Riding social change: The New Zealand experience in the evolving wine markets of Japan and Singapore

Report to the NZ:Asia Foundation

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PREAMBLE

In 2007 we were awarded a Big Issues grant of $8,000 to explore the New Zealand experience in the wine markets of Japan and Singapore

The rationale for the research project was multifaceted and is explained in more detail in Appendix A. Briefly, we argued that:

- Wine is an important export commodity for New Zealand and the industry claims that it will reach the $1 billion mark by 2010.
- New Zealand is the only wine-producing country whose major mark niche is in is in premium and super premium wines.
- Therefore NZ wine has to achieve success through market penetration in terms of brand, customer recognition and strong and efficient distribution networks.
- This in turn means that understanding the social and economic dynamics of markets is essential if success is to be sustained and developed against strong competition.

- The importance of wine extends beyond sales figures.
    - Wine is an iconic product which signifies something about the country of origin and the consumer. NZ wine benefits from New Zealand's 'clean, green and environmentally friendly' image and, in turn, contributes to it
    - Wine serves as a significant marker of societal, and market, change in societies which are not traditionally wine drinking.

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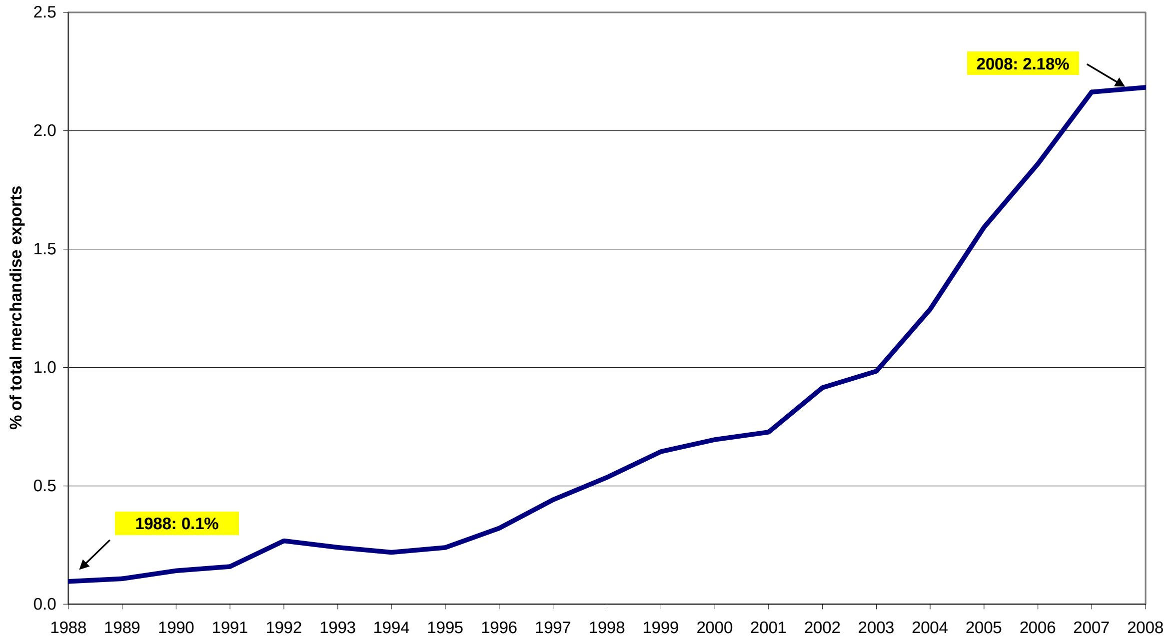
- Wine drinking is an indicator of globalisation, of rising living standards, of a willingness to try foreign products, especially those with lifestyle connotations.

IMPORTANCE OF THE WINE INDUSTRY TO NEW ZEALAND

The wine industry has had a high profile in New Zealand for a couple of decades but it has been difficult to ascertain its overall economic impact. However in April 2009 a report from the New Zealand Institute of Economic Research (NZIER) to the industry body, NZ Winegrowers, provided quantitative evidence. The report, entitled 'Economic impact of the New Zealand Wines industry', is the most authoritative assessment to date and it forms the basis for the rest of this section unless otherwise referenced.[1]

According to NZIER, the wine industry contributes over $1.5 billion to our GDP and supports over 16,500 full-time equivalent jobs. It generates over $3.5 billion in direct and indirect sales. It is an export-oriented industry which has seen export growth approached 24% annually over the last two decades. This was four times that of the 5.9% growth rate for all merchandise exports over that period.. In the past five years wine has contributed about 5% of New Zealand total merchandise export growth. Its share of NZ merchandise exports has soared twenty-two-fold between 1988 and 2008, from 0.1% to 2.18%.

Graph 1: Wine's share of New Zealand exports, 1988-2008



Source: Statistical Appendix Table A1

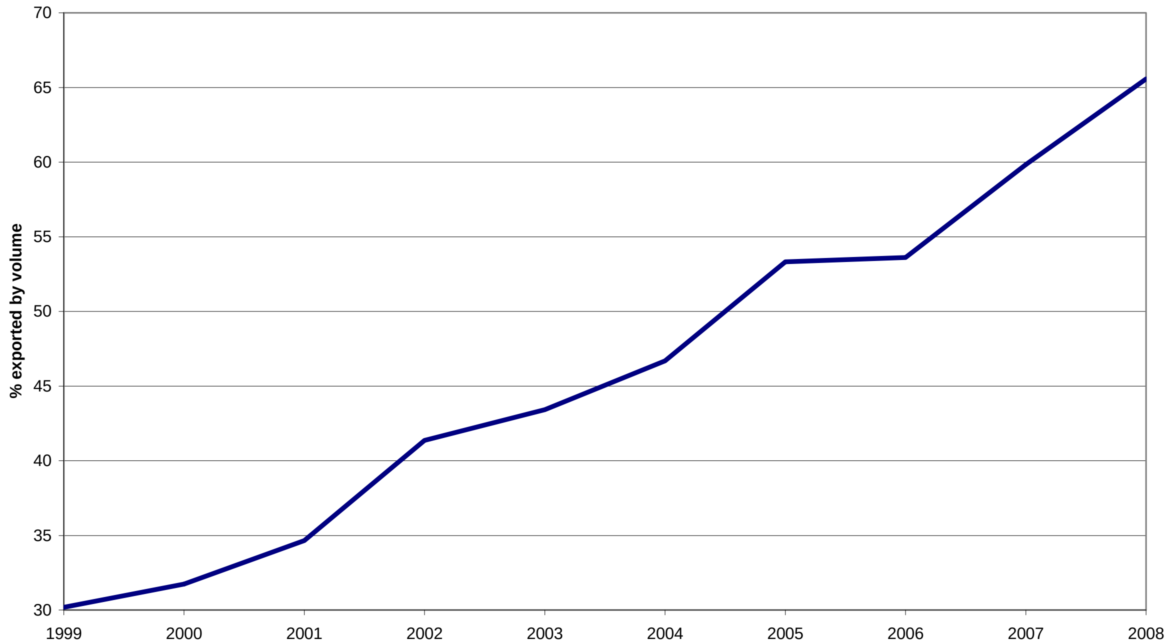
As the NZIER report notes, the wine industry's overseas impact extend beyond the quantifiable trade data into the intangible:

> [The wine industry] Makes an important contribution to marketing and promoting the New Zealand national brand in overseas markets by presenting New Zealand's credentials on every bottle sold and generating media exposure. As one indicator, media coverage of New

Zealand wine in the UK in the past 12 months can be roughly estimated to have an advertising value of around $650,000. The wine industry also adds to New Zealand's reputation as a clean, green, sustainable producer.[2]

However, if wine is important to New Zealand's exports, exports are even more important to the NZ wine industry. As Graph 1 illustrates, using data from the NZ Winegrowers Statistical Annual 2008, exports have risen from 30.2% of total sales (by volume) in 1999 to 65.6% in 2008.

Graph 2: Percentage of NZ wine exported, 1999-2008



Source: Statistical Appendix Table A2

Unfortunately NZ winegrowers do not provide dollar figures, only volumes, but it seems likely that the share of exports in total sales by value is even higher. Certainly this is the case with data from the NZIER report used in Table 1, which calculates the share as 73.7%

Table 1: Export share of NZ wines sales, by value, 2008

Value in NZ$ millions

Export sales value (fob)	899
Estimated cellar door hospitality sales	80
Estimated winemaking sales	1,220
% exported	73.7

Source: Ballingall, John , and Chris Schilling. *Economic impact of the New Zealand wine industry: An NZIER report to New Zealand Winegrowers*. Wellington: NZ Institute of Economic Research (NZIER), 2009. Calculation of % exported by Tim Beal

It would seem reasonable to assume that wine fetches higher prices overseas than in the domestic market, and that the share of premium wines in exports is higher than the average. This is not to say, of course, that winemakers get more revenue from exports, because much

of the final prices is taken by transport, tariffs and middlemen. [3] It might be noted in passing that the figures given by NZIER for export sales in 2008, $899million, differs significantly from the value given in the Winegrowers Statistical Annual, NZ797.8 million, which again differs from the figure of $904 given by a Winegrowers press release. [4] Such is the nature of statistics; it probably arises from one source (NZIER?) using calendar or December years, and the other (Winegrowers?) using June years.

