

Chinese consumer trends & demographics

Natalie Wang, editor at vino

-joy.com

Why drink wine?

- A survey done by HKTDC on mainland China wine consumer preferences in 2018 found that overall, “**health**” (77%) was cited as the primary reason for drinking wine.
- The percentage is highest among those aged 31- 40 (84%). Among female respondents, 61% said that they drink wine for “**beauty**” reasons as opposed to only 28% for their male counterparts.

What does it mean?

Health/beauty

Organic/biodynamic/natural

Sustainability

Tannins/anti-oxidants

Main Reason for Drinking Wine, by Respondent Group

(% of respondents)	Overall (2,400)	Gender		Age				Monthly household income (RMB)		
		Male (1,200)	Female (1,200)	20-30 (660)	31-40 (580)	41-50 (580)	51-60 (580)	8,000-14,999 (669)	15,000-19,999 (787)	20,000 and over (944)
Health needs	77	77	76	70	84	74	80	82	77	72
Change in preference, likes taste of wine	53	57	50	54	52	54	53	52	54	54
Socialise	51	54	47	56	48	53	45	52	50	50
Embodiment of quality life	48	55	42	46	45	49	53	44	48	52
Beauty	45	28	61	48	46	43	42	44	46	44
Trendy, more and more people drink wine	26	29	23	27	25	28	26	26	26	27

WHAT ARE CONSUMERS DRINKING?

- RED wine (89%*)
- White wine (9%) ↑
- Champagne/sparkling wine (1.53m cases in 2016 v.s. 2.19m cases in 2020) ↑
- Rosé wine (<1%) ↑

If sparkling wines only stand for 1% of wines consumed in China, their consumption grows faster than that of still wines; predictions of an increase of +41% between 2016 and 2020 compared to an increase of +19% for still wines. Sparkling wine is particularly popular with younger Chinese and Hong Kong consumers, who are becoming increasingly important in the drinks market.

* source: Vinexpo and IWSR report

Main Category of Wine Consumed by Respondents, by City

(% of respondents)	Overall	Beijing	Shanghai	Guangzhou	Chengdu	Wuhan	Shenyang	Nanjing	Harbin	Suzhou	Yantai
Red wine	85	87	86	83	86	81	87	90	84	80	82
White wine	6	5	5	5	5	8	5	4	4	11	9
Champagne/sparkling wine	6	4	6	8	5	6	4	5	7	4	5
Rosé	4	3	2	3	4	5	3	1	4	6	6

*Source: HKTDC

Main Category of Wine Consumed, by Respondent Group

Wine Category	Overall (2,400)	Gender		Age				Monthly household income (RMB)		
		Male (1,200)	Female (1,200)	20-30 (660)	31-40 (580)	41-50 (580)	51-60 (580)	8,000-14,999 (669)	15,000-19,999 (787)	20,000 and over (944)
		(% of respondents)								
Red wine	85	85	85	82	88	85	85	88	83	83
White wine	6	6	6	5	5	6	8	5	6	7
Champagne/ sparkling wine	6	4	3	9	5	5	3	5	7	5
Rosé	4	4	7	4	3	4	4	1	4	5

What are online consumers buying?

E-commerce and mobile commerce

- Alibaba over 654 million active users; JD.com over 352 million active users
- WeChat 1.08 billion users

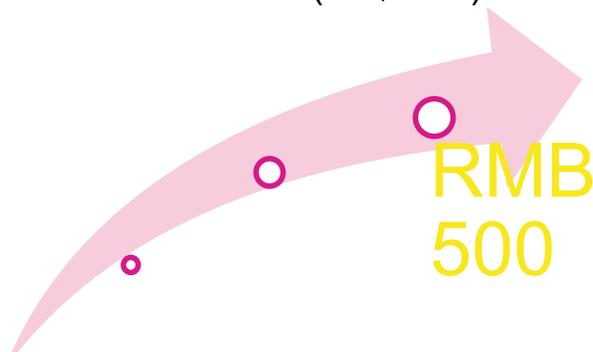
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理想生活上天猫



Premiumization of wine consumption online

- Chinese firm Exact Data suggested a growing premiumisation trend online. In the year ending in July last year, 59 million bottles of both domestic and imported wine worth RMB 5.25 billion (US\$757 million)* were sold through JD.com, Tmall and Taobao, the B2B platform of Alibaba. Compared with the same period last year, the value had increased by 33% but the volume declined by 19%, suggesting a trade-up trend, according to the firm.
- RMB 500 (US\$72) a bottle and above make up 42% of sales value generated in year ending July 2018.
- *In 2018, it's estimated that RMB 70 billion (US\$10.12 billion) worth of alcoholic beverages are sold online.



