Understanding Chinese Consumers’ Red Wine Preferences

Leigh Francis
Research Manager - Sensory

Patricia Osidacz
Sensory Scientist

Jane Robichaud
VP Global Business
Tragon Corporation
Background and objectives

• Background
China represents one of the most attractive opportunities for Australian wine. The lack of a fully established and integrated domestic Chinese wine industry, combined with Chinese wine consumption trends, suggest that China will be a major importer of wine for many years to come.

• Objectives
Explore Chinese consumer responses to commercial red wines with characterised sensory properties, in order to guide future development of red wines for this market.
Integrate sensory, analytical and consumer preference data to determine drivers of preference for the Chinese red wine consumer and for identifying and targeting specific preference clusters.
Methodology
Three types of testing were conducted

Trained Sensory Panel (May-June)
- AWRI external panel developed a descriptive language for 20 red wines, followed by data collection

Consumer Testing
- CLT (Central Location) (June-July)
- 310 Chinese consumers
- 14 red wines
- 2 consecutive days
  - Product evaluation
  - Usage and attitudes

Chemical measures
- Alcohol, RS, acid, pH, tannin, 4 EP, sulfur compounds, fermentation and oak volatiles...
Sensory Descriptive Analysis: 20 red wines

This map illustrates a two dimensional view of the sensory product differences.

Products are placed next to other products with which they are most similar.
Product Principal Components Analysis (PCA)

Factor 1 (38.3 %)

Factor 2 (24.6 %)

AT: Aftertaste
14 red wines were selected based on the broadest sensory space

<table>
<thead>
<tr>
<th>Wine</th>
<th>Code</th>
<th>AU$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 SEA Merlot</td>
<td>07 MER</td>
<td>7</td>
</tr>
<tr>
<td>2007 SEA Cabernet</td>
<td>07 CAB</td>
<td>7</td>
</tr>
<tr>
<td>2006 SEA Red</td>
<td>06 RED</td>
<td>8</td>
</tr>
<tr>
<td>2006 SEA Shiraz-Cabernet</td>
<td>06 SHZ-CAB</td>
<td>10</td>
</tr>
<tr>
<td>2006 SA Shiraz-Viognier</td>
<td>06 SHZ-VOG</td>
<td>10</td>
</tr>
<tr>
<td>2006 SEA Shiraz</td>
<td>06 SHZ $</td>
<td>10</td>
</tr>
<tr>
<td>2005 SA Cabernet</td>
<td>05 CAB</td>
<td>13</td>
</tr>
<tr>
<td>2006 McLaren Vale Shiraz</td>
<td>06 SHZ $$</td>
<td>14</td>
</tr>
<tr>
<td>2004 Dragon Seal Merlot (China)</td>
<td>04 Chi MER</td>
<td>15</td>
</tr>
<tr>
<td>2006 California Cabernet (USA)</td>
<td>06 Cal CAB</td>
<td>15</td>
</tr>
<tr>
<td>2005 Norton Reserva Malbec (Argentina)</td>
<td>05 Arg MAL</td>
<td>16</td>
</tr>
<tr>
<td>2006 Margaret River Cabernet-Merlot</td>
<td>06 CAB-MER</td>
<td>17</td>
</tr>
<tr>
<td>2006 SA Cabernet Blend - Cab-Shz-Mer</td>
<td>06 CAB-MER-SHZ</td>
<td>19</td>
</tr>
<tr>
<td>2005 Mouton Cadet Bordeaux (France)</td>
<td>05 Fr BRDX</td>
<td>20</td>
</tr>
</tbody>
</table>
Consumer test – what do the Chinese want?
Who were the consumers?