Fig 1: Japanese wine tourism to New Zealand

NZ-wines.co.nz Harvester special Air New Zealand fares for wine lovers, downloaded 20 May 2009 http://www.nz-wines.co.nz/harvester/

One of the more interesting benefit crossovers, and one which came up in our interviews in respect of Japan, is wine tourism:[5]

> Wine tourism is becoming an increasingly vibrant part of the New Zealand economy. It is estimated that 225,000 international wine tourists visited New Zealand in 2006. The economic impact of wine tourists is somewhat different to that of the 'average' tourist. Wine tourists tend to stay longer in New Zealand (average length of stay of 25 days, compared to 20 days on average) and spend more per night ($157 compared to $140) and in total ($4,030 compared to $2,850). Based on these (somewhat out of date) estimates, it can be estimated that international wine tourists spent around $907 million in New Zealand in 2006. Note that this does not mean that the wine industry 'causes' tourism, but it is one of the reasons why tourists want to visit New Zealand. It would be fair to say that the wine industry benefits significantly from the tourism sector as well as the other way around – both sectors are closely linked.[6]

There were some tantalising peripheral benefits which slipped through NZIER's fingers. The export of expertise was one of them. It is known that winemakers travel the world advising on wine making skills, Crafting a specific vintage, or spending time as winemaker in residence. The French winemaker LaCheteau whose trademarking of its Loire-produced

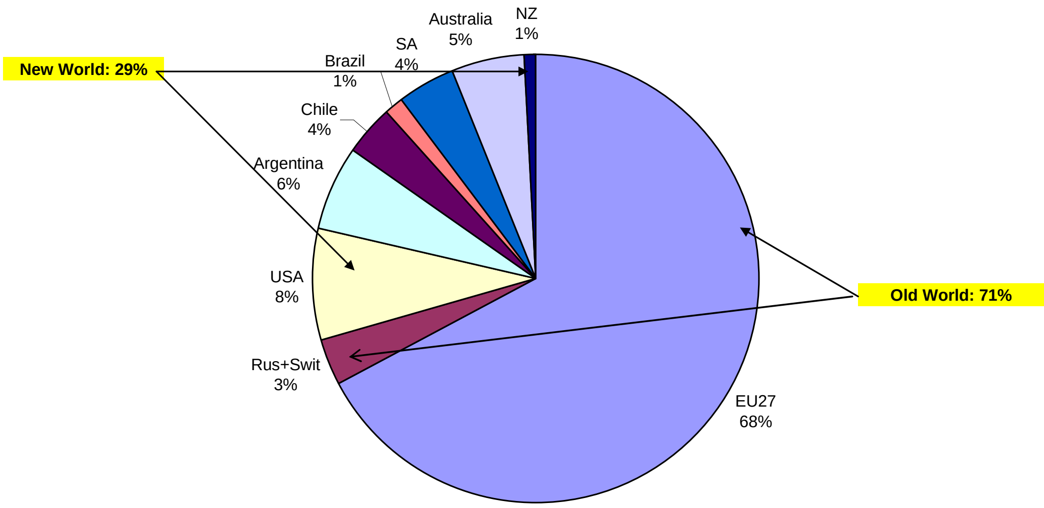
sauvignon blanc as Kiwi Cuvee caused such annoyance in New Zealand in 2005 is an illustration of the global mobility of winemaking skills, and styles.[7] LeCheteau's holding of the kiwi trademark prevented Kahurangi Estate from marketing its 'Kiwi White' in Europe.[8] It is reported that Kiwi Cuvee made by a New Zealand winemaker Rhyan Wardmann.[9] How many Wardmann's are there and how much revenue do they earn for New Zealand? We don't know: as NZIER wryly notes, 'Unfortunately New Zealand's services export data is very patchy, so we are unable to quantify the size of this additional revenue.' [10]

However, it should be noted that in addition to any direct economic benefits such export of expertise produces there is also the impact on New Zealand's reputation in the international wine industry, which then flows through to customers. Kiwi Cuvee may have obstructed Kahurangi Estate but it must also have enhanced the profile of New Zealand wine; to have ones' wine imitated by a mainstream French winemaker is no mean compliment.

THE GLOBAL WINE INDUSTRY

New Zealand is a very small wine produced by international standards, having about 1% of global production in 2008 (Graph 2). Wine producers are conventionally divided into Old World – the traditional wine countries of Europe – and New World – the producers in the Americas, South Africa, Australia, and New Zealand. Where producers such as Russia or the Lebanon fit in is unclear. Moreover, we may well get a re-categorisation in the future as other producers, such as China and India, gain in importance.

Graph 3: Share of world wine production 2008



Source: Derived from "State of world vitiviniculture world report March 2009." Paris: Organisation Internationale de la Vigne et du Vin, 2009.

Source: Statistical Appendix Table A3

Already China is a major force in the world wine industry. It is the fastest-growing wine market in the world and one projection has it fourth behind France, the United States, and Italy in total consumption by 2010. [11] That is only one side of the story. China's wine production is increasingly rapidly. In 2007 there were some 500 wineries.[12] A report by the London wine merchants, Berry brothers & Rudd, predicted that by 2058 China will rise from its present status as the sixth largest producer of volume wine to number one. [13] Moreover the report suggested that 'China also has all the essential ingredients to make fine wine to rival the best of Bordeaux.', and that it will 'take the world of wine by storm.'[14]

The current major wine markets are shown in Table 2. All of them, apart from the UK, are wine producers themselves, though the amount of domestic production to consumption varies. Again, wine producing countries are also importers as well as exporters. Roughly a third of global wine consumption is imported and this ratio has been increasing in recent year. It was 30.6% in 2003 and it was forecast to be about 36.7% in 2008.[15]

Table2: Top ten wine markets, 1997-2006

Country	1997	2001	2006	% change 06-07
USA	12.1	16.1	17.9	11.1
France	10.7	11.4	11.9	3.6
UK	7.1	9.1	10.9	20.0
Germany	6.8	7.3	7.9	7.7
Italy	5.0	6.4	6.6	3.8
Japan	2.8	3.2	3.3	4.3
Australia	2.4	3.0	3.7	21.8
Spain	2.7	3.0	3.0	0.3
Argentina	1.8	1.8	1.4	-18.8
Switzerland	1.6	1.7	1.6	-1.5
Others	27.1	24.3	28.4	16.9
Total	80.1	87.3	96.6	10.7

Source: Euromonitor, quoted by Jenster, Per V. , David E Smith, Darryl Mitry, and Lars V. Jenster. The business of wine : a global perspective. 1st ed. Copenhagen: Copenhagen Business School Press ; Distribution North America, International Specialized Book Services, 2008. p.187

There is no reason to suppose that New Zealand will ever be more than a low-volume, middle premium, niche wine marketer. The size of the country and high costs preclude competing in volume markets. This is, in fact, not a bad position to be in. A recent study of the international wine industry by the Copenhagen Business School notes that global wine consumption has been growing at 1.3% annually and forecasts:

> Worldwide wine consumption is expected to increase at about the same rate through 2010, and then only modestly in the future. The future scenario would seem to be one of increasing focus between the common wine and the premium wine sectors. Producers who cannot or will not upgrade to the premium category will be competing for a dwindling number of low-priced consumers. Producers of premium brand wine who aim at the more modest price points (not-too-elevated) should be able to gain a consistent and growing section of the market. Producers in the super-premium arena will continue to attract a small clientele that is willing to pay increasingly high prices for the highest quality.[16]

In general, New Zealand wineries might be considered to fall within the 'modest premium' category and so this scenario is a positive and comforting one. However possibility - 'should be able to gain a consistent and growing section of the market' – is not certainty and there will be plenty of competition.

The Copenhagen Business School book makes various other predictions about future global demand but one deserves special note in this context:

> Over time, as barriers to trade have decreased, the consumer preferences for wine have trended toward more similar consumptive patterns with the Northern European countries increasing their consumption and the South European countries slowly decreasing their –per-capita amount of wine consumption.[17]

This is an unashamedly Euro-centric perspective. It does indeed seem as if per-capita wine consumption is decreasing in traditional wine markets, but the real global shift is not

confined to Northern Europe, nor is it any longer centred there. The big growth in wine demand over the next half century will come from Asia, and especially the giant economies of China and India. They will also become major producers, and exporters, in their own right. In other words, this brave new market will not be an unmixed blessing for New Zealand winemakers. However, given the size of anticipated demand and our limited production capability, it is not overly optimistic to see valuable and satisfying market opportunities in Asia, especially but not exclusively, in China and India. One of the reasons for looking at the Japan and Singapore markets of today is to get some feel for the Chinese and Indian markets of tomorrow. It would be foolish merely to extrapolate from present markets on the spurious assumption that Asian markets are the same, or follow the same paths, but there are lessons to be learnt.

NZ'S WINE EXPORTS

New Zealand's wine exports have increased markedly in value since 1988, and with some significant changes in direction of trade.[18]

As graph 1 showed, wine's share of New Zealand's total exports has grown considerably, especially since the mid 1990s. In terms of value they increased from about $12.5 million in 1998 to nearly $900 million in 2008.

