



WINE INTELLIGENCE

# SOUTH KOREA WINE LANDSCAPES

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# INTRODUCTION

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According to Wine Intelligence’s Market Attractiveness Model, South Korea is classified as a growing market and is the tenth most attractive wine market in the world — a result of total still wine volumes experiencing growth in both the short- and long-term and retail prices increasing in turn.

A potential driver of these increases is one that is a bit more nuanced; trade experts in the country suggest the Korean wine-drinking culture has been evolving over the past few years. What once was a culture of expensive occasions out at bars with colleagues has transformed into affordable occasions at home with the family. This shift was likely facilitated by a greater availability of higher-quality wine in off-trade channels over the years, combined with a growing propensity for consumers to spend more time both alone and with family in their homes.

However, though consumers are spending more time indoors, the data also suggests they are able to experience the category in ways that are significantly increasing their knowledge levels, such as through travelling, which allows them to interact with wine from different countries and regions of origin. However, contrary to the trend seen globally, this increase in knowledge is not reciprocated by an increase in consumer confidence.

A global trend South Korea does fall in line with, however, is growing interest in other alcoholic categories. As the consumption incidence of different alcoholic beverage categories rises, that for grape-based wines remain stable or in decline. This may also be a byproduct of the culture shift mentioned above, as compared to years ago consumers are now more open to saying “no” to drinking occasions and are also more health conscious than they were before.

In summary, the South Korean wine market has seen varying consumption shifts throughout the years. The culture as a whole is changing, which encourages higher wine consumption levels with family in the home whilst also pulling consumers away from the category due to increased health consciousness. In addition to these shifts, time will tell how the South Korean wine market fares through the novel coronavirus, also known as COVID-19, as the trade suggests sales have fallen approximately 20-30% since consumers have been in quarantine. They do, however, praise the country’s swift response to the outbreak and are confident that testing and containment have been effective. The wine industry, though, may be seeing effects of the lower sales throughout the next six months.

# RESEARCH METHODOLOGY: QUANTITATIVE



The data for this report was collected in South Korea in October 2016, July 2017, October 2019 and March 2020

Data was gathered via Wine Intelligence's Vinitrac® online survey

Respondents were screened to ensure that they drink imported wine at least twice a year; drink red, white or rosé wine; and buy wine in the off-trade 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 grape-based wine drinkers in terms of age and gender

The distribution of the sample is shown in the table

		<i>Oct-16</i>	<i>Jul-17</i>	<i>Oct-19</i>	<i>Mar-20</i>	
		<i>n=</i>	<i>1,002</i>	<i>1,000</i>	<i>1,592</i>	<i>1,000</i>
<b>Gender</b>	Male		49%	51%	46%	46%
	Female		51%	49%	54%	54%
	<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Age</b>	19-24		5%	7%	11%	11%
	25-34		20%	20%	18%	18%
	35-44		30%	26%	24%	24%
	45-54		32%	36%	30%	32%
	55-64 (55-59 pre 2019)		14%	12%	18%	16%
	<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Wine Intelligence, Vinitrac® South Korea, Oct'16 (n=1,002), Jul'17 (n=1,000), Oct'19 (n=1,592) and Mar'20 (n=1,000) South Korean semi-annual imported grape-based wine drinkers aged 19-64

# RESEARCH METHODOLOGY: QUALITATIVE



## TRADE INTERVIEWEES

Trade Interviews were conducted with three experienced industry professionals in the South Korean wine trade in 2020

Interviews followed a pre-determined discussion guide, and covered overall market trends, opportunities for different wine styles, retail channels and pricing

The three interviewees were members of the wine trade working in different roles:

*1 x Beverage Ambassador*

*1 x Brand Manager*

*1 x Wine Expert*

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