- Three major metropolitan markets - Shanghai, Beijing and Guangzhou
- Screening criteria:
  - **Red wine drinkers:** drink red wine at least once per week, buy bottled wine occasionally/ frequently from two price points at 65 RMB plus
  - **100% Chinese ethnic** group living or working in the city where the test will be conducted
  - 40% female, 60% male
  - 20% of new-to-wines (less than two years drinking wine)
  - Do not work for manufacturer or distributor of alcoholic beverages, marketing, marketing research, advertising
  - Have not participated in any other study concurrently or recently (last three months)
  - For women: not pregnant
Consumer profile- Age and Gender

Age

- 25-30: 22%
- 31-40: 38%
- 41-55: 40%

Gender

- Male: 59%
- Female: 41%
Consumer profile

What is your life stage?

- 16% Single
- 14% Couple - no children
- 65% Family – children at home
- 5% Family - children no longer at home

What was the last level of schooling that you completed?

- 27% High School
- 3% Attended or completed trade or Technical school
- 11% Some college
- 59% Graduated from University as an Undergraduate
- 0% Masters Degree or Above
Consumer profile – household income

Which of the following best describes your household income per month?

- 2% <RMB3,999
- 21% RMB 4,000 – 5,999
- 23% RMB 6,000 – 7,999
- 31% RMB 8,000 – 9,999
- 23% More than RMB 10,000

• Average estimated income for urban residents – RMB 8472
• RMB 1000 = 175 AUD
What do they drink?

In an average week, how much wine do you drink of the following types of wine?

The majority of consumers were frequent red wine consumers, with over 60% stating they consume at least three glasses a week or more.
My ideal red wine…

My ideal red wine is/has… Please mark the boxes that most closely describe your ideal red wine.

Before tasting the wines, consumers were asked to describe their ideal wine. Chinese consumers reported to prefer more intense aftertaste, with less fruit aroma/flavour, oaky and spicy flavour than Australian consumers.

Scale: 2 - 6.5
1. Mark an “X” in the box next to the phrase that best describes your overall opinion about the wine you just tasted.

OVERALL OPINION

☐ LIKE EXTREME
☐ LIKE VERY MUCH
☐ LIKE MODERATELY
☐ LIKE SLIGHTLY
☐ NEITHER LIKE NOR DISLIKE
☐ DISLIKE SLIGHTLY
☐ DISLIKE MODERATELY
☐ DISLIKE VERY MUCH
☐ DISLIKE EXTREMELY

2. If this wine were available where you normally shop, how likely would you be to purchase it?

Definitely Would Not Purchase
 Probably Would Not Purchase
 Might or Would Not Purchase
 Probably Would Purchase
 Definitely Would Purchase
Product taste results

Overall opinion and purchase intent

2006 Red was significantly better liked than all other products with a very high purchase interest. Most other products were well liked with encouraging purchase interests but the wine from China was least liked on a blind basis with poor purchase interest.
Product Taste Results

Overall Opinion – Demographic Correlations

- All demographic groups had very high correlations with total population and each other for overall opinion ($r \geq 0.85$) indicating total population results can be used.
- Guangzhou and Beijing consumers behaved somewhat differently towards select wines.
- New wine drinkers were highly correlated with the more experienced drinkers.

<table>
<thead>
<tr>
<th></th>
<th>Total pop</th>
<th>Benj</th>
<th>Guang</th>
<th>Shang</th>
<th>25-30</th>
<th>31-40</th>
<th>41-55</th>
<th>Male</th>
<th>Female</th>
<th>New User (n=65)</th>
<th>2yr+ User (n=245)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pop (n=310)</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Beijing (n=104)</td>
<td>0.85</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Guangzhou (n=104)</td>
<td>0.87</td>
<td>0.54</td>
<td>1.00</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Shanghai (n=102)</td>
<td>0.95</td>
<td>0.71</td>
<td>0.80</td>
<td>1.00</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Age 25-30 (n=67)</td>
<td>0.91</td>
<td>0.75</td>
<td>0.81</td>
<td>0.85</td>
<td>1.00</td>
<td></td>
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</tr>
<tr>
<td>Age 31-40 (n=118)</td>
<td>0.97</td>
<td>0.81</td>
<td>0.82</td>
<td>0.95</td>
<td>0.81</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 41-55 (n=125)</td>
<td>0.96</td>
<td>0.84</td>
<td>0.83</td>
<td>0.89</td>
<td>0.79</td>
<td>0.93</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male (n=183)</td>
<td>0.97</td>
<td>0.87</td>
<td>0.81</td>
<td>0.91</td>
<td>0.89</td>
<td>0.93</td>
<td>0.94</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female (n=127)</td>
<td>0.95</td>
<td>0.74</td>
<td>0.87</td>
<td>0.92</td>
<td>0.85</td>
<td>0.94</td>
<td>0.90</td>
<td>0.85</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New User (n=65)</td>
<td>0.92</td>
<td>0.65</td>
<td>0.88</td>
<td>0.92</td>
<td>0.89</td>
<td>0.88</td>
<td>0.84</td>
<td>0.88</td>
<td>0.89</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>2yr+ User (n=245)</td>
<td>0.99</td>
<td>0.89</td>
<td>0.83</td>
<td>0.93</td>
<td>0.88</td>
<td>0.97</td>
<td>0.97</td>
<td>0.97</td>
<td>0.93</td>
<td>0.86</td>
<td>1.00</td>
</tr>
</tbody>
</table>
Product results
Overall acceptance – markets

