

On-trade Alcoholic Drinks - China - July 2017

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“China’s on-trade alcohol market is undergoing a decline due to consumers’ rising health concerns. Brands should try to associate their alcohol products with modern and healthier occasions to encourage more orders. There can also be an opportunity for special home-made alcoholic drinks as consumers continue seeking novel experiences they cannot replicate at home.”

– **Summer Chen, Research Analyst**

This report looks at the following areas:

- Adding alcohol into the healthy lifestyle of modern people
- Opportunity for special home-made alcoholic drinks
- Strengthening sensorial appeals to encourage orders

China’s on-trade alcoholic drinks market has seen a decline in sales volume. Mintel estimates total sales volume of alcoholic drinks at on-trade channels at 32.5 billion litres in 2017, with a CAGR (Compound Annual Growth Rate) of -3.3% since 2013. In terms of market segmentation, beer accounted for 79.7% and Chinese Baijiu 18.4% in 2017.

Bars and pubs have become important locales for beer brands in increasing their brand awareness and market share in the craft beer market. Casual dining restaurants, on the other hand, are offering authentic regional alcoholic drinks to increase orders. In addition, fast food and coffee house brands are tapping into the market.

From the consumer side, improving atmosphere and relaxing are the main reasons of alcohol purchase at on-trade channels. Moreover, naming signature drinks and offering sampling are found to be top market schemes, although most people prefer what they are familiar with when drinking out of home.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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