

# Wine Consumption Behavior and Preference of Chinese Millennials

## --An Exploratory Investigation

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**Keywords:** Wine market; Chinese millennial consumers; Consumer behaviour; Consumer preference

**Abstract:** For the wine industry, millennials are promising wine consumers in the future. This study aims to understand the wine consumption habits and style preferences of Chinese millennial consumers and how they acquire wine knowledge. An investigation was conducted in a university of southern China and a total of 213 valid questionnaires were collected through electronic questionnaires. Descriptive analysis and cross-tabulation were used to understand the consumer behavior, taste and style preference of millennial consumers. The main conclusions of this study are as follows: Firstly, most millennials buy wine online. Secondly, the three most important factors of aroma and flavor characteristics that the millennials prefer are balance, aroma and softness. Thirdly, they show no difference of preference between new and old world. In addition, they like simple, easy labels and the wines with cork, etc. These conclusions are helpful for the wine industry to understand the potential wine consumer's purchase behaviour, as well as significant for the wine industry to develop the huge market of millennial consumers in the future.

## 1. Introduction

In the international wine market, millennials are a huge potential market that will influence wine consumption trends in the near future, so it is crucial to understand them. They have made wine increasingly popular all around the world and represent one of the most promising new wine consumers. According to a study conducted by OEMV, there are approximately 5.7 million wine consumers aged 18-35 in Spain, accounting for 23% of the Spanish wine consumer population in 2008[1]. The wine market has recognized the need to focus on younger wine consumers.

Millennial consumers are generally confident, self-reliant, supportive of diversity, ambitious and fond of challenges [2]. Camillo pointed out that Chinese consumers can obtain wine information through the following channels: product reviews, word of mouth, TV ads, relevant websites, print ads and direct mail [3]. Young Chinese consumers do not know much about wine, but they have a strong desire to learn [4-7]. A survey of college students' access to wine information in Yunnan province showed that advertisements, magazines, newspapers and the Internet are the main learning channels for college students. And many expressed willingness to accept wine tastings, lectures or wineries as sources of information. They know a little about the health of wine, but not much about some of the more specialized knowledge (such as wine regions and types)[8].

In terms of purchasing channels, consumers who like to buy online are generally young people with a good level of education [9]. In terms of consumption price, Chinese consumers have different consumption prices for different consumption goals. They buy expensive wine to celebrate or give gifts, and the price of the wine they usually drink is low, which is influenced by Chinese "face culture" [3,9,10,11]. In terms of the type of wine, previous studies have shown that the Chinese prefer red and sweet wines to white. Chinese love and preference for food is one reason, and the influence of older generations is another. The older generation generally call wine red wine, so young people think that wine is red [3,7]. Goodman and Somogyi et al. proved that the buying factors of college students are mainly brand, texture and recommendation [11,12].

The wine consumption behavior has been paid more and more attention. From the perspective of behavior, economics, psychology and other aspects, such as situation, motivation, decision-making and behavior, western scholars have carried out a comprehensive study on this issue.

Previous research has shown that wine consumption is influenced by gender, age, education and income. Hussain's regression model illustrates the significant influence of age, education and income level on wine consumption behavior [13]. Compared with the socialization process of elders, young consumers regard drinking as a cultural identity and social status [14]. With the oversupply of wine market and the increasingly fierce competition, the emotional benefits consumers get from wine need to be a key mining point.

Wine consumption is affected by many factors, generally divided into two categories: the brand, varieties, prices and other characteristics of the wine itself; friends, relatives and other reference groups. Goodman reckons that for wine consumers in most countries, "taste" and "recommendations" rank among the top three buying factors [12]. Wine Intelligence conducted a survey on 1,512 Wine consumers in the UK, and found that 60% of consumers received valuable recommendations from their family and friends [15]. Consumption context is also very important, which affects the relative importance of product attributes, and consumers' purchase intention depends on the degree to which consumers relate product characteristics to consumption context [16].

Motivation drives consumption. Thach and Olsen(2006) found that one of the main reasons for drinking is that millennials like the taste of wine, followed by the pairing of wine and food, and relax. In addition, they are used to associating wine consumption with social events and prefer innovative packaging and labelling [17]. Madeira et al. have shown that in Portugal, young consumers are mainly motivated by self-experience, wine enjoyment and social interaction [18]. Wine is consumed on many occasions, as gifts, family dinners or formal dinners. Previous studies have shown that the top three motivations for wine consumption are food pairing, social interaction, and medical care[19].

Therefore, the research objective of this paper is proposed: research millennial wine consumption preferences.

## **2. Methods**

The purpose of this study is to explore the wine buying behavior, wine knowledge level, taste and style preference of Chinese millennial consumers. The research was conducted in shenzhen, a dynamic and young city with a population dominated by young people, so it has a strong representation of millennial wine consumers across the country. This study uses electronic questionnaires to conduct online surveys, mainly to survey consumers aged 18-30.

