

Report Price: £3302.97 | \$4460.00 | €3717.16

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



"Chinese consumers' interest in Western spirits is increasing driven by fast developing economic status and aspirations for a trendy lifestyle. This brings opportunities for companies and brands to encourage consumption by making Western spirits less mysterious and more easily approachable, especially among the younger generation who are curious and ready to try them."

- Amy Jin, Research Analyst

This report looks at the following areas:

- Pairing Western spirits with Chinese meals
- Create memorable events and sense of ritual to interest female consumers
- Create a feeling of relaxation and indulgence for one

Despite the disruption of COVID-19 on Western spirits, especially on-trade sales, certain segments such as rum, gin and liqueurs have achieved double-digit volume growth in the retail channel. The category is forecast to recover growth in 2021, driven by Chinese consumers' increasing interest in Western spirits, which enjoy a fashionable image, and more diverse consumption occasions. In the near future, Western spirits are not going to shake Chinese spirits, beer or wine's leading position in the alcoholic drinks market due to the huge gap in consumption volume. However, now is a good time for brands to increase their investment in the China market to reap returns in the long term.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL:EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

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



Report Price: £3302.97 | \$4460.00 | €3717.16

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

Table of Contents

Overview

What you need to know

Covered in this report

Excluded

Executive Summary

Impact of COVID-19 on Western spirits market

Figure 1: Short, medium and long-term impact of COVID-19 on Western spirits market, December 2020

The market

Optimistic potential for value growth after the epidemic

Figure 2: Forecast of total Western spirits market value, China, 2020-25

Both retail and on-trade volume consumption will recover in 2021 and maintain growth

Figure 3: Retail sales volume and forecast of Western spirits, China, 2015-25

Figure 4: Non-retail sales volume and forecast of Western spirits, China, 2015-25

Brandy/cognac was heavily hit by pandemic while liqueur continues to grow

Figure 5: Total value segmentation of Western spirits, China, 2019-20 (est)

Figure 6: Total volume segmentation of Western spirits, China, 2019-20 (est)

Companies and brands

Top four players lead the market

Figure 7: Market share of leading Western spirits players, by volume, China, 2018, 2019 and 2020 (est)

Figure 8: Market share of leading Western spirits players, by value, China, 2018, 2019 and 2020 (est)

Investing more in e-commerce and local production

Innovation to attract younger consumers

The consumer

Brandy and whisky continue to lead

Figure 9: Usage of Western spirits, September 2020

Buying spirits offline remains a habit with online channel presenting future opportunities

Figure 10: Purchase channel of spirits, September 2020

Pairing with food is a long-established drinking custom

Figure 11: Consumption occasion, September 2020

Fashionable perception is the key association to encourage consumption of Western spirits

Figure 12: Perceptions of different spirits, September 2020

Flavour and texture are the main selling points for RTD drinks

Figure 13: Interest in RTD blurring, September 2020

Brand heritage is important and interest in healthier variants is strong

Figure 14: Western spirits consumption habits, September 2020

What we think

Issues and Insights



VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300 APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com



Report Price: £3302.97 | \$4460.00 | €3717.16

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

Pairing Western spirits with Chinese meals

The facts

The implications

Figure 15: Chinese restaurants paring traditional food with whisky

Create memorable events and sense of ritual to interest female consumers

The facts

The implications

Figure 16: Martell x playhouse fashion party, China, 2020

Figure 17: Hennessy tasting party, China, 2020

Figure 18: Noveltea for gatherings

Create a feeling of relaxation and indulgence for one

The facts

The implications

Figure 19: Hennessey glass set

The Market - What You Need to Know

Market continues to grow after the outbreak

Younger generation entering the market brings new opportunities

Brandy and whisky maintained their prestige status while liqueur grows

Market Size and Forecast

Optimistic recovery after the pandemic

Figure 20: Forecast of total Western spirits market value, China, 2020-25

Volume will grow with consumers' rising interest

Figure 21: Retail sales volume and forecast of Western spirits, China, 2015-25

Figure 22: Non-retail sales volume and forecast of Western spirits, China, 2015-25

Market Factors

Young generations are more adapted to a trendy lifestyle

Cocktail deliveries enabled on-trade stock to sell

Figure 23: Cocktail delivery, China,2020

Mixing cocktails at home becoming a hot topic especially for young

Figure 24: Popular cocktail choices for young people

COVID-19 has limited the consumption of out-of-home drinking

Market Segmentation

Brandy/cognac was most heavily hit by pandemic

Figure 25: Total value segmentation of Western spirits, China, 2019-20 (est)

