|  |  |
| --- | --- |
| Type of sourceArticle TitleChinese wine drinkers drive Australian export growth CitationSpence, A 2016, ‘Chinese wine drinkers drive Australian export growth’, *Primary Industries*, 1 FebruarySUMMARYThis article provides a small summary on the increasing Chinese consumption of Australian wine and opportunities for Australia to get further involved. The source recognizes studies made by the University of South Australia and the importance of that data.  | 1. MY FINDINGS
* Chinese wine drinkers are buying consuming imported wine, driving the sale of Australian wine in China
* There is a three-year wine study conducted by the University of South Australia, finding the number of people buying imported wine in Australia and frequency of consumption
* There is an opportunity for the Australian Wine industry as consuming imported wine rises in China
* In China, more people are buying wine online, in wine shops and grocery stores
* Wine is being consumed more and more as a drink for formal occasions from consuming wine for casual occasions
* Prof Lockshin shares his views on marketing, “Build your brand, build it slowly, sustainably, know who you are selling to, pay attention to your labelling and pricing, spend some time to make it work.” Professor Lockshin, 2016
* South Australia accounts for almost half of Australia’s wine production
* China is Australia’s third largest exporter after US and UK
* In Uni SA’s last survey results, it found that 52% of Chinese consumers drank for a relaxing wine at home once a week or more, 46% said they consumed wine once or more a week with an informal meal at home
* Frequency of consumer wine is rapidly increasing over the last three years
* Do not limit the brand to only being consumed on special occasions
* Chinese are more likely to buy an approachable product from Australia which sends of the message, “clean, green and a safe place with a great life style”
* Australians need to focus more of educating regular people about wine rather than masters of wine and sommeliers
* There are people that still don’t know that Australia produces wine and importantly, Barossa’s role
* Chinese domestic wine consumption is still very high
 |
| Type of sourceArticleTitleBarossa China Ready Program Report CitationBarossa China Ready Program Report’ 2016, *Barossa Grape and Wine*, pp. 1-5SUMMARYWith numerous statistics relevant to Barossa, this source is provided by the Barossa Grape and Wine Association for the importance of understanding wine in China.  | 1. **MY FINDINGS**
* Data from 2014/2015 presents that China is Barossa’s largest export market at 23% with 1.5 million litres of Barossa labelled wine exported
* 97% of Australia wine to China is bottled
* 95% of Barossa’s export to China is red wine
* There are 327 importers across 22 cities and provinces/cities
* Australia is the 4th largest importer for China
* Barossa wine exports peaked in 2013 but decreased after austerity measures in China
* Shandong, Shanghai, Guangdong are some of the destinations where consumers are more educated, use premium pricing and need innovative strategies
* Yunman, Chongquing, Hubei, Henan have lower market competition and unsaturated market but less consumer knowledge
* Qinghai, Sichaun, Shaanxi, Guangxi have small opportunities for wine in markets, variations in pricing and some consumer knowledge
* Red wine is believed to dominate the market due to traditional beliefs about colours
* Red – fortune, dynamism and good luck
* White- death and bad luck
* White wine is predicted to grow as knowledge of wine and food matching grows
* White wine is preferred by women and those with spicier cuisines
* Riesling is often named a great match for Chinese dishes
* Shiraz takes up 55% of Barossa’s production
* The online market presents opportunities and challenges
* Visits to the market is still important for developing brand recognition
* WeChat is the most popular social media platform
* Chinese listen to the health benefits of drinking wine and general knowledge
* Using a range of words and images appropriate to Chinese culture, preferable in Chinese for a greater reach
* Ideally one post per day
* Companies in China can help specialize in building WeChat Connections
* Always have a WeChat barcode on all business cards, flyers and websites
* Factors that build success are: pricing, location, prestige, quality of wine, history, third party endorsement, good connections, visiting the market and Chinese distributors
* Barriers to the Chinese Wine Market are cultural sensitivity, communication, brand recognition, virtual wineries, market access, lack of knowledge, market size, regulations
 |
| Type of sourceWeb Article TitleA Wine-marketer’s guide to Chinese ConsumersCitationCarne, N n.d., *A WINE-Marketer's Guide to Chinese Consumers*, UniSA Business, accessed 18 March 2017, <http://www.unisabusinessschool.edu.au/magazine/8/talking-wine-the-chinese-way/>SUMMARYThis source provides an interesting view on Australian exporters creatively and appropriately promoting and selling wine in China. This article heavily focuses on Chinese descriptors on Australian wine flavours and how to shift focus to the Chinese language.  | 1. **MY FINDINGS**
* Two kinds of innovation – making better products and better ways to market them
* There is a lot of challenge to sell and promote wines to a rapidly expanding group of consumers
* China drinks 6%o of all wine globally
* Supported by Wine Australia, numerous wine experts have undertaken projects that test Chinese consumer’s knowledge, what they want to know, and what they need to know
* Imports grew by 45% in 2015
* 2 years ago, red wine was only being drunk at ceremonies
* Wine is now being drunk more regularly with the Chinese knowledge increasing
* Astringent, sour, mellow or lingering are the most used Chinese descriptive words
* Australian wine businesses are trying to shift their back labels and wine tastings to relate to Chinese descriptors such as native fruits
* Chinese popular descriptors to help identify Australian wine are pure, balanced, refreshing, mellow, bright, lingering, smooth and intense
* These plans of actions help set Australia apart in the Asian countries
* Per a China Wine Barometer, tourists who are exposed to wine on tours are more likely to purchase Australian wine when they return to China
 |
| Type of sourceInterview TitleLucy Clements CitationClements, Lucy. Australian Exports Interview. 2017. Email, 3 April. SUMMARYThis interviewee, Lucy, gave a primary insight into the importing of wine process she has been exposed to. Lucy was an international wine buyer in the UK for Waverley, Sainsbury's and Tesco and then also Head of Wine Sourcing at Coles Australia before she came back to winemaking.  | 1. **MY FINDINGS**

