



# Playing a Smart Catch-up Game in China

Case Study of a European Wine Association

# Top 10 Wine Importing Countries to China in 2020



The gap between the top two players Australia and France and the rest of the pack is very big



Our client's wines bring a world of difference:

- 250+ indigenous grapes.
- Extensive use of blending technology in wine making.
- High diversity of geographical conditions in the region.



- China is arguably the largest wine market worldwide.
- Chinese consumers have a strong preference towards wines from the Old World.



- Late comer to China.
- Marketing budget is not big with limited government's financial backing.



The gap between the top 3 importing wine countries to China comparing with the rest is big:

- France: Local consumers' deep-seated preference
- Australia: Tremendous government support
- Chile: Import tax advantage



A photograph of a sandy beach with waves crashing on the right side. Several footprints are visible in the sand, leading from the water towards the left. The sand is a warm, golden-brown color, and the water is a pale, foamy white.

## A 10-Year Trial & Error Marketing Journey

- When this wine association first tried to make inroads into China at around 2011, its focus was solely on B2B marketing as its members needed to solicit partnerships with importers and distributors.
  - Participated in wine shows
  - Invited trade people to have outbound familiarisation visits
  - Worked with local wine education schools to conduct workshops for wine professionals and serious wine consumers



The background of the slide features a close-up, low-angle shot of two wine glasses filled with red wine. The glasses are positioned on a wooden surface, and the lighting is warm and slightly dim, creating a sophisticated and elegant atmosphere. The focus is sharp on the glasses, with the background slightly blurred.

## Fine-tuning of Go-to-China Strategy

After a couple of years, the association noticed a drawback of this approach:

- As the brand awareness of the wines from this region remained to low among Chinese consumers, those potential importer and distributor partners were hesitant to collaborate with its members, because they were not sure if their wines could sell well.

**While B2B marketing is still the priority, the wine association realised that it needs to factor brand building into its go-to-market strategy.**





This refined direction is right, but brand building could be a **costly exercise**. Putting this in perspective, The Australian Government has invested \$50 million on a four-year program to grow Australia's wine exports and showcase the nation's wine tourism offering in China and USA.

# promote Aussie wine

11 SEPTEMBER 2018

By Natalie Wang

## Example of Wine Australia's Extravaganza

Wine Australia has employed two Chinese social media stars, dubbed the 'Kardashians of China,' to promote Australian wine online to a growing number of female wine drinkers.



Chufei and Churan, the two Chinese social media stars, have been enlisted by Wine Australia to promote Aussie wines

*Australian Associated Press.*

The two stars, Chufei and Churan, were brought by the trade organisation to Australia for a two-day whirlwind trip to Australian wineries and tourist spots last week, while they live-streamed the whole trip to millions of their followers on Tmall, Alibaba's retail platform.

The twins were paid a total of AU\$34,000 for the two-day boozy trip packed with food and wine tastings.

The marketing campaign comes as Tmall was launching its annual 'September Nine' promotion, where 576 million Chinese consumers will have more than 100,000 international wine and spirits brands to choose from, as reported by the







- Our client could not spend in this way as its marketing budget are mainly funded by members' hard-earned money.
- Since 2016, Paradigm has been working with this wine association to conduct “play smart” brand building initiatives on top of providing B2B marketing support.



# Pragmatic Assessment of Different Tools Taking Client's Situation into Consideration



Wine Shows



Tasting Events



Trade Fam Trips



Consumer  
Interaction



Trade  
Education



Conventional  
PR



Digital Media



Advertising



E-commerce





Taste  
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wines



**Wine Shows**



- **Participating in quality wine shows is still the most cost-effective brand building exercise targeting both B2B and B2C audiences in China.**
- **Selecting international, well-established shows has better guarantee of reaching right type of audiences.**
- **Complementary promotional activities (e.g. masterclass, dedicated booth visit for trade, press activities, social media promotion) should be arranged to increase ROI.**