### **2.1. Research Questionnaire**

This questionnaire consists of three parts: wine purchasing behavior, wine taste, style preference and demographic data. The first part is about the respondents' purchase frequency, purchase volume, purchase reasons, purchase channels, price, etc. The second part is the investigation of consumers' personal preference in varieties, producing areas, wine labels, acidity and tannins. Finally, demographic information of respondents is collected. In the second part, this study referred to the professional book "GREAT WINE MADE SIMPLE" to make the investigation of taste and style more comprehensive.

### **2.2. Samples and Data Collection**

This study used online survey to collect data. The survey spans 24 days from November 3, 2019 to November 26, 2019. A total of 214 questionnaires were collected, of which 213 were valid. As the interviewees are very interested in wine, they have given full understanding and active cooperation, and the questionnaire is of high quality.

### 2.3. Data Analysis

Sort out the collected data and input it into SPSS software. In this study, descriptive analysis was used to understand the consumption habits, preferences of Chinese millennial consumers. Cross-tabulation was used to analyze the relationship between wine consumption behavior, taste style preference and consumers' personal background information. A Likert scale from 1 (strongly disagree) to 5 (strongly agree) is applied to some of the survey items expressing degree.

## 3. Results of Discussion

### 3.1. Wine consumption behavior

As shown in Table 1, in terms of purchase frequency, most people did not purchase alcohol in the most recent year (29.1%), 27.2% bought it every six months, and 19.7% bought it every year. As shown in Table 2, in terms of the price of wine, most people (78.9%) would choose a wine of 100-300 yuan, followed by 300-500 yuan (32.4%) and  $\leq 100$  yuan (27.2%). The data suggest that millennial consumers have limited purchasing power.

As shown in Table 3, 84.1% of people consider their knowledge of wine to be average or above.

As shown in Table 4, most people will choose the Internet (68.5%) as the purchase channel, which reflects the great impact of the Internet on millennials. In addition, 43.2% of consumers still choose supermarkets as the purchase channel, indicating that many millennials may have low professional level on the one hand, and may also be limited by limited income on the other hand.

As shown in Table 5, 74.2% of people drink alcohol for friends' parties, followed by 61% who choose daily drinking, and some people drink alcohol to celebrate (51.6%) and give gifts (30%). The proportion of business banquets, investments and collections is less than 10 percent. It shows that social interaction and self-enjoyment are the biggest goals for millennial consumers.

Table 1 Frequency of wine purchase (Multiple choices)

Frequency	N	Percent of Cases
At least once a week	10	4.7%
Once every two weeks	13	6.1%
Once a month	28	13.1%
Semiannually	58	27.2%
Once a year	42	19.7%
Not once	62	29.1%
Total	213	100%

Table 2 Price (Multiple choices)

Price[yuan]	N	Percent of Cases
$\leq 100$	58	27.2%
100-300	168	78.9%
300-500	69	32.4%
500-1000	19	8.9%
1000-3000	8	3.8%
>3000	1	0.5%
Total	323	151.7%

Table 3 Knowledge of wine

Score	N	Percent of Cases
1	4	1.9%
2	30	14.1%
3	119	55.9%
4	52	24.4%
5	8	3.8%
Total	213	100%

Table 4 Purchase channels (Multiple choices)

Channel	N	Percent of Cases	Channel	N	Percent of Cases
Supermarket	92	43.2%	Bar	7	3.3%
Liquor store	67	31.5%	Hotel	5	2.3%
Online purchase	146	68.5%	Other	32	15.0%
			Total	349	163.8%

Table 5 The reason for buying wine (Multiple choices)

Reason	N	Percent of Cases	Reason	N	Percent of Cases
Daily drinking	130	61.0%	Gift giving	64	30.0%
Friends party	158	74.2%	Investment	5	2.3%
The celebration	110	51.6%	Collection	10	4.7%
Business banquets	19	8.9%	Other	13	6.1%
			Total	509	238.8%

### 3.2. Wine consumption behavior

As shown in Table 6, the grape variety (Mean=3.96), price (Mean=3.96) and the original production (Mean=3.95) are the three most important factors for millennial consumers to judge the quality of a wine.

As shown in Table 7, the three most important factors for aroma and flavor characteristics are balance (sweetness, acidity and combination of tannins) (Mean=4.43), aroma (Mean=4.30) and softness (Mean=4.28). As shown in Table 8, for the description of taste preference, the statements with a high average score are “I like subtle and elegant wines” (Mean=4.04), “I like sweet wines” (Mean=3.74), “I like wines that are fruity and bold” (Mean=3.82), and “I like wine with the aroma of age” (Mean=3.68). “Heavy body, low alcohol content, high acidity and heavy tannins” all had an average score of less than 3.5, showing no obvious tendency. As can be seen from the data in Table 10 and Table 11, the wines of France (81.2%), Italy (48.4%) and Germany (33.8%) are the most preferred wines, and Riesling (77.9 percent), sauvignon sauvignon (44.1 percent) and cabernet sauvignon (43.2 percent) were also preferred.