- Similar liking patterns were obtained among the three test markets. Beijing was most unique and rated the California Cabernet much higher and tended to rate many other products numerically higher than other markets.
Conjoint using SensMark™

- Used to determine the important non-sensory drivers of purchase. Consumers are asked to select one of three possible selections relating to **price**, **wine variety** and **country**.

- Consumers respond to **16 possible scenarios**. Two versions of Conjoint are rotated to allow for 32 possible combinations.

### Example scorecard

Please imagine you are in a local grocery store and you are able to select from various RED WINES. These RED WINES are described for you in terms of **wine type**, **country of origin** and **price**. For each question, please select the **ONE** product you would be most likely to purchase.

#### Question 1

<table>
<thead>
<tr>
<th>Cabernet Sauvignon from France below 35 RMB</th>
<th>Pinot Noir from Chile for 106-140 RMB</th>
<th>Shiraz/Syrah from Italy for 86-105 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>@</td>
<td>@</td>
</tr>
</tbody>
</table>

#### Question 2

<table>
<thead>
<tr>
<th>Sangiovese from China for 35-65 RMB</th>
<th>Cabernet Sauvignon from Australia over 140 RMB</th>
<th>Merlot from California, USA for 66-85 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>@</td>
<td>@</td>
</tr>
</tbody>
</table>

#### Question 3

<table>
<thead>
<tr>
<th>Sangiovese from Italy below 35 RMB</th>
<th>Pinot Noir from Australia for 35-65 RMB</th>
<th>Shiraz/Syrah from Chile over 140 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>@</td>
<td>@</td>
</tr>
</tbody>
</table>

#### Question 4

<table>
<thead>
<tr>
<th>Sangiovese from California, USA for 86-105 RMB</th>
<th>Pinot Noir from China for 66-85 RMB</th>
<th>Merlot from France for 106-140 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>@</td>
<td>@</td>
</tr>
</tbody>
</table>

#### Question 5

<table>
<thead>
<tr>
<th>Shiraz/Syrah from California, USA for 106-140 RMB</th>
<th>Cabernet Sauvignon from Italy for 35-65 RMB</th>
<th>Merlot from Chile for 86-105 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>@</td>
<td>@</td>
<td>@</td>
</tr>
</tbody>
</table>
Conjoint SensMark™ Results
Character importance

- **Price** was most important to consumers purchasing decision followed by **country of origin**.

- **Middle ranged prices**, wines from **France** and **Cabernet Sauvignon** were most likely to be chosen.
Preference segmentation

Consumers’ liking is not uniform

Three distinct segments could be identified in the population: consumers who liked the same wines are grouped together.
Acceptance by consumer segment

Cluster 1 (n=151)  Cluster 2 (n=97)  Cluster 3 (n=62)
Acceptance by consumer segment

- Segment 1 had a narrower range of scores. They liked 06 Red, 05 Cab, 07 Mer and 06 CAL Cab. They disliked 05 Argentinean Mal and 06 Shz-Vog.

