



WINERIES GET wired for China

Social media and online purchasing is significantly influencing wine sales in mainland China, and to a lesser degree in Hong Kong, reports **Stephen Quinn**

AS THE wine business matures, its China and Hong Kong players are embracing social media to sell to an increasingly sophisticated audience.

Thomas Jullien, Asia representative for the Bordeaux Wine Council says: "We are seeing a boom in social networking in China." He adopted a web 2.0 focus last year because of the ability to measure results in a more powerful way than with traditional advertising.

Facebook and Twitter are banned in mainland China, but the country has its local equivalents: Renren and Sina Weibo, respectively.

Jullien set up a Sina Weibo account in the middle of 2011. In six months it had gathered 40,000 followers. "It is a direct channel to talk to people about Bordeaux wine," he says.

Every year, the Bordeaux Wine Council runs seminars in at least 20 Chinese cities for people in the trade. Jullien uses Sina Weibo to publicise these events: "At the seminars we always check where people found out about them. A very high proportion found out through someone 're-tweeting' Sina Weibo. It is so useful to be able to measure feedback by monitoring social networks."

According to Jullien, Bordeaux sales in China have doubled every year for the past six years. He attributes recent sales success to engaging with people curious about wine.

WINE'S OWN NETWORKS

David Pedrol is Shanghai and Hong Kong product director for yesmywine.com, the most successful online platform on the mainland with more than 5.2 million members, which sells 15,000 bottles daily.

When people buy wine they see how many bottles have already been sold of that wine. For example, as of mid-June the company has sold 121,066 bottles of La Bastide Laurent red. The internet accounts for 70% of all wine sold in China, according to Pedrol. His is also the only company in China with its own wine-focused social network: i-Cellar. However like the Bordeaux Wine Council, it uses the big Chinese social networks.

Sina Weibo has about 300 million registered users, Renren roughly 100 million users, though accurate data,

crucially on the number of active users, can be difficult to extrapolate.

As of mid-June Yesmywine's i-Cellar had more than 100,000 members. "All of them give comments about our wines, and discuss wine news and the wine world in general," says Pedrol.

Yesmywine.com was established in the country in 2008, with the help of US venture capital funding.

The company also has My Cellar, a Twitter-like service for wine lovers, on the Yesmywine platform. Events are held in more than 40 mainland cities, with an average of 15 wine parties each week. "This approach gives us the chance to deliver news [about wine] all over China. It makes us one of the strongest marketing platforms and helps to establish wine brands in China," adds Pedrol.

The company also uses Facebook to announce events in Hong Kong.

"Facebook is small to us because we are still growing in Hong Kong. Yesmywine only launched in Hong Kong earlier this year. It is working very well for our promotions."

Pedrol notes: "Because our company has 70 per cent of market share in China for the internet wine business we can say that we decide a lot about the wine market in China."

Wine consumption in China is only set to rise because of its growing middle class. A survey by International Wine and Spirit Research (IWSR) in London forecast that Chinese people would be drinking more than 1 billion bottles a year by 2015, or an average of 1.9 litres a head – almost double the current figure of about 1 litre per person.

Wine import sales in China were worth 22 billion yuan last year (HK\$26.8bn).

Earlier this year *Decanter* surveyed 70,000 Chinese wine consumers in 30 cities. *Decanter.com* editor John Abbott says: "Chinese consumers have many

Feature findings

- ▶ Facebook and Twitter are banned in mainland China, but the country has its local equivalents: Renren and Sina Weibo.
- ▶ Wine consumption in China is set to rise because of its growing middle class.
- ▶ An online wine-selling platform such as yesmywine.com, the most successful online platform on the mainland, with more than 5.2 million members, is selling 15,000 bottles daily.
- ▶ Social networking in China is strong as trusting friends and word-of-mouth recommendations are important, so this is key for sharing wine knowledge.
- ▶ Producers and marketers such as Beaucastel and Wines of Brasil had strong presences in social media and apps at Vinexpo Hong Kong.

sources of information but little clarity. People go online for information. They know brands, but they want more information."