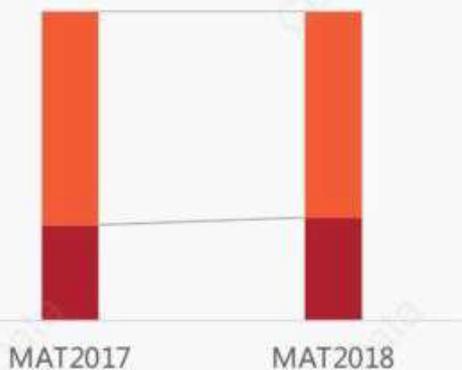
Female consumers

- Female drinkers in Hubei, Liaoning, Beijing, Shanghai and Tianjin rank among the group with highest alcohol tolerance, according to CBNDData.
- Compared with their male counterparts, they prefer wine other than Baijiu or other forms of alcoholic beverages
- Among different wine styles, sweet wines containing sugar more than 40 grams per litre are most popular especially among young female consumers born in 1990s



不同性别酒类消费金额占比

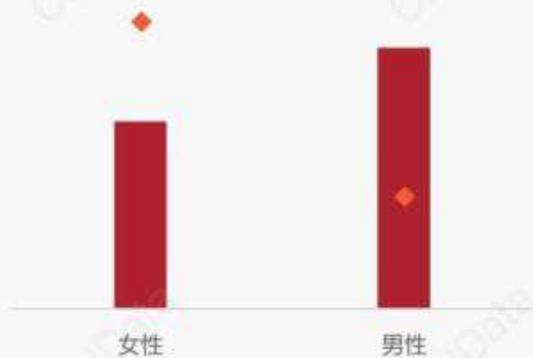
■ 女性 ■ 男性



数据来源：CBNData消费大数据

酒类消费客单价及增速

■ MAT2018客单价 ◆ 客单价增速



数据来源：CBNData消费大数据

不同品类酒水消费金额占比

■ 国产白酒 ■ 葡萄酒 ■ 啤酒
■ 洋酒 ■ 黄酒 ■ 配制酒/果酒
■ 保健食品酒 ■ 其他酒类



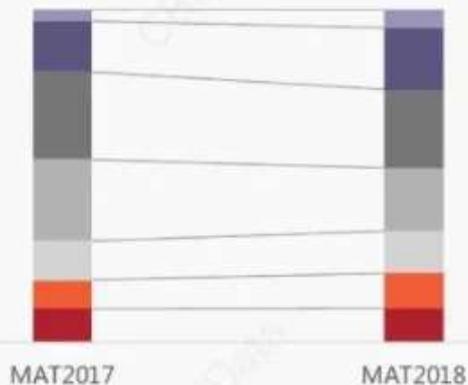
数据来源：CBNData消费大数据

Younger consumers

- Consumers born in 1990s have emerged as the new force for alcoholic beverage consumption.

不同年龄段酒类消费金额占比

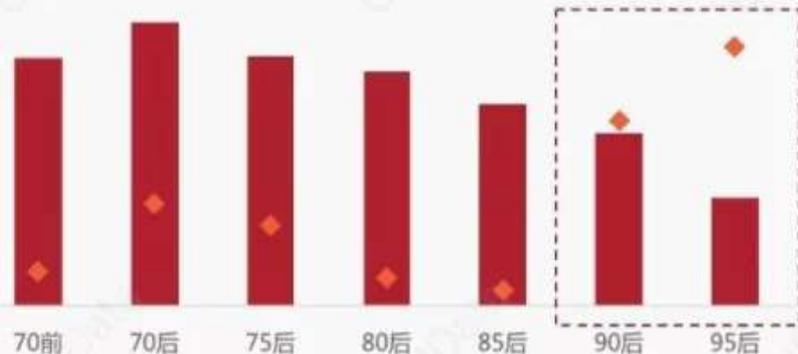
■ 70前 ■ 70后 ■ 75后 ■ 80后 ■ 85后 ■ 90后 ■ 95后



数据来源：CBNData消费大数据

不同年龄段酒类消费客单价及增速

■ MAT2018客单价 ◆ 客单价同比增速



数据来源：CBNData消费大数据

Smart packaging and personalised design

- Smaller bottling formats
- Lower alcohol contents
- Innovative packaging



張裕



China's grape ambition

Ningxia

Foreign invested wineries: DBR Lafite, LVMH, Pernod Ricard etc.

Profitability?

Chinese wine on the rise

- By 2020, China's wine production is expected to reach 16 million hectolitres and revenues generated from wine is expected to reach RMB 65 billion, according to the China Alcoholic Drinks Association's 13th five-year plan.

THANK YOU!