- Segment 2 really liked 06 Red, liked 05 Cab and 06 Shz $. They strongly disliked the 04 Chinese Merlot and disliked 07 Mer.

- Segment 3 liked 05 Argentinean Malbec, 06 Shz-Vog and 07 Mer. They disliked 05 Cab and the Chinese Merlot.
Demographic Profile

- Segment 2 had less Guangzhou consumers and Segment 3 had slightly more females, ages 31-40 and Guangzhou consumers.
### SensMark™ Questions - What is the image associated with wines tasted?

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Which <strong>WINE TYPE</strong> is most appropriate for the wine you just tasted? <em>(MARK ONE BOX ONLY)</em></td>
<td>Cabernet Sauvignon, Merlot, Shiraz/ Syrah, Chianti, Bordeaux</td>
</tr>
<tr>
<td>4 Which <strong>BRAND</strong> is most appropriate for the wine you just tasted? <em>(MARK ONE BOX ONLY)</em></td>
<td>Gallo, Yellow Tail, Jacobs Creek, Ruffino, Mouton Cadet</td>
</tr>
<tr>
<td>5 Which <strong>COUNTRY of ORIGIN</strong> is most appropriate for the wine you just tasted? <em>(MARK ONE BOX ONLY)</em></td>
<td>Australia, California, USA, France, Chile, China, Italy</td>
</tr>
<tr>
<td>6 Which of the following <strong>STYLES</strong> in your opinion best describes the wine you just tasted? <em>(MARK ONE BOX ONLY)</em></td>
<td>Bright &amp; Fruity, Oaky, Rich &amp; Bold, Spicy &amp; Interesting, Thin &amp; Light</td>
</tr>
<tr>
<td>7 Which <strong>PRICE</strong> would you expect to pay for a bottle of the wine you just tasted? <em>(MARK ONE BOX ONLY)</em></td>
<td>Below 35 RMB, 35-65 RMB, 66-85 RMB, 86-105 RMB, 106-140 RMB, Over 140 RMB</td>
</tr>
</tbody>
</table>
Sensmark results indicate that well-liked products were mostly associated with **Bordeaux** and **Cabernet** wine types, wines from **France**, **high prices**, and **bright and fruity** characteristics.
Product results
Sensmark by product

• For all segments, many of the same descriptors were associated with well liked products:
  Bordeaux, France, Bright & Fruity, and higher prices

• Least liked products all tended to be associated with:
  Shiraz/Syrah, Ruffino, Chile, Spicy & Interesting, and lower prices
## Product results

**Sensmark by product – preference segments**

<table>
<thead>
<tr>
<th></th>
<th>Segment 1</th>
<th>Segment 2</th>
<th>Segment 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wine type</strong></td>
<td>Bordeaux</td>
<td>Chianti</td>
<td>Bordeaux</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Syrah/Shiraz</td>
<td>Cabernet</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Merlot</td>
</tr>
<tr>
<td><strong>Brand</strong></td>
<td>Mouton Cadet</td>
<td>Ruffino</td>
<td>Jacobs Creek</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yellow Tail</td>
<td>Gallo</td>
</tr>
<tr>
<td><strong>Country of Origin</strong></td>
<td>France</td>
<td>Chile</td>
<td>France</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td><strong>Style</strong></td>
<td>Bright &amp; Fruity</td>
<td>Spicy &amp;</td>
<td>Bright &amp; Fruity</td>
</tr>
<tr>
<td></td>
<td>Rich &amp; Bold</td>
<td>Interesting</td>
<td>Rich &amp; Bold</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Spice &amp; Interesting</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>RMB 106-140 Over RMB 140</td>
<td>RMB 35-60 Below RMB 35</td>
<td>RMB 86-105 Below RMB 35</td>
</tr>
<tr>
<td></td>
<td>RMB 86-140 Over RMB 140 Above RMB 140</td>
<td>RMB 35-85 Below RMB 35</td>
<td></td>
</tr>
</tbody>
</table>
Preference Segments
Next 10 Purchases by BUSINESS TYPE

