



irish spirits in china

Guy Wingfield Horan
guy@botaniagency.com

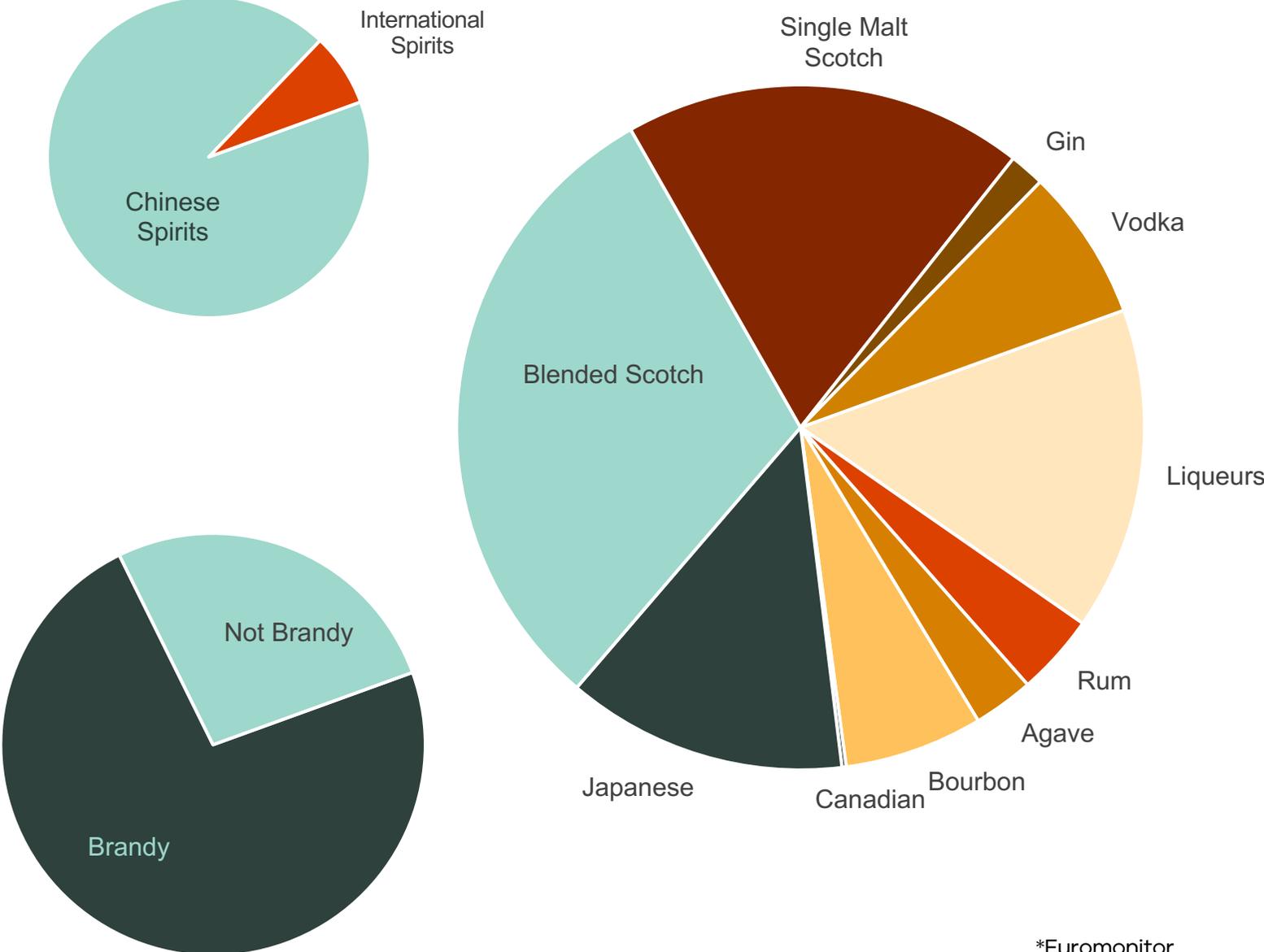
15th November 2022

spirits in china



Guizhou Maotai
500 ml, ¥1,600

2021 sales by value



*Euromonitor

China Spirits Trends

Chinese Spirits



China has a millenia old tradition of distillation.

Baijiu is not a monolith and styles vary.

Beyond baijiu regional specialties exist - huangjiu, ergoutou, manaijiu.

Brandy & Cognac

1980s - 90s

50后, 60后



China's opening up sees businessmen bringing brandy culture from Hong Kong.

To this day Cognac benefits from their association with wealth and laoban culture and are especially popular in the south.

Blended Scotch

2000s

70或, 80后



Blended Scotches get mixed with RTD green tea and find a home in high consumption occasions in nightclubs and KTVs.

Single Malts

2010s

80后, 90后



Graft crackdowns wound the sales occasions for Blended Scotch.

Younger more sophisticated drinker seek to become connoisseurs.

Craft & Cocktails

Today

90后, 00后

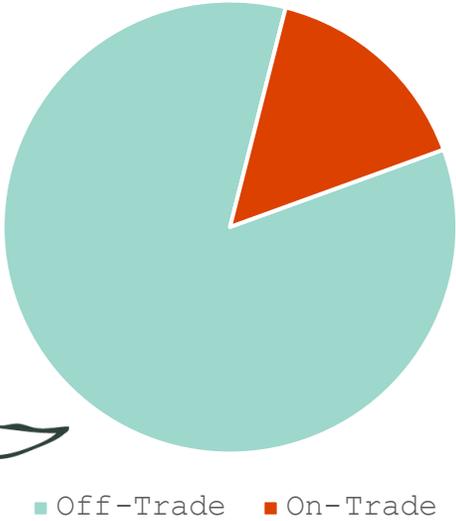


Status shifts from things owned to things known.