As an international wine buyer, what do you look for when importing?* 1. Portfolio needs and 2. supplier capability
* 1. Must be aware of how good your wine is and what range it fits into.
* Only when an old wine gets delisted, do they tend to bring in new wines because there is a fixed number of skus
* Skus- stock keeping unit, unique numerical identifying number that refers to a specific stock item in a retailer’s inventory
* A gap might exist for a particular style or taste or might need to bring in a new cheap wine or a wine that the supplier will allow a discount for, for a period of time
* In order to keep customers interested and provide newness suppliers need to be prepared to keep changing or evolving in regards to what the distributer wants
* When importing only about 75 % of buying is searching for a product that they clear understanding of and 25% is taking a risk with interesting opportunities
* 2. Each country has different sets of regulations so picking a country similar to their own label makes the process easier, obvious consideration for importers
* Good suppliers will organise legal back labels for sale country, ensure export analysis are met, deliver through to a distribution centre or to store or restaurant, access sales data, analyse patterns, provide promotional plans, fund promotions or fund marketing, provide point of sale material, assist with store displays or customer training
* Suppliers come in different forms; individual wineries (small winery), supplier agents (represent a number or wineries) or cooperative groups (owns and operates many wineries in different places).

What factors make wine most successful (region, traditional labels, marketing or high quality)?* Marketing is most important to be successful. There are many high quality wines out there that are not being sold well due to incorrect marketing strategies
* Marketing relies on 4 pillars, price, promotion, placement, product
* Chablis from France, all wines from this region must be produced very much the same and taste the same, no room for innovation, it’s just what they do
* Labels are important as this is the visual barrier between the taste and consumer. However, in restaurants does not matter so much because the label can only be seen once it has been bought out
* The quality of the wine effects the loyalty of the consumer
* High quality wines can mean something different to everyone, if the wine is selling millions of litres around the world, it would be considered high quality but many more premium wines sell smaller volumes at a higher margin. For example: Some companies rely on high margins as a measure of success, such as Coles at 35% +, whereas others, such as Aldi, are happy with under 10% margin.
* Sales margin is the amount of profit generated from the sale of a product

In a competitive market, how can an Australian wine stand out to international buyers and consumers?* Tasting – Holding events and pouring Australian wine to as many people as possible. This is aimed at the buyer of the retailer as it is much easier to sell wine to one person as opposed to thousands of customers. The buyers deal with the customers
* Premiumisation - focussing on higher retail price points and selling more wine, selling at an expensive price with a larger margin, you don’t have to sell as many bottles to make money, high end wine is typically made from small wineries, can have an opportunity for them whereas if they are selling big bulks of wine, only the bigger wineries can come out to play, 6% growth of bottled wines sales of Australian wine in to the UK market since the premiumisation strategy. This could be attributed to fewer premium wines being sold in bulk (which fell by 14%).
* Regionality – exploiting lesser known regions in export markets, can bring a competitive edge from a unique position

How big is the Australian wine market in the UK?* UK is the number one export market for Australia wine $385 million dollars per year
* There was an increase in bottles wine sales to UK at 6% and a decrease in bulk at 14%
* Europe had a 7% increase in wine exports at $5 per litre
* Australia’s top 5 European markets are UK, Germany, Netherlands, Denmark and Sweden

What process did exporters undergo for their wine to be sold on Sainsbury’s shelves?* Process is much the same for all retailers
* Supplier must undergo credit checks and a fraud back ground check to ensure solvency and legality
* Mass of paperwork is to be filled out including proof of exporter licences
* Supplier must sign the specific terms and conditions of the retailer
* They are then assigned a supplier number and can access the retailer portal for suppliers
* Their wines will be assigned a sku number and orders will be placed and the supply chain team take over
 |