As shown in Table 9, except for the description of taste preference, the statements with high average scores are “I like wines with simple and easy labels” (Mean=3.66) and “I like wines with cork” (Mean=3.64).

Table 6 External factors in judging wine quality

Factors	Mean	Factors	Mean
Prize	3.13	Grape varieties	3.96
Brand	3.64	Labels, bottles and corks -- sight and feel	3.45
Reputation	3.83	Price	3.96
Country of origin	3.81	Wine score	3.77
The original production	3.95	The age of the wine	3.55
Recommendations from friends and family	3.60	The year of wine	3.66

Table 7 Aroma and flavor characteristics that determine wine quality

Factors	Mean	Factors	Mean
Color	3.73	Balance (combination of sweetness, acidity and tannins)	4.43
Aroma	4.30	Aftertaste	4.16
Acidity	4.08	Palate (body)	4.25
Sweetness	4.10	Softness	4.28
Alcohol content	3.63	Complexity/hierarchy	4.18
Tannins	3.97	Change in taste	4.03
Oak	3.47		

Table 8 Taste preferences

Description	Mean
I like heavy - bodied wines.	3.12
I like low alcohol wines.	3.40
I like wines with high acidity.	3.24
I like the structure of wines with heavy tannins.	3.13
I like sweet wines.	3.74
I like wines that are fruity and bold.	3.82
I like subtle and elegant wines.	4.04
I like wine with the aroma of age.	3.68

Table 9 Style preference (except taste)

Description	Mean
I like wines with simple labels.	3.12
Wine labels with a sense of The Times, innovation and artistry are more attractive for me to buy.	3.40
I like wine with cork.	3.24
I like wine with screw caps.	3.13
Grape marketing influences my purchasing decisions.	3.74

Table 10 Favorite country of origin (Multiple choices)

Country	N	Percent of Cases	Country	N	Percent of Cases
France	173	81.2%	New Zealand	49	23.0%
Italy	103	48.4%	Chile	53	24.9%
Spain	56	26.3%	Argentina	18	8.5%
German	72	33.8%	South Africa	11	5.2%
America	35	16.4%	China	31	14.6%
Australia	67	31.5%	Other	2	0.9%
			Total	670	314.7%

Table 11 Favorite grape variety (Multiple choices)

Variety	N	Percent of Cases	Variety	N	Percent of Cases
Cabernet sauvignon	92	43.2%	Chardonnay	71	33.3%
Merlot	52	24.4%	Sauvignon blanc	94	44.1%
Syrah	62	29.1%	Riesling	166	77.9%
Grenache	38	17.8%	Other	13	6.1%
Pinot noir	79	37.1%	Total	667	313%

#### 4. Conclusion and Recommendation

The Internet is increasingly influencing Chinese millennials' wine consumption. Most people buy wine online. So the wine industry can focus on the public accounts related to wine, keep updated frequency, improve the quality of the content, and also can try to present it in the form of advertorials and short videos that young people prefer. Wineries try to open online stores on reliable platforms as far as possible, which can effectively increase sales.

Wine education is very important. At present, some universities have offered wine related courses. The wine industry could consider partnering with universities and training institutions to offer more wine courses. The basic courses can be used to open the door of the wine world to millennials who have never been exposed to wine. Advanced courses can give consumers a deeper level of knowledge, leading to a stronger interest in wine.

Wine marketing needs to be tailored to the characteristics of millennial consumers. The main reasons young consumers buy wine are to celebrate, give gifts and enjoy the wonderful taste of wine. Therefore, wine marketing can pay attention to highlight these characteristics, can add gift boxes, festive gift boxes, etc. And advertising can highlight the self-enjoyment of the picture. For the most important aroma and flavor characteristics that consumers feel, wine marketing should

highlight the description of a wine balance, aroma and softness. In order to adapt to the fast pace of The Times, they should design simple and easy to understand wine label as far as possible. And millennials prefer wine with cork.

Young consumers like both elegant and delicate wines and wines that are fruity and unrestrained, so there is no obvious tendency toward the old and new world in taste. Therefore, young consumers are important market segments for both new world and old world wines.

This study has certain reference significance for the wine market, which is conducive to developing the huge potential market of millennials. Anyway, there are still some shortcomings for this study. The survey should be conducted in more areas of the country to collect data on consumers in more cities, so as to make the sample size more representative. In addition, the current efforts of the wine market aimed at millennials are not covered much in this study. In addition to the research on consumers, the research on market suppliers is also indispensable.

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