Younger generations return from overseas and bring habits and preferences with them.

Rise of cocktail bars and

channel breakdown



off-trade

- E-Commerce (TMall, 1919)
- Supermarkets
 - E-supermarkets (Hema)
- Convenience Stores
- Specialist Retailers
- Liquor & Tobacco Stores
- Douyin / RED



on-trade

- KTV
- Nightlife
- Bars
- Restaurants

Off-trade Zoom-in

Dining is the traditional Chinese drinking occasion.

Premium spirits bought in the off-trade are very often consumed in restaurants or at banquets, not in the home.



When it comes too spirits, **gifting** is as much **strategic** as **sentimental**.

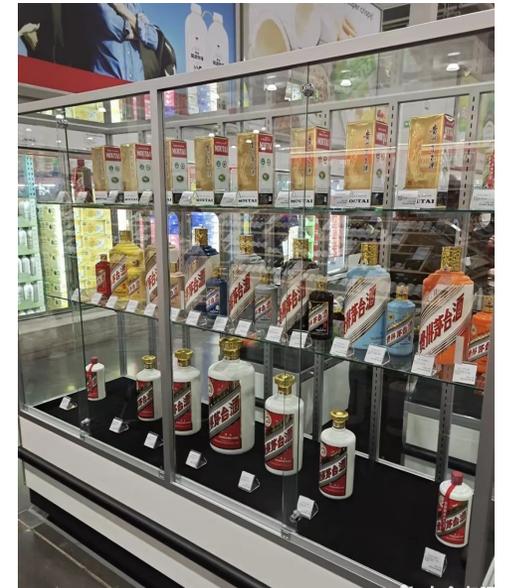
"A high quality spirit is a great gift."*

35%

All respondents

48%

High income respondents



On-trade Taxonomy

KTV / Nightlife



Linx, Shanghai

High energy, high volume *traditional* space.

Promo girls, table service.

These are the on-trade equivalent of multiples - low margin, high volume, expensive sale.

Whiskey & Cocktail



Midnite Star, Harbin

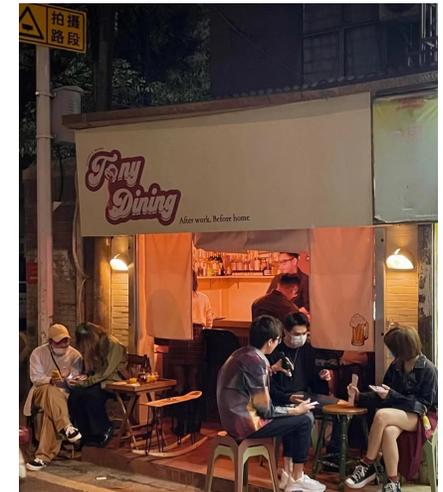
Classic whiskey and cocktail joint.

200 + whiskeys, classic or signature cocktails.

Wood paneling and waistcoats.

Post-80s whiskey fans.

XiaoJiuGuan 小酒馆



Tony Dining, Guangzhou

Casual and craft focussed.

Streetside seating and standing room.

Craft beers and quick cocktails.



the opportunity

and some advice

whiskey

WHO?

Dialled-in whiskey drinker.

Male, millennial, maybe a malt snob.

WHY?

Has a favourite whiskey but likes to explore the category.

WHERE?

Drinks at Whiskey & Cocktail bars.

Buys his daily driver on Tmall, trusts his bartender and tries new drams at the bar.

Buys new bottles from a KOL.

WHAT?

Pot-stills, aged malt (Age Statement please) unique bottlings.

cocktails

WHO?

Open-minded Gen-Z.

All genders, studied abroad, cooler than you.

WHY?

Loves new experiences. Status is what they know, not what they own.

WHERE?

Favourite XiaoJiuGuan. Somewhere that looks good but in pictures but has a genuine vibe.

WHAT?

Blends, younger liquids, interesting bottlings, craft and cool collaborations.

What's in a name?

Your brand needs a Chinese name, and if you don't give it one it the market will. That's not a bad thing.



Key Points

- Descriptors work, it does not need to sound like your original name e.g. 蓝瓶 Blue Bottle
- Naming is expensive but consistent application is cheap.

Whiskey fairs



Key Points

- Whiskey L is the biggest and most expensive and most mainstream.
- There are regional whiskey fairs which can offer better ROI.
- They are more niche, require less investment, and the visitors are more engaged.

Some advice for entering China.

Partner

Decide - do you want to build your brand or just sell some whiskey?

Either way, your A&P is padding margins. Have your own plan for marketing.

Focus On Trade

Trade marketing is way cheaper and more effective than consumer marketing.

If you have guest shifts regularly and a nice gift box to key trade partners at CNY you're doing better than most.

Appreciate the Difference

Anthony Bourdain described China as 'too big and too old'. Assume your strategies from other markets will not translate.

Embrace experimentation with POSM, livestreaming, messaging, etc.

Ignore Big Numbers

All numbers are big in China - set your own goals and focus on them.

KTVs, Tmall Stores, Whiskey Fairs, famous KOLs - these offer high sales to established brands but can be extremely expensive.

Set Your Sights Beyond Shanghai

Guangzhou is richer, Shenzhen is more international, and Chengdu is cooler.

China is ten markets in a trench coat, think of cities like you would states or European countries.



thank you

guy@botaniagency.com

SHANGHAI | 静安区武定路327号1号楼2104室 |