In 1998 we serviced just 29 markets. Only three of these (UK, Australia, Japan) took over a millions dollars worth of wine, and a further three (USA, Sweden, Canada) took between $200-600,000. Our smallest wine market was Vanuatu, which took $350 of our wine in that year; that might have been just one, reasonably thirsty, customer…

Table 3: NZ's top wine markets, 1988 and 2008

	1988			2008		
rank	market	%	cumulative	market	%	cumulative
1	United Kingdom	49.1	49	Australia	34.3	34
2	Australia	28.2	77	United Kingdom	27.7	62
3	Japan	10.3	88	USA	20.3	82
4	USA	4.2	92	Canada	5.1	87
5	Sweden	3.4	95	Ireland	1.8	89
6	Canada	2.2	97	Netherlands	1.7	91
7	Finland	0.5	98	Singapore	1.3	92
8	Cook Islands	0.4	98	Hong Kong	0.9	93
9	Netherlands	0.3	99	Japan	0.8	94
10	Hong Kong	0.2	99	Belgium	0.8	95
11	Singapore	0.2	99	Denmark	0.7	95

Source: Statistics New Zealand, Infoshare, extracted by Tim Beal 21 May 2009
http://www.stats.govt.nz/infoshare/

Comparing the direction of wine exports in 2008 with that in 1998 throws up some interesting points. Firstly, the markets, while still concentrated, are more diversified. In 1998 five markets took 95% of our wine exports; by 2008 that concentration was not reached until the 10th market. The importance of the UK dropped substantially, while Australia's share rose from 28.2% to 34.3%; thus Australia displaced the UK as our number one market, but with a smaller share. One sign of the developing maturity of our wine exports was the

falling away of micro-markets such as the Cook Islands which only took 8th place in 1988 because our overall wine exports were so small. All these are positive signs.

From the perspective of this research project, we see that Singapore increased its share strongly, from 0.2% in 1998, ranking 11th, to 1.3% in 2008, ranking 7. This made Singapore our largest Asian market, just ahead of Hong Kong. The Japanese market, however, saw a dramatic fall in position. In 1988 it was not merely our largest Asian market by far, but was also our 3rd ranking wine export market, with a share of 10.3%. By 2008 it had fallen to 9th place, with just 0.8% of our wine exports.

Table 4: Asia in New Zealand's wine exports, 1988 and 2008

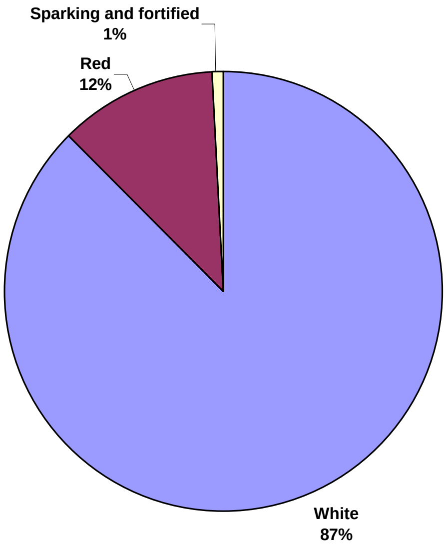
	1988		2008	
Market	$	%	$	%
Cambodia	0	0.0	18159	0.0
China	0	0.0	5,477,376	0.6
Hong Kong	28,715	0.2	7,746,915	0.9
India	0	0.0	355,932	0.0
Indonesia	14,198	0.1	11,734	0.0
Japan	1,296,603	10.3	7,555,221	0.8
S. Korea	5,757	0.0	1,287,156	0.1
Malaysia	2,779	0.0	691,285	0.1
Philippines	0	0.0	340,110	0.0
Singapore	23,207	0.2	11,366,104	1.3
Taiwan	1,982	0.0	646,702	0.1
Thailand	14,488	0.1	671,869	0.1
Timor-Leste	0	0.0	22,450	0.0
Viet Nam	0	0.0	424,731	0.0
Asia	1,387,729	11.0	36,615,744	4.1
World	12,589,317	100.0	898,768,524	100

Note: No exports in either year to Bangladesh, Bhutan, Brunei Darussalam, N. Korea, Laos, Myanmar, Nepal, Pakistan, and Sri Lanka
Source: Statistics New Zealand, Infoshare, extracted by Tim Beal 21 May 2009
http://www.stats.govt.nz/infoshare/

It should be noted, of course, that the actual value of wine exported to Japan (in current values) did increase; it was because our exports to so many other places grew far more, as did our overall wine exports, that the Japanese position declined so precipitously. It should also be noted that this decline is not necessarily commercially negative; it may be that demand in other markets grew much more than that of Japan, or offered more profits.[19] To investigate why the Japanese market has fallen away so much is beyond the scope of our present research project, though we do touch on it in terns of suggestions how we might do better in the Japanese market. However, the statistics do suggest that there is good reason for further research focused on this issue.

New Zealand's wine exports are predominantly of white wines. In 2008 87% of wine exports were white, 12% were red and a mere 1% were sparkling or fortified (Graph 4).

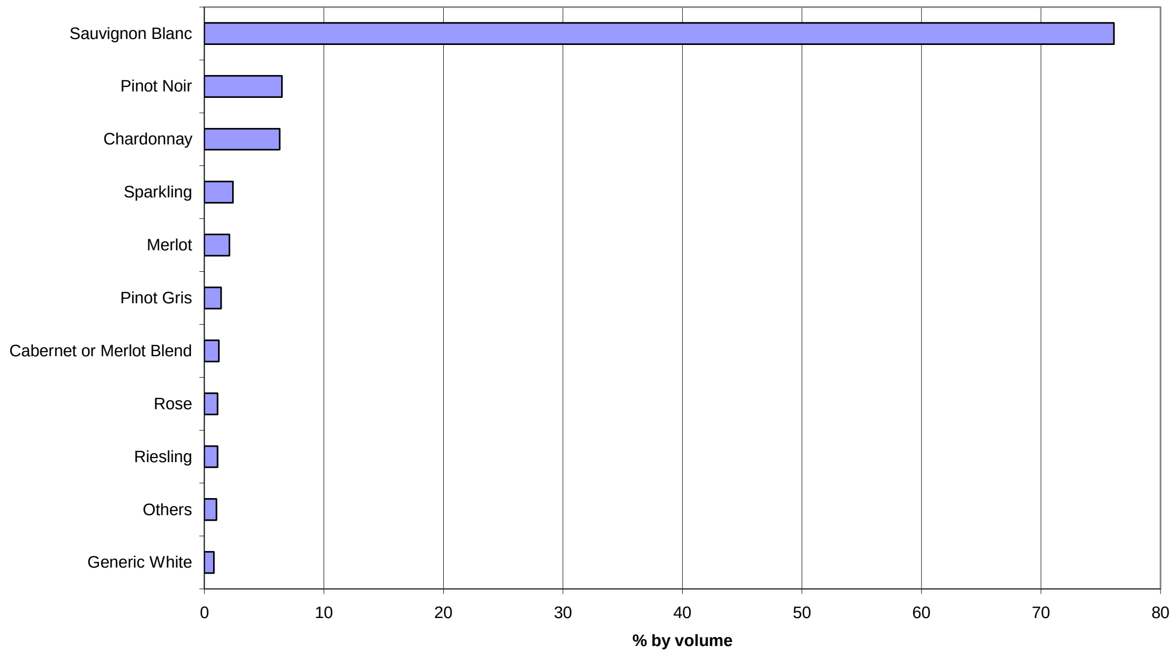
Graph 4: NZ wine exports by type, 2008



Source: Statistical Appendix Table A9

Of the white wines, Sauvignon Blanc is pre-eminent, and its share has rise from 63% in 2004 to 76% in 2008 (Graph 5 and Table A7). The reasons for this increase are, of course beyond the scope of this study but kit does suggest, in a manner analogous to the economist's revealed comparative advantage That New Zealand's strength in the global wine market does lie with Sauvignon Blanc. This is certainly consistent with media reports.

