

Conference N°11



Selecting the most relevant strategies for marketing wine in Asia

Perhaps an easy mistake to make when contemplating the Asian wine market from the West is just that, to consider that there is one Asian market. **Debra Meiburg MW** outlined the major differences from one market to the next and got specific about winning strategies in China.

Market structure varies widely from one Asian country to the next, as do distribution channels, hence the need to approach each one with a specific strategy. Award-winning author, TV personality, international speaker and educator Debra Meiburg MW pointed out that the mid-market is huge in Beijing and Hong Kong but less so in Shanghai, Singapore and Taiwan; in the latter two, the luxury segment is more significant than elsewhere. Similarly, specialist retailers hold a more sizeable chunk of the market in Hong Kong and Taiwan than in Singapore (19%, 18% and 3% respectively), with Beijing and Shanghai in the middle

(14% and 11%). From a promotion and media perspective, one common misconception is to assume that the western model, based on the specialist press, can be transposed to China. Stressing that the media for wine is more lifestyle than specialist, Meiburg explained: "Wine magazines are only read by people who love wine so advertising must target this audience on a pay to play policy". Adding, "It has never been so hard to get into the media", she also said the wine world needed to have "more realistic expectations of the media in Asia", due to the small number of titles. In terms of distribution, there is a similar bottleneck, with

fast-growing e-commerce outlets hinging significantly on the two giants that are JD.com and Tmall and sales revolving around a number of money-spinning festivals throughout the year. "The two most prominent festivals are on June 18 and November 11." The timing of an offer is therefore critical to maximising the opportunities afforded by these festivals, with Valentine's Day another vital date to remember.



Social media, but not as we know it in the West

Reaching out to consumers via social media is absolutely essential, particularly given the massive following the KOLs or Key Opinion Leaders have racked up. "Some of them have up to 43 million followers", said Meiburg, "they have transformed the medium into an art form and drive 5% of e-commerce sales, although consumers are now becoming sceptical as they know they're getting paid for pushing products". This isn't social media as we know it in the West, however. Names such as Douyin, China's YouTube, will be unfamiliar and the scope of platforms such as WeChat, which have become one-stop shops, bear no resemblance to their western counterparts: "The ability and the pace to buy quickly on these platforms are not seen in other markets". Meiburg also explained that WeChat offers "a stable, cost-effective way of advertising", and that the spend on Weibo, China's version of Twitter, has also become important. Another essential way of reaching out to Chinese consumers is through education: "China offers a phenomenal market for education.



Interview

Q1 : As the data shows, China consumes mainly red wines with only a very small portion of the market share dedicated to whites, let alone fortified, sweet, and sparkling wines. Given this situation, what are your suggestions for wine professionals who wish to promote and sell non-red wines to Chinese consumers ?

DM: China is historically a red-dominated wine market. This has much to do with tradition – as a colour, red and has come to represent sophisticated and aspirational lifestyle. Plus, China's long history of tea consumption with meals can cause resistance to drinking a chilled beverage (like sparkling or white wine) while dining. However, in the past 2 to 3 years particularly, we are certainly seeing a shift in interest from key opinion leaders, wine experts and emerging millennial wine drinkers towards white wine and sparkling wine.

To address the colour issues when considering whether it is possible to "change" China's mentality towards white wine, think of the example of white wedding dresses in China. 10 years ago, it was almost unheard of to see a Chinese bride in white – white was for funerals! Today it is normal for brides to wear at least one white, Western-style wedding gown, as well as a traditional red qipao.

To address the temperature concerns – look at Coke, which sells more than 140 million serves a day in China – it is a sweet, cold and bubbly beverage. Also to note, China is the largest beer market in the world, with an annual consumption of 45.7 billion litres (75% of the total amount of alcohol consumption in terms of volume), double the US market. A yellow, cold, non-sweet, bubbly beverage – one can certainly draw comparisons with white wine and sparkling wine.

I like to note these factors, as it shows wine professionals that these issues on colour and temperature – what are

Cont. on page 34

The Chinese value education and are exceptional, hard-working students". Experience marketing – seminars, competitions, tastings, exhibitions and creative events – should also be a vital component of any promotional thrust. One unlikely country to illustrate the benefits of a multi-pronged strategy in China is Georgia. Since 2014, Georgian wine sales have increased more than five-fold, through a combination of video content, WeChat, Facebook, trips to Georgia, tastings, festivals and education. Perhaps burgeoning wine region Ningxia could take a leaf out of Georgia's book...



... Interview

seen as traditionally barriers to success - are in fact, not so relevant after all.

One of the keys to changing the drinking habits within a new market is to not necessarily bombard consumers with the technicalities and tasting notes, but to present them wines for different occasions. For example, research shows Chinese consumers readily associate sparkling wine, particularly Champagne, with celebrations, festivities and parties, as well as with romance, luxury, elegance and happiness – this opens a world of possibilities, when thinking about the potential consumption occasions. So, while China currently represents around 1% of the global market for sparkling wine, the potential for growth is immense. It is also important to consider the “entry point” for new consumers. While Champagne is the most widely recognised sparkling wine in China, its increasing dryness and characters of minerality and yeast can be too intense for new consumers. Riper styles of Champagne, or global sparkling wines with a little more sweetness – like Prosecco – offer a great entry point. And given the lower price point, offer most consumers the ability to try and experiment more, to find the flavour and style they most enjoy.

White wines offer tremendous food pairing opportunities. In the Cathay Pacific Hong Kong International Wine & Spirit Competition's Chinese food and wine pairing award categories, judged by all Asian judges, white wines consistently win trophies. Their versatility with both delicate southern Chinese dishes, as well as their ability to stand up to and offset the spice of many northern Chinese dishes makes them a wonderful choice for the banquet table. And, as we know, China is a food first, drink second market, so identifying a range of white wines to pair with common Chinese dishes is a great approach.

Finally, we must remember that wine is a social beverage – it brings people together, offers the chance to connect with friends and family, so the approach – whether red, white, sweet or sparkling, should remain fun and enjoyable, rather than serious and too academic for the average consumer.

Q2 : Being a highly respected female role model in the global wine industry, what are some of the challenges and/or advantages you see that being a woman may have in this industry ? Do you have any words of wisdom to China's young female professionals who wish to break into this industry?

DM: Chi-Zin Gwai-Po. As a western woman, I can get away with a lot (foreign devil or ghost lady). But as Mao famously said, “Women Hold up Half the Sky”!

Most important - be a woman - don't be afraid to embrace your femininity. And “say yes!” more often. Seems men only need to be 60% confident to say yes, whereas women err on the side of caution, which can leave them behind. Another piece of advice - support other women as well.

To succeed in the wine industry in China, whether you are male or female, if you have meaningful content, people will listen. Speak on topics that relevant and that you know better or as well as anyone else. Make it structured, engaging and fun and – perhaps one of my greatest strengths -- simplify.

You do have to listen and you do have to respect experience – and in my part of the world we're highly respectful to age. Wine is classic, but also culture. And culture changes. Food styles change, what consumers enjoy drinking changes you have to understand that and when something is changing in the wrong direction, you have to speak out.