Segment 2 buys more wine from supermarkets while Segment 1 would buy from Specialty shops, and Segment 3 from liquor stores.
Preference segments
Red wine drinking behavior
*How long have you been drinking red wine?*

Segment 2 has less ‘new-to-wine’ consumers. Segment 3 is slightly higher in 2-5 years of wine consumption and lower in 6-10 years.
Agree statements Australia (CLT 216 consumers)

- You can buy good wines without spending a lot of money: 95%
- Wine makes a great gift: 95%
- Moderate use of wine is actually good for you: 93%
- I like to try new and different wines: 92%
- I enjoy browsing the wine selection before purchasing a bottle: 88%
- I am not afraid to share my recommendation for a good bottle of wine: 88%
- I don't mind purchasing wine that has a screw cap closure: 83%
- I always pay great attention to the flavor of the wine I am drinking: 80%
- Sometimes I am overwhelmed by the variety of brands there are when selecting a wine: 75%
- I generally buy brands of wine that I know: 65%
- I consider wine an everyday beverage: 50%
- An evening meal is never complete without a glass of wine: 49%
- I think of wine mostly for drinking with dinner: 47%
- I like to drink wine to get a buzz. It makes me feel good: 42%
- I prefer to drink wines recommended by friends: 42%
- I don't know enough about wine to make it worth spending money for the better products: 40%
- I don't like to open a bottle when I am by myself: 38%
- I never know how to pair wines with food: 36%
- I find restaurant wine lists confusing and difficult to navigate: 33%
- Drinking wine makes me feel sophisticated: 31%
- I typically only drink wine while entertaining guests: 17%
- The best wines are always the most expensive: 14%
- Wine is too expensive to enjoy very often: 5%
Preference segments
Agreement statements

- Moderate use of wine is actually good for you
- I like to try new and different wines
- I enjoy browsing the wine selection before purchasing a bottle
- Drinking wine makes me feel sophisticated
- I prefer to drink wines recommended by friends
- I generally buy brands of wine that I know
- The best wines are always the most expensive
- I think of wine mostly for drinking with dinner
- I consider wine an everyday beverage
- I don’t like to open a bottle when I am by myself
- Wine is too expensive to enjoy very often
- I typically only drink wine while entertaining guests

Only statements with 5 or more percentage points difference in segment responses.
Frequencies - Clusters
How much red wine do you drink now, compared with three years ago?

- Segment 3: 6% Drinking Less, 65% Drinking About The Same, 29% Drinking More
- Segment 2: 7% Drinking Less, 58% Drinking About The Same, 35% Drinking More
- Segment 1: 4% Drinking Less, 62% Drinking About The Same, 35% Drinking More
Of the consumers who are drinking MORE wine, most are doing so because they feel the quality is higher, and because they are less inclined to drink beer. There were no differences between segments.

- **because it is higher quality than 3 years ago**: 58%
- **but am drinking less beer**: 53%
- **but am drinking less hard liquor**: 45%
- **because there is a greater variety available**: 45%
- **because it is more affordable**: 43%
- **because it is easier to find**: 42%
- **but am drinking less white wines**: 31%
- **but am drinking less non-alcoholic beverages**: 26%
- **Other**: 6%
Exit results
Total population
Exit Results
Frequencies
How much would you expect to spend on a RETAIL bottle of red wine to purchase for the following situations?

The majority of consumers feel they need to spend over 100RMB for a “good” bottle of wine, for gift giving/ special occasion. In more casual situations the majority are OK with prices over 65RMB.