Graph 5: NZ wine exports by variety, 2008



Source: Statistical Appendix Table A8

Sauvignon Blanc has been called New Zealand's 'signature wine'; it was Sauvignon Blanc which made New Zealand wine famous, and it was New Zealand Sauvignon Blanc which raised the profile of the grape itself. Eric Asimov, writing in the New York Times, traces the connection:

> THE sauvignon blanc grape owes a lot to New Zealand. Thirty years or so ago nobody knew much about it at all. Sure, it was a component of white Bordeaux, and yes, it was part of the blend in the great sweet wines of Sauternes. It made wonderful white wines in the Loire Valley, particularly in Sancerre and Pouilly-Fumé, as it still does.
>
> But the grape's name never appears on those French labels. Even in California, the grape gained popularity only after it was rechristened fumé blanc by Robert Mondavi.
>
> Only in the 1980s, when New Zealand started to produce bold, pungent, refreshing sauvignon blanc wines, did the name of the grape become something that people sought out. So great was New Zealand's success that the rest of the world could not help but embrace the grape.[20]

It was Cloudy Bay that drew the attention of the industry, so much so that the winery was bought up by French luxury goods group LVMH that also owns, inter alai, Moet et Chandon and Hennessy. Cloudy Bay's success led to a surge in Sauvignon Blanc production in New Zealand:

> Destruction of the original Cloudy Bay vineyards and extensive growth has reduced the depth of more recent Cloudy Bay vintages, but its work is already done.
>
> A thousand wineries in New Zealand have been launched into action and the country now dominates the ambitious, non-Sancerre, sauvignon blanc market.[21]

In recent years New Zealand Sauvignon Blanc has come under criticism as the early euphoria passed, and the quality of new entrants was seen to be problematic and it was suggested that the excitement had gone. One American was quoted as saying, "The wines showed conservatism. They're all safe. It's about moving boxes."[22]

Nick Passmore, writing in Business Week observed:

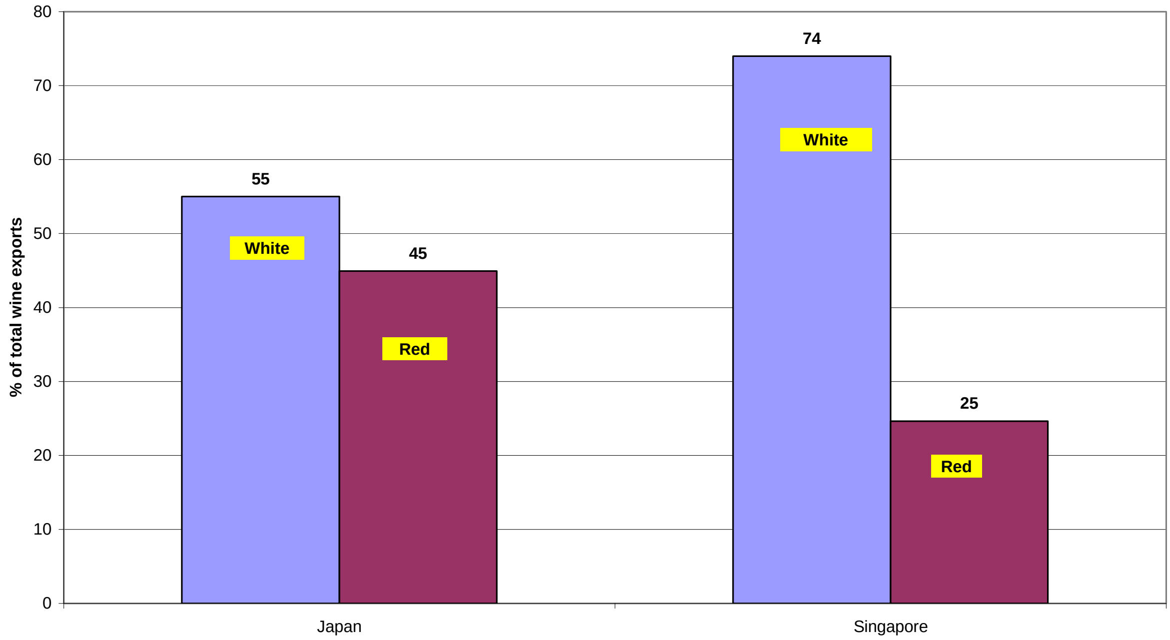
> New Zealand wines first began to attract attention in Britain during the 1970s and '80s, and then burst into American consciousness in the 1990s with the emergence of Cloudy Bay Sauvignon Blanc. For a couple of mad years there, it was the sort of cult wine that sommeliers hid under the counter, producing the odd bottle for favored customers.

> Sanity soon returned. While Cloudy Bay is a lovely wine, it certainly didn't warrant that sort of pop-star hysteria. Nevertheless, its few moments of superstar status did serve to awaken American awareness of New Zealand wines in general and of Kiwi sauvignon blancs in particular.
>
> A flood of imitators soon followed, but there was a problem: NZ sauvignon blancs often show strong hints of an acidic gooseberry flavor that quickly became the trademark of the whole genre. Worse, in too many cheaply made offerings, it has become the only discernible flavor in otherwise thin, watery wines..[23]

He did, however, praise Shepherd's Ridge (illustrated).

The supremacy of Sauvignon Blanc, along with its travails, do not concern us here except in the way it may throw light on our exports to Japan and Singapore. Unfortunately publicly available data from Statistics New Zealand does not give varieties, only types. However, using these blanket terms we are to calculate the share of white and red wines (as well as sparkling and fortified) in our exports to Japan and Singapore and this is shown in Graph 6., with details in Tables A9, 10,and 11. It will be recalled that in the June year 2008 NZ wines exports were 87% White, 12% red, and 1% sparkling and fortified. The latter two categories are omitted from Graph 6 for clarity, but it should be noted that sparkling wines feature rather more strongly than might be expected in NZ exports Singapore, accounting for 1.3% of the total. However, it is clear from Graph 6 that exports to Singapore are broadly consistent with NZ wine exports in general, but exports to Japan are markedly different in their balance of white and red.

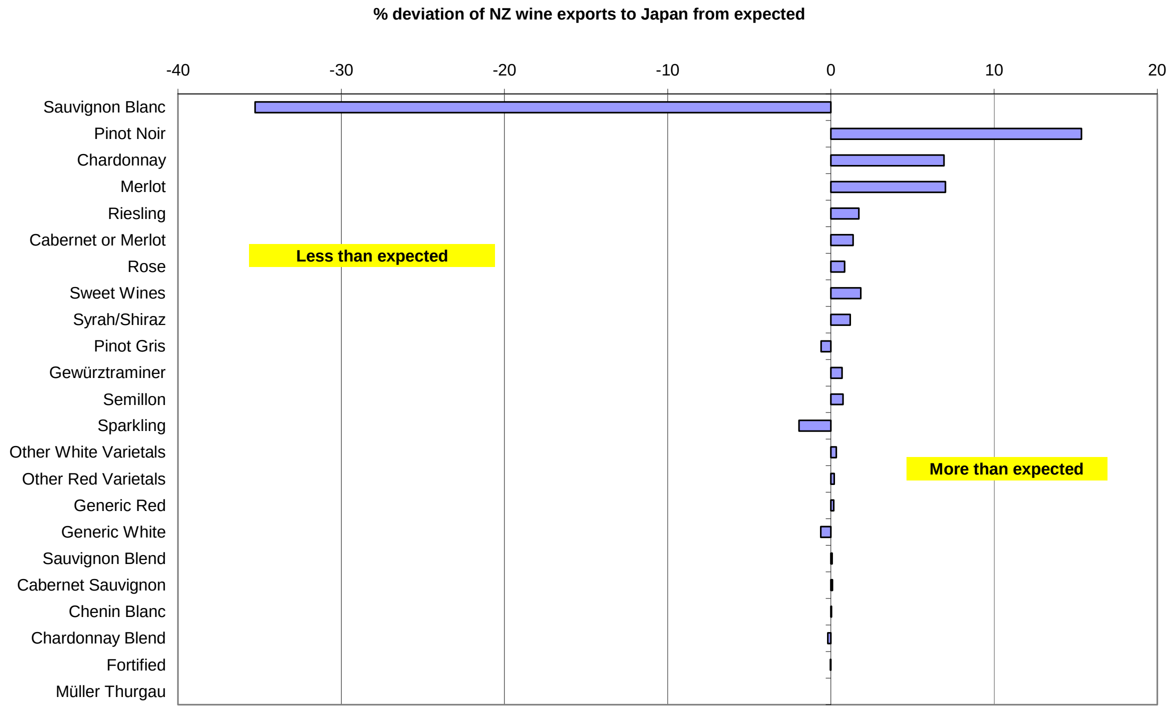
Graph 6: NZ wine exports to Japan and Singapore, 2008, by type



Source: Statistical Appendix Tables A9,10, 11

So we know that Japan has fallen away markedly as a market for our wines since 1988, and that it takes an untypical configuration of white and red wines- less white and more reds than the normal. We are able to explore this a bit further using varietals data from the Wine Export Certification Service, reproduced in the Winegrowers Statistical Annual 2008 (p.48). Table A12 tabulates the data and then goes on to calculate expected exports to Japan by variety has Japan an average configuration. It is then possible to calculate the deviation from the expected, both in terms of litres and as a percentage of the whole. These percentage deviations are shown in Graph 7.