Figure 26: Total volume segmentation of Western spirits, China, 2019-20 (est)

Key Players - What You Need to Know

Market share maintained by top four players

Focus on recruiting younger consumers

BUY THIS REPORT NOW VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3302.97 | \$4460.00 | €3717.16

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

Novelty flavours enjoy more market attention

Market Share

Leading brands maintained their performance despite pandemic pressure

Figure 27: Market share of leading Western spirits players, by volume, China, 2018, 2019 and 2020 (est)

Figure 28: Market share of leading Western spirits players, by value, China, 2018, 2019 and 2020 (est)

Pernod Ricard shifting focus to retail sales

Diageo developing premium segments across the region

Competitive Strategies

International brands investing in domestic production

Pocket-sized bottles to attract post-90s consumers

Figure 29: Pocket whiskey

Sponsoring trendy TV shows to engage with younger generation

Figure 30: Chivas x Fourtry poster

Fruity flavoured liqueur becoming popular in bar and clubs

Figure 31: Tina and Devil Rabbit liqueurs

Who's Innovating?

Celebrities launching private label spirits

Figure 32: Ocus Gin, Belgium, 2020

Figure 33: Tesla Tequila, US,2020

Launching whisky sets in smaller sizes

Figure 34: Kavalan Whisky, Taiwan, 2020

Figure 35: Passton mini whisky, China, 2020

Collaborations with fashion brands

Figure 36: Absolut Vodka x Sacai, China, 2020

Restricted on-premise drinking creates opportunity for RTD cocktails

Mixing tea with spirits for lower ABV

Figure 37: Noveltea, China, 2020

The Consumer - What You Need to Know

High interest maintained for all Western spirits

Drinking while dining is the most popular consumption occasion

Leverage the fashionable perception of Western spirits

Usage of Western Spirits

Brandy and whisky lead consumption

Figure 38: Usage of Western spirits, September 2020

Increased interest in cocktail-based spirits

Figure 39: Usage of Western spirits – "Have not drunk but have an interest in trying" 2018 vs 2020

Young consumers are more interested in trying Western spirits

Figure 40: Usage of Western spirits - "Have not drunk but have an interest in trying", by age, September 2020

BUY THIS REPORT NOW VISIT: store.mintel.com

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

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3302.97 | \$4460.00 | €3717.16

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

Purchase Channel

Offline channels are the main shopping destination for alcohol

Figure 41: Purchase channel of spirits, September 2020

Younger consumers in their 20s are more likely to drink spontaneously

Figure 42: Purchase channel of spirits, by age, September 2020

Consumption Occasion

Increased at-home consumption scenarios

Figure 43: Consumption occasion, September 2020

Western-style dining occasions interest female consumers

Figure 44: Consumption occasion, by gender, September 2020

Target affluent consumers who enjoy solo moments

Figure 45: Consumption occasion, by personal income, September 2020

Perception of Spirits

Fashionable is the main association with Western spirits

Figure 46: Perceptions of different spirits, September 2020

Limited availability of gin cause barriers for female consumers

Figure 47: Perceptions of different spirits - gin, September 2020

Whereas for rum, price is a concern

Figure 48: Perceptions of different spirits - rum, September 2020

Liqueur benefits from convenient accessibility

Figure 49: Perceptions of different spirits - Liqueur, September 2020

Interest in Blurring

Flavours and texture are key to innovate

Figure 50: Interest in RTD blurring, September 2020

Female consumers have lower brand loyalty

Figure 51: Rio RTD drinks

Behaviours Related to Western Spirits

Brands and health play an important role when choosing drinks

Figure 52: Behaviours related to Western spirits, September 2020

Consumers who are open towards trying new spirits are more likely to drink at home

Educational sources interest different demographics

Appendix – Market Size and Forecast

Figure 53: Retail volume sales and forecast of Western spirits, China, 2015-25

Figure 54: On-trade volume sales and forecast of Western spirits, China, 2015-25

Figure 55: Total value sales and forecast of Western spirits, China, 2015-25

Appendix - Methodology and Abbreviations

Methodology



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com



Report Price: £3302.97 \$4460.00 €3717.16	The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.
Abbreviations	

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com