- To expect a good bottle of wine
  - < 35 RMB: 1%
  - 35-65 RMB: 5%
  - 66-85 RMB: 13%
  - 86-105 RMB: 27%
  - Over 140 RMB: 53%

- With a weekend dinner with family or friends
  - < 35 RMB: 1%
  - 35-65 RMB: 5%
  - 66-85 RMB: 25%
  - 86-105 RMB: 33%
  - Over 140 RMB: 25%

- For gift giving
  - < 35 RMB: 1%
  - 35-65 RMB: 3%
  - 66-85 RMB: 14%
  - 86-105 RMB: 30%
  - Over 140 RMB: 50%

- To drink for a special occasion
  - < 35 RMB: 1%
  - 35-65 RMB: 4%
  - 66-85 RMB: 26%
  - 86-105 RMB: 33%
  - Over 140 RMB: 26%

- As an everyday bottle of wine to consume during the week
  - < 35 RMB: 4%
  - 35-65 RMB: 21%
  - 66-85 RMB: 37%
  - 86-105 RMB: 27%
  - Over 140 RMB: 7%
## Exit Results

### Frequency of Wine Consumption by Variety/Origin

*Please indicate your typical weekly consumption for each of the following types of red wine:*

<table>
<thead>
<tr>
<th>Wine Type</th>
<th>5+ Glass/Week</th>
<th>&lt;1 Glass/Week</th>
<th>3-4 Glass/Week</th>
<th>1-2 Glass/Week</th>
<th>Don’t Drink</th>
<th>Never Tried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any red China</td>
<td>9%</td>
<td>30%</td>
<td>33%</td>
<td>23%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Cabernet Sauvignon</td>
<td>6%</td>
<td>22%</td>
<td>22%</td>
<td>24%</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>French red wines</td>
<td>5%</td>
<td>16%</td>
<td>27%</td>
<td>32%</td>
<td>3%</td>
<td>16%</td>
</tr>
<tr>
<td>Any red Australia</td>
<td>6%</td>
<td>16%</td>
<td>37%</td>
<td>18%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Merlot</td>
<td>13%</td>
<td>12%</td>
<td>37%</td>
<td>23%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Any red USA</td>
<td>2%</td>
<td>15%</td>
<td>35%</td>
<td>24%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Chianti/Italian</td>
<td>3%</td>
<td>13%</td>
<td>33%</td>
<td>21%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Shiraz/Syrah</td>
<td>4%</td>
<td>9%</td>
<td>30%</td>
<td>25%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Any red Chile or Argentina</td>
<td>3%</td>
<td>7%</td>
<td>31%</td>
<td>30%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Pinot Noir</td>
<td>8%</td>
<td>8%</td>
<td>20%</td>
<td>31%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Rioja/ Other Spanish reds</td>
<td>7%</td>
<td>7%</td>
<td>19%</td>
<td>33%</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

Wines from China are consumed most often, followed by Cabernet/wines from France. Spanish reds and Pinot Noir are least consumed and well known.
When making a decision about which red wine to purchase, how important are the following factors?

- Region/Country that the wine is from: 91%
- Recommendation by friends: 88%
- Good rating/review by wine critic/medals won: 85%
- Grape varieties/composition on the front label: 82%
- Knowing what I want to buy before shopping: 78%
- Purchasing a wine with a traditional cork closure: 73%
- Trying something new and exciting: 70%
- A sensory description on the back label: 66%
- The appearance of the label on the bottle: 65%
- Technical Comments from the winemaker on back label: 62%
- Wine descriptions on the store shelf: 58%
- Recommendation by retailer or wine waiter: 47%
- Finding a wine on sale or special promotional discount: 23%

Wine origin is most important, followed by recommendations from friends and good wine ratings by critics. NOTE - No differences between segments.
French wine rates highest for dependable, exciting, special treat, and great value. Wines from China are also considered great value. Australian wines were considered great value by only about a quarter of consumers, and special treat by one in five.

