



REDS rule

Accor senior VP Reggie Shiu sees new trends emerging in China

How do you view the current demand for wine-by-the-glass in China's 4- and 5-star hotels?

Wine-by-the-glass programmes tend to be more popular in key cities, such as Shanghai and Beijing.

The Chinese are gradually coming to understand that wine is better for their health, compared with spirits.

For the younger generation, it is now fashionable to drink wine, although they have yet to acquire a good knowledge of it.

It will take time for more people to know about the imported wines – their origins, different countries, different grapes and different names – especially the old-world wines, which are quite difficult for them to pronounce.

But I do believe that sales of imported wine will go up in the future.

At present, the majority of Chinese prefer to drink local red wines. As their spending power is still below that of developed countries, the price of wines is the determining factor.

Advertising by local brands such as *Dynasty*, *Great Wall* and *Zhangyu* is more evident on TV and highway billboards, so demand for these local brands is higher.

Even though import tax went down after China joined the WTO and the price of foreign wine became more competitive, it is still higher than local wine.

What are the trends among Chinese wine drinkers – their preferences and sophistication?

For people who can afford to drink imported wines, French wine remains their first choice. It is only in recent years that new-world wines from Australia, California, Chile, South Africa and Argentina have increased in popularity. These wines are more aromatic and fruity in taste, and easy to drink for a beginner.

Those with higher disposable incomes are more inclined to go for French wine, such as *French Grand Cru Class*.

Which Chinese wines do you feel are the best names today and have the best potential?

Wine-drinking is a tradition in China, and many Chinese wineries purchased large plots of land in Hebei, Xinjiang and Shandong provinces to manufacture wine of acceptable quality.

The *Great Wall 94, 95* is an example of a premium Chinese wine with a price tag of RMB100-150 (US\$12-\$18)



per bottle to hotels. Some of the best names today that have the best potential include *Dynasty*, *Great Wall*, *Zhangyu* and *Dragon Seal*.

How will the growing presence of premium wines from Australia, South Africa, Chile, Argentina, France and Italy affect the market for Chinese wines?

Imported-wine sales are steadily increasing each year, with French wines leading the way.

As the Chinese cities have become more cosmopolitan, imported wines – particularly the Australian and Californian labels which are generally priced lower than the French – have also gained a wider acceptance among Chinese consumers.

Do you have any problems finding reliable agents and distributors for imported wines?

There are wine companies that offer a wide selection of international wines from around the world. They work with hotels to organise wine promotions, push wine sales, provide training on wine appreciation and organise wine events. These activities all serve to promote the wine culture to Chinese consumers.

Accor is testing wines by the glass at Novotels in Bangkok and Hong Kong. Will you be doing likewise in China?

We certainly encourage wine-testing programmes in our China hotels, as they are a win-win situation for both the hotels and consumers.

They generate a better profit for our hotels, and consumers get to taste more wines from different origins without burning holes in their pockets.

The *Novotel Atlantis Shanghai*, for instance, has introduced a *Wine and Jazz Bar* in its top-floor *ART 50* revolving restaurant, with the main focus of selling wine by the glass.

When it comes to selling good mature wines, our main clientele are French customers whose spending power is larger than our local clients, but at *ART 50* the focus is on the local market, so the price has to be reasonable and the wine unique. ■

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