Graph 7: Percentage deviation of NZ wine exports to Japan from expected by variety



Source: Statistical Appendix TableA13

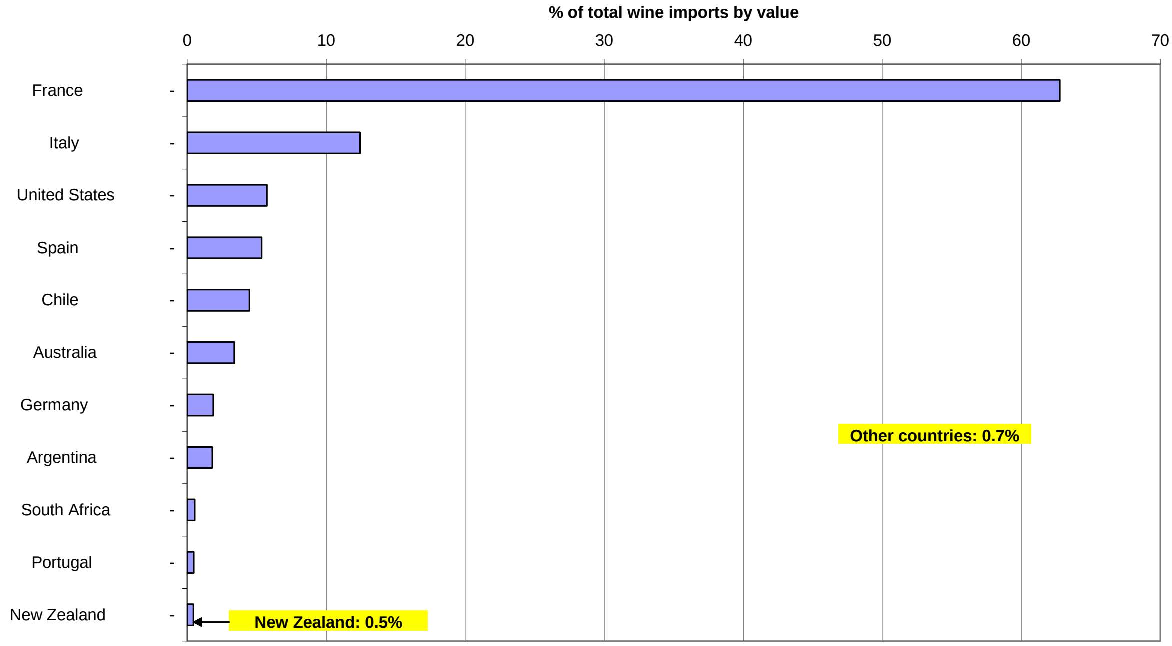
It can be seen that our exports of Sauvignon Blanc are 35% below what might be expected. Sparkling wine is also slightly below normal by 2%. By contrast Pinot Noir (15%), Chardonnay (7%) and Merlot (7%) are above expectations. Why Sauvignon Blanc, our 'signature wine' is so underrepresented in our exports to Japan requires further research.

JAPAN

NZ IN THE JAPAN WINE MARKET

New Zealand is a very small player in the Japan wine market (Graph 8). In 2008 our share by value was about 0.5% and we ranked 11th. France dominates the market followed, a long way behind, by Italy, then the US, Spain, Chile, and Australia. The reason for France's leading position, if not the commanding lead that it has, lies with country image: in Japan, as in other non-traditional wine markets, wine means France. As the United States Department of Agriculture Japan Wine Report puts it, "For many Japanese wine drinkers, France is synonymous with wine."[24] The strong showing of Italy is probably explained by the popularity of Italian food. This however, means that Italian wine is heavily dependent on restaurant sales, and so has been particularly vulnerable to stricter enforcement of drink driving laws.[25]

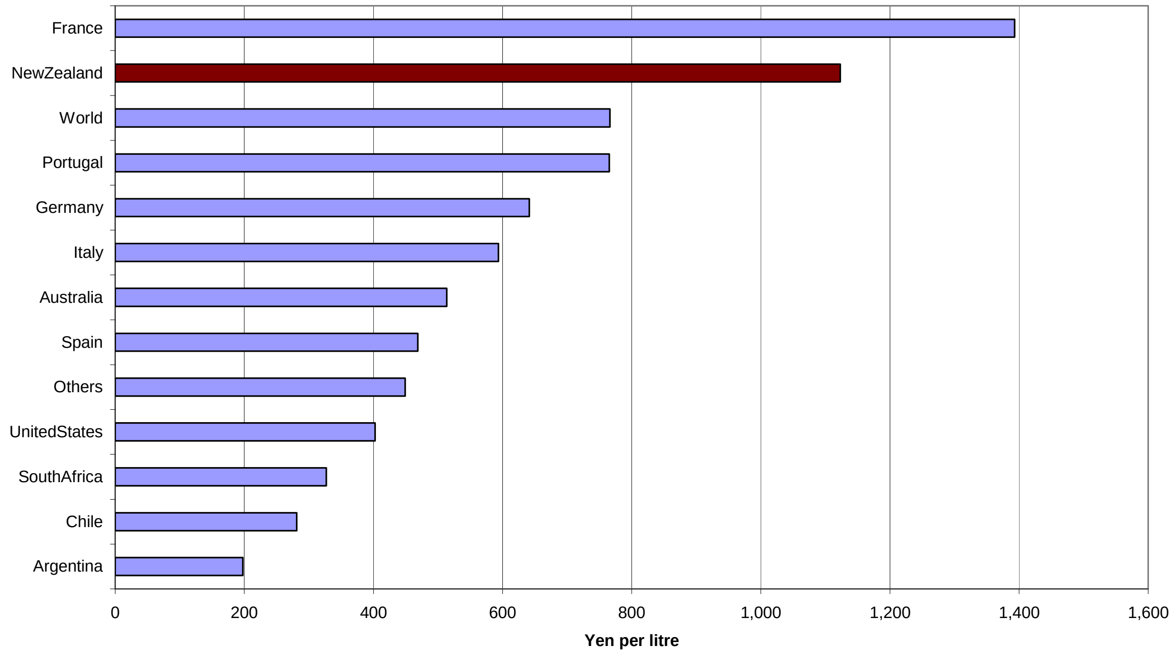
Graph 8: Japan wine imports, 2008, share of major suppliers



Source: Statistical Appendix Table A14

Whilst New Zealand's share of the market is very small, the unit value – yen per litre – of imports from New Zealand is second only to that of France and considerably higher than other comparable countries. The relatively unit value of Portuguese imports, for instance, is probably explained by a predominance of fortified wines such as port and sherry, which scarcely show up in New Zealand wine exports. More relevant are Italy, whose unit value is 53% of New Zealand's, Australia (46%), Spain (42%), and the United States (36%). Chile, with whom we compete in wine as well as a number of other products, has a unit value a quarter of the New Zealand. The unit value is both a compliment to the quality of our wine, and the relative premium price it attracts, and our high costs. Both factors have to be taken into account when formulating marketing strategies for Japan.

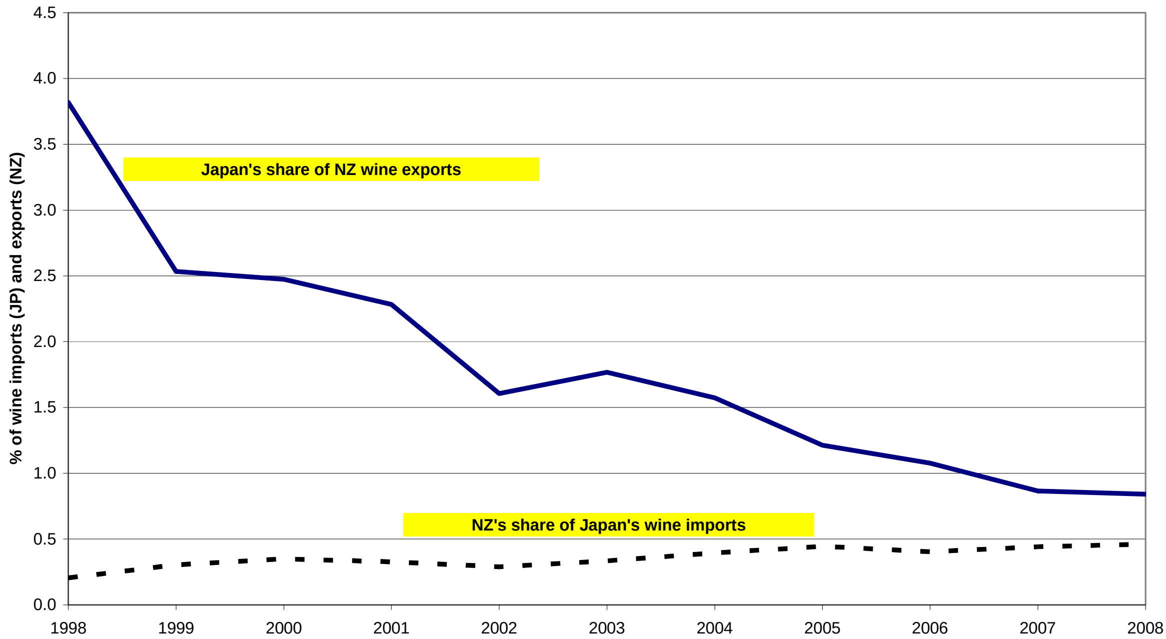
Graph 9: Japan wine market 2008, unit value by supplier country



Source: Statistical Appendix Table A14

Despite New Zealand wine's high unit value we have increased our share of Japan's wine imports considerable over the past decade, albeit from a small base. In 1998 we held 0.2% of Japan's wine imports but by 2008 this had more than doubled, to 0.5%. Ironically, as graph 10 shows, this happened while Japan's share of NZ wine exports was continuing to decline; the decline was not as precipitate as the preceding decade, where the share had fallen from 10.3% in 1998 to 1.5% in 1993. The share rebounded a bit in the second half of the decade and in 1998 it was 3.8%. But it then resumed the decline falling to 0.8% in 2008. This, as has been stressed above, was not necessarily a bad thing and may well have been due to better opportunities elsewhere for New Zealand's burgeoning wine exports. However, given the high unit value in the Japan market it does require further exploration.