Exit Results

Thinking about red wines from California (USA), Italy, Australia, France, Chile and China, do you AGREE with each statement for red wines from each place?
French wine rates highest for all attributes polled, except that more consumers felt that wines from China are “easier to drink”, and this contrasts greatly to blind taste test ratings. Australian wines were considered trendy, familiar, easy to drink and “for me” by only about a quarter to a third of consumers, at parity with wines from Italy and California.
French wine rates by far the highest for tasting great and are purchased when a guest is to be impressed. Wines from China are also considered inexpensive and not great quality by over two in five consumers, even more so than wines from Chile. Australian wines rated at parity to wines from Italy and California, although fewer consumers say they use Australian wines to impress their guests.
The vast majority of consumers purchase three or fewer bottles at one time. There were no appreciable differences between segments.
Exit results

Bottles at home - total population

The majority of consumers hold only 1-3 bottles at home at any one time. No one stored more than 12 bottles. There were no differences between segments.

Typically, how much red wine do you have at home at any given time?

- 93% of consumers hold 1-3 bottles.
- 5% hold 4-6 bottles.
- 1% hold 7-12 bottles.
- 0% hold 12-24 bottles.
- 0% hold more than 24 bottles.
Management summary
Consumer taste preferences

- Looking at all consumers (N=310), the best liked wines on a blind basis were all Australian: **The SEA Red (7.0) was the best liked**, followed by **SEA Shiraz $ (6.7), SEA Cabernet (6.7) and SEA Shiraz $$ (6.7)**

- **Dragon Seal Merlot from China** was significantly disliked (5.6)

- Consumers in different regions of the country behaved similarly to total population, although some minor differences were seen in Beijing

- 70% of the consumers have been drinking wine from 2-10 years (40% 2-5 years)
Consumers were not homogenous in their preferences; cluster analysis revealed three distinct preference segments:

**Segment 1 (50% of consumers)**
- Liked 07 SEA Merlot, 06 SEA Red, 05 SA Cabernet and 06 California Cabernet
- Disliked 06 Argentinean Malbec, 06 SEA Shiraz-Cabernet and the French Bordeaux
- Liked sweeter wines and less strong aromas and flavours
- More favourable to Chinese brands
- Associated higher quality wines with France, Bordeaux and higher prices
- More consumers from Beijing
- Buy more wine from special shops
- Tend not to consider wine as a everyday beverage
Management Summary
Key Preference Segment Findings

- **Segment 2 (31% of consumers)**
  - Behaved similar to total population
  - Strongly liked 06 SEA Red. Liked 06 SEA Shiraz and 05 SA Cabernet.
  - Strongly disliked Dragon Seal. Disliked 07 SEA Merlot.
  - Low acceptance to earthy/barnyard, bruised fruit and mineral characteristics
  - Associated Cabernet and Merlot varieties, Jacobs Creek and Gallo brands to the most liked wines
  - Associated Ruffino/Italy to disliked wines
  - less Guangzhou consumers and less ‘new-to-wine’ consumers
  - Most price sensitive preferring the RMB 66-85 price point over higher priced wines
Management summary
Key preference segment findings

- **Segment 3 (20% of consumers)**
  - Argentinean Malbec, 07 SEA Merlot and 06 SA Shiraz-Viognier were strongly liked
  - Disliked 05 SEA Cabernet 06 California Cabernet and Dragon Seal Merlot
  - Liked darker colour wines with strong flavour - jammy fruit and vanilla/chocolate
  - Thought the best liked wines were Bordeaux or Cabernet and not from China
  - More consumers from Guangzhou, slightly more females
  - Slightly higher in 2-5 years of wine consumption and lower in 6-10 years
  - Tend to buy more wines at liquor shops, more recommended/good reputation wines
  - more consumers drinking about the same as three years ago
Management summary
‘Brand Australia’ imagery

- Conjoint SensMark™ (without wine) revealed that consumers are driven primarily by Price and Country of Origin. Wines from France, and variety Cabernet Sauvignon at middle ranged prices were most likely to be purchased.

- Product SensMark (with wine) showed well-liked products associated with Bordeaux wine types, from France, high prices, and Bright and Fruity characters.

- Least liked products all tended to be associated with Shiraz/Syrah, Ruffino, Chile, Spicy & Interesting, and lower prices.

