

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The market as a whole is showing signs of recovering, albeit in a volatile way. Levels of wine imports are recovering from the huge dip in 2013, baijiu brands are reporting rather positive figures in their first quarter reports in 2015, and beer, despite the disappointing 2014, is looking to a mild recovery.”
– David Zhang, Senior Drink Analyst

This report looks at the following areas:

- How to target young female drinkers in the on-trade channels
- How to cross-sell different types of alcoholic drinks in on-trade channels
- How can occasion-based campaigns work in different on-trade channels?
- How to appeal to consumers using flavour and taste as the key claim in on-trade channels

The market as a whole is showing signs of recovering, albeit in a volatile way. The import level of wine is recovering from the huge dip in 2013, baijiu brands are reporting rather positive figures in their first quarter reports in 2015, and beer, despite the disappointing year in 2014, is looking at a mild recovery. The positive outlook, however, cannot put brands' minds at peace.

The anti-extravagance campaign has certainly reshaped the competitive landscape of the on-trade alcoholic drink market. With brands from all categories returning to the drawing board in the hope of identifying the true demand of consumers, the mass market is getting increasingly crowded.

Consumers are not making their purchase decision in a linear way focusing on one product category when deciding which alcoholic beverages they drink. They tend to undergo a complex process, where brands, product types and occasions are influencing their decision-making simultaneously. This creates the dynamic of the on-trade alcoholic drink market. Brands are competing with the whole alcoholic drink market under a wide range of occasions and locations.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

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

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Methodology
Limitation
Definitions
Abbreviations

Executive Summary

The market

Figure 1: Fan chart of on-trade alcoholic drinks in China in volume, 2010-20

Market drivers

Teetotalism – A growing trend among young urban consumers

The fast-changing macro-economic environment

The two tiered consumer structure

The end of stocking adjustment

Innovations in the market

Innovative and less conspicuous packaging shows potential

Figure 2: New launches in global alcoholic drink market, 2010-14

Shareability is crucial in on-trade channels

Flavour innovations – What's next?

Figure 3: Global new product launched with flavour as one of the key claims in Western spirits category, by flavour group, 2010-14

What could baijiu learn from sake, its counterpart in Japan?

The consumer

Drinking frequency and spending per visit are increasing

Figure 4: Change in alcoholic drink behaviour, March 2015

Figure 5: Alcoholic consumption change 2014-15

On-trade channels enjoy higher overall penetration

Figure 6: Penetration of alcoholic drinks in at-home and out-of-home occasions, March 2015

Wine and Western spirits are winning in the premium arena

Figure 7: Correspondence map for alcoholic drink market, March 2015

Beer dominate casual social occasions

Figure 8: Drinking occasions, by types of alcoholic beverages, March 2015

Chinese restaurants remain the key channel

Figure 9: Drinking locations of alcoholic beverages, March 2015

Keeping others happy stands out as the most important factor

Figure 10: Consumer decision-making process when drinking out-of-home, March 2015

Attitudes towards taste are polarised

Figure 11: General attitudes towards drinking alcoholic beverages out of home, March 2015

Issues and Insights

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

How to target young female drinkers in the on-trade channels

The facts

The implications

How to cross-sell different types of alcoholic drinks in on-trade channels

The facts

The implications

Figure 12: Switching behaviour from RTDs to Western spirits, March 2015

How can occasion-based campaigns work in different on-trade channels?

The facts

The implications

Figure 13: Penetration of baijiu when socialising with family out of home, by location, March 2015

Figure 14: Penetration of beer when dating/with my partner, by location, March 2015

How to appeal to consumers using flavour and taste as the key claim in on-trade channels

The facts

The implications

Figure 15: Agreement with selected statements on taste of alcoholic beverages, March 2015

Figure 16: Agreement with selected statements on taste of alcoholic beverages, by user type, March 2015

What it means

Trend Application

Click and Connect

Return to the Experts

Extend My Brand

Market Drivers

Key points

Teetotalism – A growing trend among young urban consumers

The fast-changing macro-economic environment

Unbalanced economic development widening regional differences

The new normality of China's economy

The two tiered consumer structure

The end of stocking adjustment

Urbanisation and ageing population leads to the Lewis Turning Point

Who's Innovating?

