regions, such as Bordeaux, rank highly for awareness and purchase
- Members of the trade predict that Australian wine volumes will continue to grow and will eventually compete with Chilean wines

### 2. PREFERENCE FOR SWEETER WHITE WINE

- Moscato/Muscat has overtaken Chardonnay as the second most consumed grape varietal by South Korean wine drinkers, which indicates a growing taste for sweeter wines

### 3. GROWTH IN DISCOUNT AND CONVENIENCE CHANNELS

- The percentage of imported wine drinkers in South Korea who have bought wine at a hypermarket has declined since 2016 while discount supermarkets have become the fastest growing channel in South Korea, illustrating they are becoming more price conscious
- An increasing number are choosing to buy wine at convenience stores as their wine offerings are improving

### 4. DECLINE IN CASUAL WINE DRINKING OCCASIONS

- The proportion of consumers drinking wine with an informal meal at home more than once a week has declined since 2016, with more choosing not to drink wine on this type of occasion

### 5. LESS ADVENTUROUS

- South Korean imported wine drinkers are increasingly less adventurous compared with 2016, with the proportion of people indicating they enjoy trying new and different styles of wine on a regular basis significantly decreasing



# Research Methodology

## Vinitrac® and trade interview methodology

### Vinitrac®:

- The data for this survey was collected in South Korea in October 2016 and July 2017
- Data was gathered via Wine Intelligence's Vinitrac® online survey:

  - 1,002 South Korean semi-annual imported wine drinkers (October 2016)
  - 1,000 South Korean semi-annual imported wine drinkers (July 2017)

- Respondents were screened to ensure that they drink imported 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 South Korean semi-annual imported wine drinkers in terms of age and gender

### Trade interview methodology:

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



## How does Vinitrac® 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:** 74-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)

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