

WINE CHOICE DRIVERS CHINESE WINE DRINKERS

FOR

... IS IT A MATTER OF
WHERE OR WHAT FOR?

In China, there's a lot to be said for investing more in understanding the occasions for which wines are purchased.

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Sales channels and consumption occasions influence our product choices. Commonsense dictates that the criteria used to pick a wine in a hypermarket would be different from selecting a wine in a specialty wine retailer. Similarly, choosing a wine for a regular wine dinner would be different than selecting a wine to celebrate a special occasion. However, is there evidence of this in China?

If the elements driving the choice of a wine differ more between retail outlets than consumption occasions, it would be important to adopt different communication strategies for different outlets. Conversely, if consumption occasions generate more differences in wine choice drivers, it would be wiser to investigate and track the consumption occasions for which wines are drunk. These considerations are applicable to any country, but we investigated this among regular imported wine consumers in China, given the growing importance of this market for Australia. The China Wine Barometer (CWB) – Wave 4 addressed these questions.

The CWB is a three-year project funded by AGWA, looking at the attitudes, perceptions and behaviours of a representative sample of upper-middle class urban Chinese consumers aged 18-49 living in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan, Shenzhen, Hangzhou and Chongqing, who drink imported wine at least twice a year. In addition to our tracking program, we also collected data on the elements driving the choice of wine across retail channels and consumption occasions. All respondents were asked to rank the same set of 16 elements driving their wine choices, but each person was requested to think about them in relation to one of nine choice scenarios. The scenarios varied in terms of retail locations – *hypermarket/supermarket, your local wine specialty store, or online store* – and consumption occasions – *informal meal at home, celebrating a special occasion at home, or dinner at home with friends*. This process is being replicated with on-premise choice drivers in the next wave of the CWB. We used the Best:Worst method, which identifies the most important element driving consumers' choices, and then extracts the relative importance of all the other elements as a precise proportion of that first element.

The results show that having tried a wine previously is the dominant factor driving the choice of a wine irrespective of channel or occasion. This is a typical result in our previous CWBs, and also common in other countries where the choice drivers for wine have been investigated. This stresses the importance of ensuring that consumers are actually able to try the products we want to sell them. In light of this, wineries should keep investing in engaging consumers by conducting tastings in-store and at wine events, and making sure their products are physically available in as many retail outlets as possible, so as to increase the chances their products are actually bought, tasted and liked.

Beyond previous trial, the results show that the consumption occasion changes the ranking of choice drivers more than the retail channel wine is purchased from. In particular, recommendations from friends or family (second), grape

variety (third) and vintage (fourth) influence wine choice for a special occasion being respectively 54 percent, 47 percent and 42 percent as important as having tried a wine previously. Grape variety (73 percent) becomes much more important and recommendations from family or friends (60 percent) slightly more important when buying wines for informal meals at home, with brand familiarity (51 percent) reaching the fourth place. The choice drivers for dinner at home with friends are similar to informal meals at home, but having tried the wine before increases in importance compared to the other factors.

Among retail channels, the situation is slightly different. Having previously tried a wine is still the most important element. In a hypermarket/supermarket, recommendations from family or friends are 75 percent as important, followed by brand (52 percent) and variety (45 percent). When choosing a wine online, the other important factors are: vintage (55 percent), variety (46 percent) and country of origin (42 percent). Choosing a wine in a local specialty store has a longer list of secondary factors than other retail outlets: variety and vintage are respectively 61 percent and 58 percent as important as having tried a wine previously, plus quality indicators (e.g. 'reserve', 'chateaux', 'DOC', etc.) (43 percent), recommendations from wine critics, writers, family or friends (42 percent), country of origin (40 percent) and brand familiarity (38 percent). Specialty stores do cater to higher-end purchases and the criteria for purchasing include many indicators of prestige, which are not as evident in other channels, even online.

Beyond the importance of making sure consumers try your wines, the results indicate that wineries should invest more in understanding the occasions for which wines are purchased rather than developing different communication strategies for different retail channels, except for specialty wine stores. This might seem an impossible task to accomplish, however, wineries could implement simple tasks in their periodic marketing intelligence activities. For example, when consumers engage with a wine brand on social media platforms, apply to join the wineries' newsletter/club or participate in a wine related contest, one could ask information or include some questions about the occasions when wines are consumed the most. Similar questions could also be asked by retailers when consumers buy a wine. By doing this, wineries and retailers can display and communicate wines more in line with the importance given by people to different choice drivers for different occasions, offering consumers an experience with the product tailored to their specific needs.

The rigour adopted in the CWB research program should give wine businesses confidence in using our portfolio of insights to inform both their day-to-day activities and strategy development. However, no one set of results collected one time, in one country under one set of conditions should transform the way business is conducted. We will be conducting Wave 5 of the CWB shortly to continue our ongoing tracking program of awareness, perceptions and buying behaviour of Chinese wine drinkers and continue to investigate the role of context in choice behaviour. ■