Graph 10: Japan-NZ wine trade, 1988-2008, contrasting mutual shares



Source: Statistical Appendix Table A16

In any market and for any product, finding the right distributor and developing the relationship is crucial but nowhere is it more important than in the Japan wine market:

> Key to selling quality wine in Japan is finding the right distributors and offering them strong support as well as building a strong marketing story, say importers working in the market.[26]

'Modest premium wines', the centrepiece of NZ wine exports to Japan are bought on perceived character and distinctiveness, a special story that appeals. This story must feed through the distribution channels to the end user. It must be consistent with the 'NZ brand', that perception of New Zealand as clean, green and environmentally sustainable.

Fig 2: The New Zealand brand acclaimed in South Korea

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  - Dear Abby
  - Domestic News
  - Foreign News
  - Screen English
  - TOEIC
  - Grasping Vocab

2007-09-10 PRINT

New Zealand Picked as Model for National Branding

By Jane Han
Staff Reporter

A clean and green oasis, 100 percent pure, and the land of ``Lord of the Rings'' are some of New Zealand's signature images that have been shaped over the years, transforming the southwestern Pacific dairy country into the world's fourth most desired place to visit in 2006. How did this happen?

Competitive national branding, says the Korea Trade-Investment Promotion Agency (KOTRA), adding that an equivalent tourism and trade boost would happen here if Korea benchmarked some of New Zealand's winning points.

The trade group highlighted that the ``all-natural'' country has successfully positioned itself through an effective private corporation, thorough brand research and clear goal-driven strategies.

Starting in 1999, New Zealand _ well known for its environmental efforts _ campaigned with the catchy slogan ``100% Pure'' in all of its key markets for trade and consumer events, advertising and marketing.

Although the principal tag line is ``100% Pure New Zealand,'' the government allowed private corporations to extend the campaign to fit their businesses, such as

Korea Times, Seoul, 10 September 2007
http://www.koreatimes.co.kr/www/news/biz/2007/09/123_9881.html

The NZ brand is a very useful foundation boost for our wines in Japan though it is not, of course sufficient in itself; the wine must have its own brand value. New Zealand's branding efforts, especially the much-acclaimed 100% pure campaign, have been driven by the tourism sector but have sought to develop synergies across our export portfolio, especially with agricultural products. With food safety issues a constant concern, 100% pure resonate well. Wine fits into this framework well, but with its own distinctive features and contributions. Wine tourism, and wine as one of the attractions of visiting New Zealand, are growing in importance in the wine industry. Having visited New Zealand, and enjoyed the experience – and perhaps being introduced to wine as a normal beverage, not confined to special events and celebrations, for the first time – leads some Japanese to seek out New Zealand wine on their return.

However, there is another twist, as it were, to this story. 'Clean and Green' only takes us so far and to make progress in exporting high-end goods and services we need to enhance that with notions of creativity, inventiveness and expertise. Wine is a consumer product where all those attributes can be displayed, but conveying that to customers can be challenging. Firstly, expertise. If wine is associated with traditional experience and expertise in the minds of consumers then that is France, not clean, green New Zealand with all its sheep. One Japanese-owned New Zealand winery, Ohsawa, is trying to capitalise on New Zealand's reputation for sheep by marketing Flying Sheep pinot noir and Flying Mouton sauvignon blanc, but whether that is successful remains to be seen.[27] It would seem to be no more than a gimmick which will soon fade away. For the wine industry, as with tourism, the sheep image is a burden.[28] New Zealand's reputation for wine making expertise is probably quite well established in the trade, and is enhanced by wine awards and favourable media coverage, but it is still struggling to get a foothold in public opinion. Our wines may be good but this is not generally known by the general public in Japan.[29]

But there is a further barrier the acceptance of New Zealand wines as being of high quality and that is the screwcap. As we discuss below, consumers, even ones familiar with, and well disposed towards New Zealand wines, equate a cork with quality, and see the screwcap as a sign of low quality wine. The debate over consumer attitudes in various markets is well rehearsed:

> Winemakers claim that they have done so to improve the quality of their wine, but in Asia they may have hurt their chances of success in the premium end of the wine market.
>
> Asian consumers are notoriously sensitive to perceived status and, while they are not yet sophisticated wine consumers, they are prepared to spend extravagantly on wine that looks top class. Unfortunately for New Zealand's winemakers, prestige international wines do not have screwcaps.
>
> "If consumers want quality, they will see the closures as an indicator of what to buy. Corks mean quality," says Singapore-based wine consultant and wine writer Malcolm Tham….
>
> Te Mata Estate's Nicolas Buck does not think the situation is that simple.
>
> "There are many Asias," he says. "And different Asian markets respond differently to different closures."…
>
> "In Australia and New Zealand, you could sell everything in screwcaps but, in conservative markets in North America, Europe and northern Asia, they remain resistant to screwcaps. Cork is still king."[30]

Although the screwcap seems to have been first used with South Australia's Clare Valley 2000 vintage it reached New Zealand the following year and has become much identified with our wines, so much so that a New Zealand Screwcap initiative, bring together many leading wineries, was established to promote the new closure.[31]

Screwcaps are consistent with creative and innovative thinking and it may well be that their widespread use by New Zealand wines helps shift our reputation in that desired direction. That was certainly the opinion of South Korea's trade promotion agency KOTRA:

> Although the original campaign target for ``100% Pure" was the tourism, farming and dairy industries, the government realized its shortcoming in marketing the local information technology and next-generation industries, which gave birth to the follow-up slogan ``New Thinking New Zealand" in 2003.
>
> KOTRA's research showed that incoming visitors increased 53 percent since the ``100% Pure" campaign kicked off and the ``New Thinking New Zealand" efforts, including the replacement of wine corks with screw caps, also substantially hiked exports.

There may be a paradox here. In the short term screwcaps have a negative impact on the image of New Zealand wines, especially in Japan, while enhancing the reputation of New Zealand as a whole. In the long term screwcaps may win over traditional winemakers in Europe, and if that happens the consumer resistance battle will be won. On the other hand, resistance in Japan may crumble faster than anticipated; sake, after all has no qualms about screwcaps (Fig 3)

Fig 3 Sake uses screwcap

© Tim Beal

Although the Japan wine market has its own special characteristics it is not isolated from world trends and the growing reputation of New Zealand wines in other markets such as the UK and the US, will spill over into Japan.[32] It can work the other way. German whites were the staple of the British wine market in the 1950s but have now virtually disappeared and this falling out of fashion seems to have worked it way through to Japan.[33]

The Japan market is very competitive, but it is also affected by fads and fashions. Chile, for instance, has had a roller coaster ride. Articles about the health benefits of red wines greatly helped boost the sales of Chile's wines, which had the advantage of being cheaper but still of good quality.[34] Excessive imports led to over extended inventories and price slashing, which hurt Chile's wine image. Lately they have bounded back in anticipation of the Japan-Chile FTA. [35] Other countries, including New Zealand, have had a more staid experience.

Although alcohol consumption in Japan has gone up nearly five-fold since 1960, Japan remains a very small consumer of wine in per capita terms. They consume 0.4 litres a year, a long way behind the world leaders, Portugal, where they drink, on average, 7.2 litres of wine a year.[36]

Fig 4: Japan – a cluttered market for alcohol

© Tim Beal

Part of the problem is that although the Japanese like alcohol, and are the 13th largest consumers per capita in the world, there is a lot of competition in the market from sake, shochu, beer and other drinks. The Japanese population has now started to shrink and younger people are consuming less alcohol than their elders. Sake is making a comeback, playing on its connection with traditional Japanese culture.[37] Beer, in its various forms, retains the largest share of the Japanese alcohol market.

Alcohol consumption in Japan now is stable but wine consumption and it nearly doubled over the last decade or so and is still going up. However, much of the wine is domestically produced or bottled and the bottled wine imports, which is where New Zealand sits, have fallen slightly by volume in recent years.

As a result we struggle very hard to get much profile in Japan outside those who have a personal interest in New Zealand; we met one wine buff who has been here nearly 30 times to watch rugby and got hooked on our wine in the process. Those in the know, sommeliers, food and beverage managers, specialist wine merchants, and enthusiasts, tend to have a high opinion of New Zealand wine, but it is difficult to get the attention of the ordinary wine consumer. One shop we visited in Tokyo had its wine arranged, as is common, by regions, with signs in Japanese, English and the national flag. From a distance we saw the words 'New Zealand', and the NZ flag but when we got closer we saw written in Japanese

katakana *osutoraria* ; Australia. And all the wines were Australian, with not a single one from New Zealand.