Joshua Rubenstein, Hong Kong director of private client sales for the Italian Wine Merchants describes the region as a competitive one where wine marketers need to find ways to stand out. Social media is a "sensational" way to be educated by customers; "the people we trust," he says.

Rubenstein thinks that wine merchants could continue to deepen relationships with clients via social networks, but adds a caveat that the information on the internet and blogosphere is varied and much of it pure opinion.

"We don't just want to be telling people what's great, but rather we want to interact," says Rubenstein. "We want our clients to help us discover too because we're just as crazy about wine as they are."

With more than 5.2 million readers, yesmywine.com sells 15,000 bottles of wine daily



Major wine companies can sell wine in large quantities online because of their brand name and track record. But for single bottles or small quantities, people prefer to buy from friends via social networking sites.

THE 'DROPS OF GOD' EFFECT

Andy Chow, an accountant in Hong Kong, has a deep passion for wine. He uses Facebook and Sina Weibo to sell wine to a small group of friends: "In my case, people buy from me purely on trust and [my] recommendations. Plus the

It is vital for our family to continue our winemaking traditions, but also use technology like Twitter to create markets. That's quite a challenge for wine people

wines I sell are not exactly expensive, so people generally say 'yes' to me."

As a hobby Andy Chow collects the "Apostles" - 12 wines featuring in a Japanese manga comic series about wine, *Drops of God*, that first appeared in 2004.

The series and its social networking links boosted appreciation of wine more than any other publication in Asia. Wine sales in Japan increased by 130% in 2008, and the wines featured in the series skyrocketed in value.

The seven-part series follows a young man's quest to identify 12 wines his late father, a famous wine critic, identified as the world's greatest wines, with the "drops of God" referring to a 13th wine. The English translation appeared in September 2011.

SPREADING THE WORD

A major reason for the success of social networking in China is a cultural tendency to trust friends and word-of-mouth recommendations, and distrust what official media say.

Alberto Fernandez, managing partner for Torres China agrees that social networking was vital for marketing wine on the mainland because of the importance of word of mouth.

Social networking also played a major role during Vinexpo in Hong Kong at the end of May.

Pierre Perrin, winemaker for the Beaucastel estate in the Rhône, has been in charge of the Asian market for the past dozen years. He has been active on

Twitter and Facebook, and his company launched an iPad app three days before Vinexpo: "It is vital for our family to continue our traditions in terms of winemaking, but also to use technology like Twitter to create markets. That's quite a challenge for wine people," says Perrin.

Wines of Brasil were also active on Facebook during Vinexpo, posting regular updates on their page. Barbara Ruppel, promotions assistant, said the organisation had been using Facebook since April 2011, along with Twitter and YouTube: "We always try to keep our page on Facebook updated with the events we are doing and all the interesting information about Brazilian wines, along with pictures of events and relevant facts," she says.

The company posts videos of journalists who have visited the wine regions plus clips of wine fairs where Wines of Brasil is involved.

Moët Hennessy in Hong Kong created an iPad app called Flavours Asia, based on its book of the same name, which launched in June 2012. It focuses on wine and food pairing for regional cuisine, and is updated every three months. Jane Dee, the company's regional brand manager said: "We are in summer so the app's focus is on wines appropriate for this kind of weather."

Access to the internet in Hong Kong means wine prices are transparent. Social networking via smartphones also lets people compare notes on prices.

People soon learn what is good value, and shun venues where wines are overpriced. The city has a limited BYO culture due to prohibitive corkage fees of at least HK\$1,000 (£82). As a result, people eat out cheaply, then enjoy wine with friends in clubs where membership fees subsidise wine prices, or drink at home.

It all points to nothing short of a consumer-led revolution using social networks. db