Key points

Innovative and less conspicuous packaging shows potential

Figure 17: New launches in global alcoholic drink market, 2010-14

Figure 18: New products from Coca-Cola France with redesigned limited editions, 2009-14

Figure 19: Selected innovative packaging designs in alcoholic drinks market 2014-15

Shareability is crucial in on-trade channels

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 20: Stormhoek's new product line wine 4 friends, 2015

Flavour innovations – What's next?

Figure 21: Global new product launches with new flavours in the alcoholic drink market, 2010-14

Is flavour innovation really declining?

Which flavours show potential in the beer category?

Figure 22: Global new products launched with flavour as one of the key claims in beer category, by flavour group, 2010-14

Figure 23: Red wine flavoured beer from Suntory launched in Japan, Q4 2014

Figure 24: Oak cliff coffee ale from Deep Ellum Brewing launched in the US, Q4 2014

Figure 25: Cubanisto from AB InBev launched in Belgium, Q4 2014

Figure 26: Harviestoun's Ola Dubh launched in the UK, 2014

Which flavours show potential in the Western spirits category?

Figure 27: Global new products launched with flavour as one of the key claims in the Western spirits category, by flavour group, 2010-14

Figure 28: Western spirits products with honey flavour, Q4 2014

What could baijiu could learn from sake?

Clear food pairing suggestions

Figure 29: Junmai Ginjo Sake launched by Hokkan Sake Brewing in Japan, Q3 2010

Baijiu-based RTDs targeting female consumers

Figure 30: Shochikubai Shirokoabegura Mio Sparkling Seishu (sparkling Sake) launched in Japan, Q1 2013

Market Size and Forecast and Segment Performance

Key points

The market is stabilising

Figure 31: On-trade alcoholic drink market in China, by volume, 2010-15

Beer is losing market share

Figure 32: Segment performance in the on-trade alcoholic drink market in China, 2010-15

The bumpy recovery of wine and strong performance in spirits leads future growth

Figure 33: Fan chart of on-trade alcoholic drinks in China, 2010-20

Forecast methodology

The Consumer – Alcohol Consumption Change

Key points

Drinking frequency and spending per visit are increasing

Figure 34: Change in alcoholic drink behaviour, March 2015

Figure 35: Alcoholic consumption change 2014-15

At-home occasions tend to be driven by lifestyle

Figure 36: Change in drinking frequency at home in the past 12 months, by gender and age, March 2015

Figure 37: Change in drinking frequency increased in the past 12 months, by household income, March 2015

The Consumer – Penetration of Different Types of Alcoholic Drinks

Key points

On-trade channels enjoy higher overall penetration...

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 38: Penetration of alcoholic drinks in at-home and out-of-home occasions, March 2015

Beer: A boost in penetration but losing power for further expansion

Figure 39: Change in out-of-home drinking frequency in the past 12 months, by types of drinks, March 2015

Figure 40: Limited edition for Chinese New Year from Budweiser China, Q1 2015

Figure 41: Dry Pale Ale from Asahi launched in Japan, Q1 2015

Baijiu: A shift from at home to on-trade occasions

Figure 42: Penetration of baijiu in at home and out-of-home occasions, March 2015*

Wine remains a drink for at-home occasions

Figure 43: Wa Wine from Jacob's Creek launched in Japan, Q2 2013

Baijiu is still struggling to appeal to the young

Figure 44: Penetration of baijiu in both at home and out-of-home occasions, by age, March 2015

Western spirits going mainstream

Figure 45: Penetration of drinking Western spirits out of home, by income, March 2015

Female drinkers shy away from drinking out of home

Figure 46: Repertoire analysis of drinking more than six types of alcoholic beverages, by gender and age, March 2015

Baijiu is further moving towards lower tier cities with no income skew

Figure 47: Penetration of baijiu when drinking out of home, by city tier, March 2015

The Consumer – Attributes Associated with Different Types of Alcoholic Drinks

Key points

Wine and Western spirits enjoy premium status

Figure 48: Correspondence map for alcoholic drink market, March 2015

The wide range of flavours helps RTDs and cocktails to stand out

Beer stands out with its accessible prices

Unhealthy image and strong taste cripple baijiu's future development

Baijiu's positive perception remains strong among high earners...