**Wine Tasting Events**



- **Organising client's proprietary wine tasting events is a vehicle that could facilitate in-depth interaction with target audiences.**
- **Location selection is very important for ensuring critical mass of right types of participants. In the case of our client, its selections were:**
  - **Wealthy cities: Beijing, Shanghai, and Guangzhou**
  - **Strategic location: Xiamen (Largest wine importing port of China)**
  - **Existing business hub: Macau**
- **Re venue selection, working with hotels that have robust wine programmes will provide a leverage of expanding our event's reach.**







**Trade Fam Trips**



- In 2016, we helped client invite a group of F&B directors and chief bartenders of five-star hotels in Hong Kong and Macau to visits its 14 wine maker members. The client had organized a couple similar fam trips for trade people from China before.
- It has been concluded that in terms of cost effectiveness, such trade fam trip could not be justified for brand building purpose.







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葡萄酒世界

葡萄牙的葡萄酒  
wines of portugal



葡萄牙葡萄酒  
教育课程

2021年4月



250+ 种本土葡萄  
为混酿带来无限可能

葡萄牙的葡萄酒  
wines of portugal



主办方：葡萄牙葡萄酒协会

Consumer Interaction



- In tier-one Chinese cities, there are a growing number of high-end/boutique supermarkets that are good for consumer activities, i.e. setting up branded tasting booth at their wine corners/sections.
- Nevertheless, this does not work well with our client because:
  - ✓ The venue rental/co-operation fees are very high.
  - ✓ As our client has many members, it will be tricky to ensure equal presence for their wine offerings for tasting.





- Catalysed by the prolong interruption of COVID-19, the Chinese market has become more receptive to online events ranging from product launches, forums to consumer workshops during the past 15 months. This open a door for our client to a cost-effective alternative.
- Starting this Spring, we have been organising a series of four consumer interaction workshops for our client. Hosted by a popular wine educator through collaboration with a wine portal (for ensuring participation), each session lasts for 90 minutes and includes host's curation/presentation, Q&A and interactive games.
 

• 1 <sup>st</sup> workshop	:	3,700+ participants
• 2 <sup>nd</sup> workshop	:	4,000+ participants
• 3 <sup>rd</sup> workshop	:	July 2021
• 4 <sup>th</sup> workshop	:	September 2021







**Trade Education**





- **Our client tied in trade education activities with wine show participation.**
- **Before the pandemic, these initiatives were curated by its dedicated educator from the headquarters. Because of travel restriction in 2020, client assigned this task to designated local educators.**





**Conventional PR**





- **Conventional PR refers to basic media interviews and news service.**
- **We take an opportunistic approach in arranging these initiatives - whenever it is involved in local marketing events, e.g. participation in wine shows.**



**Digital Media**





**After thoroughly considering both practicality and resources availability, we have developed/been managing the following digital media assets for our client:**

- **Chinese language website**
- **WeChat account**
- **WeChat Mini Program**
- **Facebook**







# WeChat

WeChat is arguably the most widely used social media platform in China, boosting **806 million+** monthly active users and covering **94%+** smartphone users in China.

Its functionalities are intertwined with people's everyday life: Messaging, shopping & payment, information seeking, games and apps.

WeChat has also become a very important type of owned media being used by various brands. Currently it has **8 million+** public accounts established by corporations or organisations.





# WeChat Mini Programs

These are small apps running within WeChat. WeChat Mini Programs enable companies to provide its WeChat followers with advanced features such as e-commerce, task management, coupons, etc.

It is said that there are **one million+** WeChat Mini Programs covering **200** categories and **200 million** daily users.





10-GM-P-PL-010



Advertising





**The following out-of-home (OOH) advertising platforms could pinpoint at middle class consumers in cities:**



**Office Building**

Office buildings in CBD of cities. The OOH ad would be placed inside or outside of the lifts in the office buildings.