Fig 5: Being overshadowed by Australia

© Tim Beal

Who drinks wine and what do they drink? The statistics show that the biggest wine drinkers are those between 30 and 39, and women more than men. It is reported that 40% of women drink wine once a month, compared with 31% for men This was borne out by our observations. Not surprisingly, wine drinkers are concentrated in the cities while out in the countryside traditional alcohol holds sway.[38]

The Japanese market is a place of crazes and fads. Some ten years back there was a plethora of articles extolling the health benefits of red wine. Sales shot up and then slowly subsided. Recently there has been a fad for sparkling, especially among women.

Fig 6: Kami no Shizuku,/Les Gouttes de Dieu/Drops of God

One of the more curious drivers of the sales of specific wines in Japan is the manga (comic book) *kami no shzuku*., or the 'Drops of the Gods'. This has a readership of 500,000 each week and when a particular wine is mentioned, sales skyrocket. Until the next issue at least. Ata Rangi Pinot Noir 2001 got a mention early in the series but it is mainly French wines that feature.

Fig 7: Aotea Rangi, Tokyo: NZ wine and ingredients, Italian cuisine

© Tim Beal

In Japan, as in many other countries, France is wine and wine is French. Nearly 60% of bottled imports come from France. Next in popularity is Italy, and the reason for that is

pizza and pasta. Italian food is popular in Japan and people tend to think that Italian food, if it wants wine, demands Italian. We came across just a couple of NZ-themed restaurants in Tokyo and one of them, Aotea Rangi in Ebisu, serves NZ wine, NZ ingredients such as mussels – cooked in the Italian style!

Fig 8: Aotea Rangi NZ wine and cheese in Tokyo

© Tim Beal

Sommeliers are one of the keys to the restaurant market at least, and everyone tries to catch their attention. And there are a lot of them. It is said that there are more sommeliers in Japan than in France.

Fig 9 Sommeliers – conduit to the customer

© Tim Beal

One reason for this is that the Japanese tend to take buying and consuming quite seriously. Most of the people who do sommelier courses in Japan don’t actually work in the industry – they just want to know a lot about wine.

Even those who don't have the energy to go to wine appreciation classes still want to know more about the wine than customers elsewhere. And one way to catch their attention is to tell them a story about the wine and to link it, if possible, to the wine maker.

Fig 10: The importance of the back label

© Tim Beal

So the Japanese market presents challenges as well as opportunities for New Zealand wineries. In the long term prospects for growth are good, but it will not be easy. It is a crowded marketplace where we suffer price disadvantages. We will always be a niche player so the trick is to identify and exploit niches. One of the best ways to do that is to tell our story to Japanese wine lovers in general but particularly to Japanese tourists and students. We need to give personality to our wine.

On the Marketface

We spoke to many people in Japan ,from trade officials to wine consumers.[39] What follows are some selected quotations to illustrate the characteristics of the Japan market described above

1. Screwcaps versus Corks

what are your perceptions when you're having wine cork versus screw cap what does that mean to you?

Cork. I get bit disappointed if that is a screw caps for wine.

So screw caps are disappointing.

A bit disappointing yes…….. Yes screw cap and while it's very convenient and it's very convenient I still prefer the cork ones. If there were two bottles with one with cork and the other with screw cap I definitely prefer the cork……. Just the feeling, just the ritual, just the all these things that you have to do to open the wine I guess. Just increases the value of drinking the wine I think for some reason.
(Ms Akari KANO, Futaba MIZUNO - consumers)

Fig 11 Interviewing consumers in a NZ setting

Ms Akari KANO (left) Ms Futaba MIZUNO (right), NZ Travel Café, Roppongi, Tokyo
© Tim Beal

Y: For me, to buy non-cork wine means buying cheap wine.

S: Corked wine seems more premium and made carefully.

Y: We are talking about screwcap and cork. Cork is expensive wine but screwcap is cheap.

R: That's your perception?

Y: Yes, yes.

(Ms. Yasuko YUMISAKI, Ms. Yumi FUJIWARA, Ms. Miki SHIMATANI, Ms. Maiko KUBO – consumers)

What is your attitude towards screw top vs cork. Does it make any difference to you? Are there implications of screw cap vs. cork? What is your perception?

For my image, it's a cheap wine *(Tokyo focus group participant)*

Yes. Still people consider screwcap seems very poor low quality *(Tokyo focus group participant)*

I think the opening of cork is kind of cool. *(Tokyo focus group participant)*

It is true that people think screwcap wines are cheap. However, in Australia and NZ are ecological countries and they innovated special screwcaps to protect nature and it is used for premium wines as well. *(Tokyo Sommelier)*

Fig 12 Tokyo focus group

© Tim Beal

About three or four years ago the screw cap just introduced to the Japan market. At that time some wine lover did not accept the screw cap due to the cork, the cork is more

common. But this time screw cap is getting well known in Japan because there is no influence from the cork to the wine. *(Mr Tomonori IWAO, Hotel Food and Beverage Manager)*

Still now many people prefer natural cork, natural cork but many sommeliers, the one very keen, one part of sommeliers who are very, who have very keen sense to give notice the effect of screw caps. For example the oxygen transmission rate or the hygiene. Very clean. Yes. It's very obviously for me personally the subject screw cap is the completely the return materials, yes.

Sorry what was that?

Recycle. Recycle, yes. And the image about screw cap is increasing not negative, positive. Step by step, step by step, yes.

But in the perception of the Japanese market do people still, some people still think that screw cap is cheaper?

Yes, yes.

But it's changing?

Yes changing step by step. Yes. Sommeliers education, yes.
(Mr Kenichi OHASHI, Yamajin Wine Shop)

Fig 13 Mr Kenichi OHASHI

2. The Japanese attitude towards becoming better educated about wine.

So big changes in Japanese society…….And knowledge about wine?

Yes I think in Japan has wine schools more than New Zealand or even France so for the young generation means about 30s, late 20s to early 30s especially for the women they like to go to wine school to study about wine……… So you know in Japan they have lots of school through private arrangement through sommelier, so to become good housewife they have to study about that. So some people wine is like that, is like tea ceremony or flower arrangement kind of titleholder to be a good housewife. And all the kind of trend new things to study………. the Japanese loves to get the information before open the bottle.

(Ms Motoko ISHII – journalist/marketer)

3. The combination of Japanese food and wine

Wine does that work with Japanese food or with Japanese food should you just drink beer and sake?

I know, I think Japanese food goes well with some wines, not all. If have got too strong flavour like California cabernet it's not good for Japanese. Japanese food is so sensitive, so soft taste. So sometimes wine overlap, but New Zealand is really main elegant wine so it is very good for Japanese food, yes. (Ms Motoko ISHII – journalist/marketer)

So you have New Zealand food and New Zealand wine?

Yes. Good marriage, New Zealand wine and food.

But do you drink wine with Japanese food?

Yes. Japanese food good with Riesling.

Riesling?

Yes. Now pinot gris, soft texture, just like sake, yes. Soft texture wine goes with Japanese food. Yes.

(Takeshi Ishiguro – restaurateur)

Fig 14 Mr Takeshi Ishiguro, Aotea Rangi, Tokyo

© Tim Beal

Is it okay to drink wine with Japanese food?

Mm hm yes.

All Japanese food or some Japanese food?

Oh okay for Japanese food, for example sushi, sashimi, sukiyaki, so many kind of – we have so many kind of cooking style so of course some items, some dish is not much for the wine but almost all the Japanese dishes will be match with the wines, yes.

(Mr Tomonori IWAO, Hotel Food and Beverage Manager)

Fig 15: Mr Tomonori IWAO, Hotel Food and Beverage Manager

© Tim Beal

Almost all the New Zealand wines have the delicacy of the taste, very fine, very delicate and not difficult to select for matching with Japanese food, all kinds.
(Mr Kenichi OHASHI, wine shop owner, Nagoya)

4. Wine being mostly a woman's drink in Japan

Because in Japan beer, sake, Japanese sake is mainly for men……but wine for women.
Ms Motoko ISHII, journalist/marketer

Do women drink more wine than men?

I think so.

This restaurant, most of customers are couple, most of the couple, women drink more wine then men.
(Sommelier at Japanese Restaurant in Tokyo)

Fig 16: Mainstay of the Japan wine market – young women

© Tim Beal

Yes. Yes because wine itself sound quite fashionable for them.

And they prefer to learn about wine. They like to get knowledge through their drinking like wine and other country's wine as well.

The female trying to find out the detail of the wine. For example the variety and the vintage and once they've got the information next they want to know what the vintage like, what were the weather like and then next what is New Zealand you know environment like. I mean or the man would think the same way but I think female can have a much more time to think and research for that.

(Mr. Shin Saito, Wine exporter/web retailer to Japan and/journalist)

Women. Women, Japanese women like new trend, yes new trend, change lifestyle usually drink wine and champagne. See like new trend. *(Mr Takehashi Ishiguro, restauranteur)*

Fig 17: Ms. Noriko HADA, Manager, Online Wassy's, Osaka

© Tim Beal

5. Familiarity with New Zealand wine in Japan

Do they know much about New Zealand wines, the Japanese consumer?

Actually the information for the New Zealand wine is not much I think, yes. But for the wine specialist in Japan sommelier, wine adviser or wine importer, those people, including me, we understand the quality of the New Zealand wine. Also the taste and most of the New Zealand wines, but still the information is not so much.