...but consumers are leaving baijiu for other types of drinks across various occasions

Wine is moving further into business-related occasions

Figure 49: Selected attributes associated with different types of alcoholic drinks, March 2015

The Consumer – Drinking Occasions

Key points

Beer dominates casual social occasions

Figure 50: Drinking occasions, by types of alcoholic beverages, March 2015

Wine drinkers are more likely to sip beer when socialising with family out of home

Figure 51: Penetration of beer when socialising with family out of home, by usage of wine, March 2015

The skew towards male drinkers leave gap in the female segment

Figure 52: Penetration of beer in various drinking occasions, by gender, March 2015

Figure 53: Asahi cherry blossom special edition launched in Japan, Q1 2015

Baijiu excels in a wide range of occasions

Beijingers are more willing to drink baijiu in casual social occasions

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 54: Penetration of baijiu in selected casual drinking occasions, by selected cities, March 2015

Baijiu is losing consumers to Western spirits

Figure 55: Switching behaviour between baijiu and Western spirits, March 2015

Food pairing has the potential to appeal to a wide audience

Figure 56: Penetration of baijiu when accompanying a meal, by age, March 2015

Figure 57: Nigori Sake from Takashi Sasaki launched in Japan, Q1 2015

Wine stands out in celebratory occasions

Men tend to drink wine when dating...

Figure 58: Penetration of wine when dating with their partners, by gender, March 2015

...but wine does not appeal to young male drinkers when it comes to accompanying a meal or casual social occasion

Figure 59: Penetration of wine in selected occasions, by gender and age, March 2015

Consumers switching to wine when travelling/on holiday or dating

Figure 60: Switching behaviour between wine and other types of alcoholic drinks, by selected occasions, March 2015

Western spirits: on par with baijiu on business events

Guangzhou is leading the casual social occasions

Figure 61: Penetration of Western spirits in selected occasions, by city, March 2015

RTDs show potential as a gateway to Western spirits in certain occasions

Figure 62: Switching behaviour from RTDs to Western spirits, March 2015

The Consumer – Drinking Location

Key points

Chinese restaurants remain the key channel

Figure 63: Drinking locations of alcoholic beverages, March 2015

Specialised drinking venues gain popularity

Figure 64: Penetration of drinking alcoholic beverages in pubs, bars, and wine lounges, by selected demographics, March 2015

Western full-service restaurants attract young female drinkers

Figure 65: Penetration of drinking alcoholic beverages at Western full service restaurants, by age and gender, March 2015

Occasion-based promotions show potential

Baijiu should target family gathering occasions at Asian full-service restaurants

Figure 66: Penetration of baijiu when socialising with family out of home, by location, March 2015

Beer can be romantic

Figure 67: Penetration of beer when dating/with my partner, by location, March 2015

The Consumer – Purchase Decision Making Process

Key points

Keeping others happy stands out as the most important factor

Figure 68: Consumer decision-making process when drinking out of home, March 2015

Consumers are adventurous

High earners showing greater eagerness for innovation

Figure 69: Agreement with selected statements on purchase decision-making process when drinking out of home, by household income, March 2015

Brand loyalty is low

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

On-trade Alcoholic Drinks - China - June 2015

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Point of purchase campaign remains crucial

The Consumer – General Attitudes towards Drinking Alcoholic Drinks Out-of-home

Key points

Attitudes towards taste are polarised

Figure 70: General attitudes towards drinking alcoholic beverages out of home, March 2015

Young female drinkers vs old male drinkers

Figure 71: Agreement with selected statements on taste of alcoholic beverages, March 2015

Baijiu drinkers versus Western spirits drinkers

Figure 72: Agreement with selected statements on taste of alcoholic beverages, by user type, March 2015

Social media becomes the major information source

Figure 73: Agreement with selected statements on information channels for alcoholic beverages, March 2015

Figure 74: Tuborg's O2O campaign, Q2 2015

The Consumer – Attitudes towards RTD Alcoholic Drinks

Key points

RTD segment is expanding in a rapid pace

Figure 75: Attitude towards drinking RTD alcoholic drinks, March 2015

Cross-selling shows potential to target men in their 40s

Figure 76: Agreement of the statement 'I usually drink other types of alcoholic drinks after having some ready-to-drink alcoholic beverages when drinking out of home', by gender and age, March 2015

RTD shows potential as a gateway to Western spirits

Figure 77: Switching behaviour from RTDs to Western spirits, March 2015

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com