**Subway Station**

OOH to be placed in subway stations of metro transportation system in Beijing, Shanghai and Guangzhou

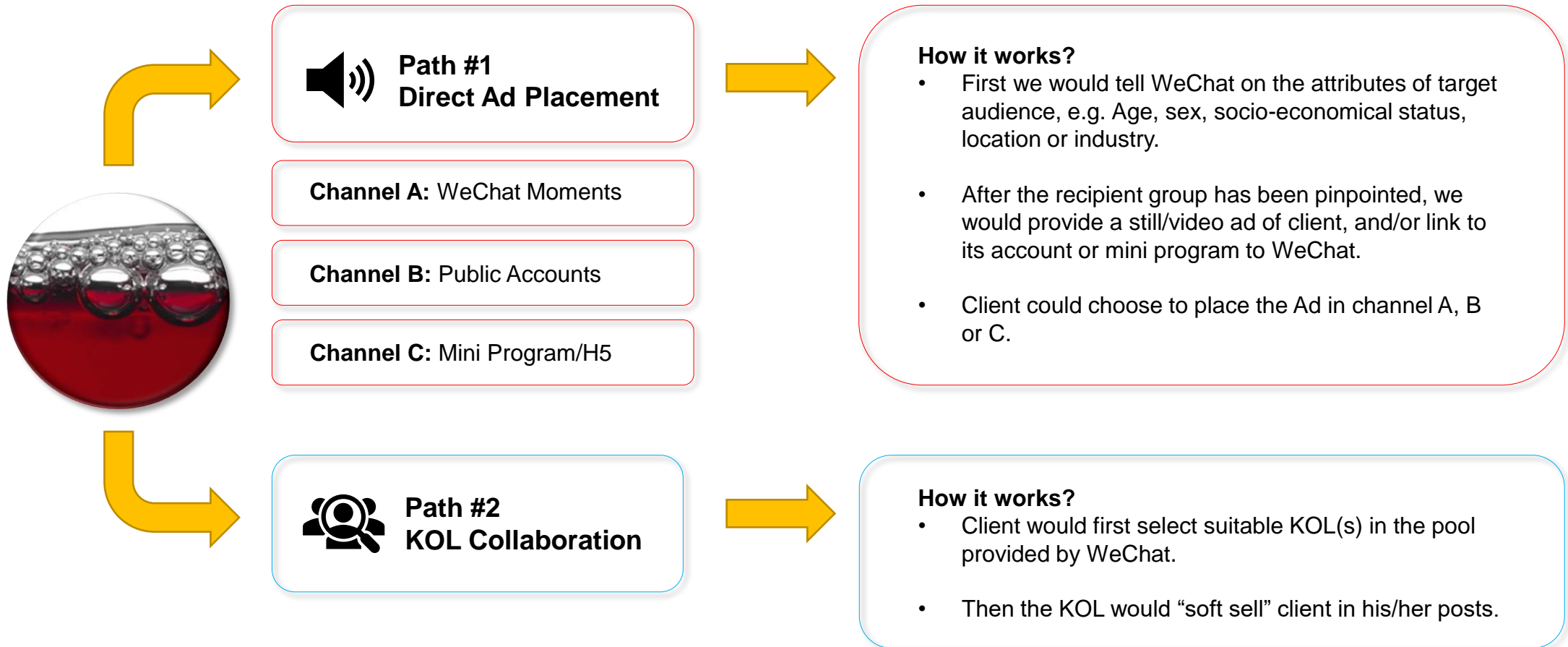


**Express Locker**

OOH ad to be place in the monitor of public express lockers at office buildings in CBD.



## Another Possible Ad Placement Options: WeChat Advertising







**Our client have not taken the advertising paths because of two reasons:**

- **Its mandate is to promote the overall branding instead of individual members' product offerings.**
- **The required outlays of these advertising platforms are significant. Without product selling as a KPI for ROI, advertising is difficult to be justified.**





**E-Commerce**





## Two types of e-commerce platforms: Generic vs Wine-specific:

### Generic



### Wine-specific





- **E-commerce platforms would only consider co-operation prospects that directly sell products.**
- **Nevertheless, we helped arrange an orientation webinar hosted by Tmall representative for client's members that are interested in exploring e-commerce in China.**





# Social Commerce





## **E-commerce + Social Media = Social Commerce**

- Social commerce is the buying and selling of goods or services directly within a social media platform.
- This model moves social media beyond its traditional role in the discovery process by encouraging users to complete the entire purchase process without leaving their preferred apps.



## HOW

- Owned media
- Third party e-commerce platform
- E-advertising
- Livestream e-commerce
- KOL cooperation
- Plog/Vlog/Instant music video





## Fly High with You in China

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