- Australia rates lower than France from an imagery perspective:
  - About two to three times as many Chinese consumers find wines from France more dependable, trendy, exotic and exciting yet familiar, great value, easy to drink and “for me”, than wines from Australia.
  - Roughly three to four times as many Chinese consumers consider wines from France a special treat and wines that “taste great”. At the price points investigated this completely contradicts the blind tasting results.

- Australia rated at parity with Italy and California across most imagery aspects.

- Wines from China are also considered “great value”. More consumers felt that wines from China are “easier to drink”, and this also contrasts greatly to blind taste test findings.

- Exit findings also revealed the importance of recommendations from friends and good wine ratings by critics.
Australian consumer test

Identical protocol as used in the China test
Mostly the same wines tested as for China
Australian CLT

- 216 consumers from Sydney and Melbourne
- Red wine drinkers: drink red wine at least once per week, buy bottled wine $10-$20 from time to time
- Age 20-65, split in three groups: 20-35, 36-50 and 51-65, equal number of each group
- 50% males and 50% females
- 20% drinking wine for less than two years
- Living in the city where the test was conducted
- Do not work for manufacturer or distributor of alcoholic beverages, marketing, marketing research, advertising
- Not participating in any other study concurrently or recently (last three months)
- For women: not pregnant
Australian consumers’ overall acceptance

Chianti 2005 05 Cal Cab 06 Cab Mer 06 Shz$ 05 Arg Mal 06 Fr Cab-Mer 06 Cab-Shz Mer 06 Shz-Vog 06 Cab Shz Mer 06 Shz $$ 07 Cab 06 Shz-Cab 07 Mer 06 Red
Australian consumers by segment

Segment 1 (n=85)
Segment 2 (n=49)
Segment 3 (n=82)
Australian acceptance by consumer segment

- Segment 1 really liked 06 Red. They also liked 07 Mer, 06 Shz$$ and 06 Shz$. They disliked 06 Cab-Mer.

- Segment 2 liked 05 Cab and 06 Cab-Mer-Shz. They disliked 06 Red and 06 Shz$

- Segment 3 liked 06 Red, 06 Shz-Cab, 07 Mer and 06 Cab-Mer. They disliked 05 Italian Chianti and the 05 California Cabernet.
Product dimensions landscape

- 2006 CAB-SHZ-MER
- 2005 CAB
- 2006 CAB-MER
- 2005 Arg
- 2006 SHZ
- 2006 SHZ-CAB
- 2006 SHZ-$$
- 2005 Cal CAB
- 2005 Ita CHI
- 2007 CAB
- 2007 MER
- 2006 RED
- Segment 1
- Segment 2
- Segment 3

Attributes:
- Sour AT Fruit
- Astringent
- Mineral
- Sour
- Sweet
- Earthy/veg
- Oak/Woody
- Opaqueness
- Viscosity
- Dark fruit
- Total Population
- Vanillia/Chocoloate
- Fruit AT
- Floral/Confect
- Red berries
- Red fruit
- Sweet
- Nutty

F1 (54.35 %)
F2 (30.38 %)
Split of segments per city

Segment 3 (39%)
- Sydney: 51%
- Melbourne: 49%

Segment 2 (23%)
- Sydney: 65%
- Melbourne: 35%

Segment 1 (38%)
- Sydney: 39%
- Melbourne: 61%
Sensmark results indicate that well liked products were mostly associated with Cabernet wine types, from Barossa, $17-20, and rich & bold characteristics.
China vs Australia data

Liking China vs Liking Australia

06 RED
06 Cal CAB
06 SHZ$
07 CAB
05 Arg MAL
06 SHZ $$
05 CAB
06 SHZ-MER
06 CAB-SHZ-MER
06 SHZ VOG
06 CAB-MER
06 SHZ-CAB

r = 0.38 ns
Summary: Australian component

- Similar but distinct preference groups compared to China
  - ‘green’ Cabernet likers group identified
  - Two wines rated very differently between the two markets
- Indication of a Melbourne/Sydney preference difference
- International wines not liked and associated with thin and light/cheap
- Preferred wines associated with Cabernet, Barossa, Rich and Bold style
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