But of course the New Zealand wine tasty and beautiful, I love the New Zealand wine but most of the people probably here are very little chance to know about New Zealand wine.
(Mr Tomonori IWAO, Hotel Food and Beverage Manager)

Because the Japanese people or the tendency for Japanese consumption about the wine is concentrated to the French and Italian wine, yes and the next one is California, Australia.
(Mr Kenichi OHASHI, wine shop owner, Nagoya)

6. The importance of telling a good 'story'

With wine the story is all important?

But you know your quality has to be there in the first place but because there's a lot of wine there and a lot of other good wines the only differentiation you get is the story behind it.
(Kusuda and Shubert, NZ winemakers with success in the Japan market)

Fig 18: NZ wines on display in Osaka

© Tim Beal

And so they like to have information about the wine they are selling?

About wine, about winemakers, about vineyard. If the winery is owned by families, to know about the family, like they have two

(overlapping) this is the winemaker?

Yes even the winemaker.

Ah so how important are the winemakers?

Because the people in Japanese like to feel they are part of the winery, if the winery is owned by a family so they want, especially for the importer, people like to feel I am part of the family to promote the wine. So if the wine owners introduce the wine or case and the case is

now studying Japanese or they are like to play Nintendo, something small things they like to know.

So they like the story?

Yep.

(Ms Motoko ISHII – journalist/marketer)

And so they like to have information about the wine they are selling?

About wine, about winemakers, about vineyard. If the winery is owned by families, to know about the family, like they have two

WINE MARKET IN SINGAPORE

Wine in Singapore-the American perspective

France dominates the food service market and competes on quality and price. Australia has developed a higher presence in the retail market for its New World wines because of its price competitive products, strong supply and strong branding. Chile competes on price and supplies New World wines.

16 % growth per annum. Fast growing market, particularly demanded at weddings and other major celebrations as purchasers increasingly switch from spirits (brandy) to wine (sparkling and nonsparkling).
In addition, the young adults increasingly prefer sipping wines to other alcoholic drinks to appear sophisticated.

Wine is increasingly being consumed by the younger generation of adult Singaporean, particularly those educated abroad and/or the welltravelled group of consumers.
Stanton, Emms & Sia. "Singapore Retail Food Sector 2007." Washington DC: US Department of Agriculture, 2007.

With a population roughly the size of New Zealand's, but with a per capita GDP considerably higher, Singapore presents and attractive market for NZ wine. It population is young and hence more likely to embrace new tastes. Three quarters of its population are 'middle to upper income group of consumers, all of whom lead an urban lifestyle and represent the bulk of the market for imported food and beverages today.'[40]

In addition, Singapore is a major transport hub and much of the wine imported is then re-exported to other markets, especially in Southeast Asia, but also to Japan:

> Close to 80% of all sparking wines imported to Singapore are re-exported. The majority of re-exports (87%) comprise French champagne destined for Japan.[41]

The USDA report does not mention it, but it would be interesting to know how important Singapore is as a wine distribution hub to China and to India, the big growth markets of the future.

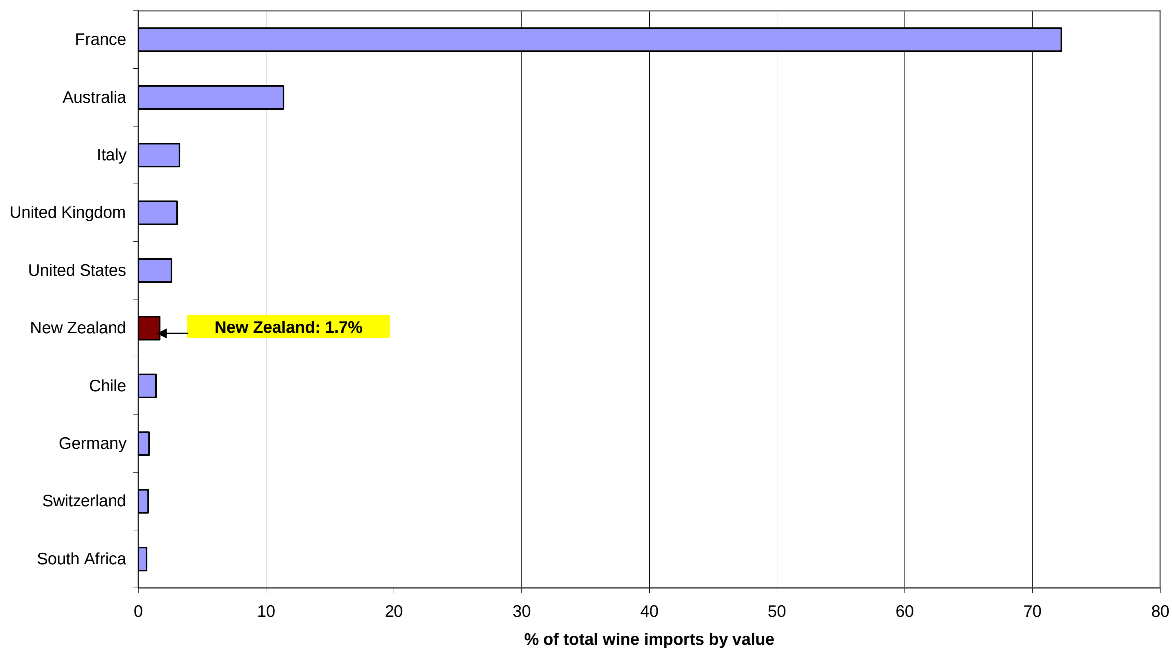
Re-exports to Japan are unlikely to be an important factor on NZ's wine trade with Singapore, although the higher than usual percentage of sparking wines in our export portfolio may indicate a certain degree of following the French path to Japan.[42] In general,

some 16% of still wines are re-exported, but the amount of NZ still wine which is re-exported, and to where, is unknown.

NZ AND THE SINGAPORE MARKET

The profile of Singapore's wine imports shown in graph 11 has similarities with that of Japan, but with important and intriguing differences. As in Japan, France is the dominant supplier to the market; in fact it share of Singapore's wine imports (72.3%) is even higher than its share in Japan (62.8%). New Zealand has again a very small part of the Singapore market but its share there is substantially higher than in Japan; it has 1.7% in Singapore compared with 0.5% in Japan. Australia is a much bigger player in the Singapore market than in Japan, and Italy, the United States and especially Chile and Spain, are smaller.

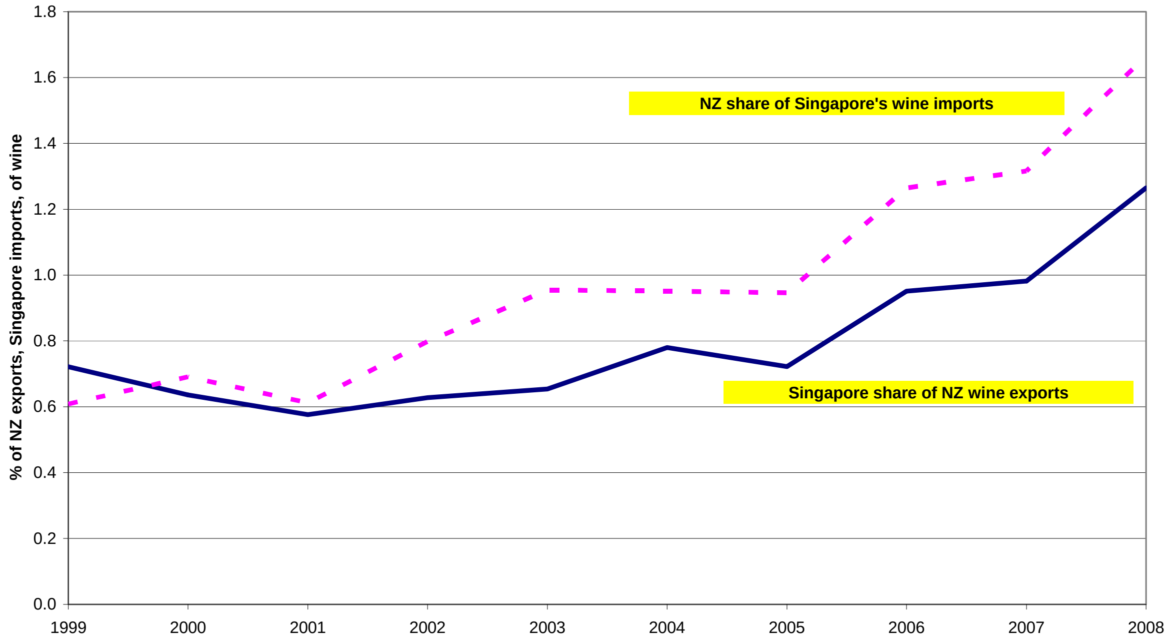
Graph 11: Singapore wine imports, 2008, share of major suppliers



Source: Statistical Appendix Table A17

New Zealand has increased its share of Singapore wine imports from 0.6% in 1999 to 1.7% in 2008 (Graph 12). Over the same period, Singapore's share of New Zealand wine exports has also increased, although at a lesser rate, and achieving a smaller share. In 1999 the Singapore share was 0.7% and by 2008 it had risen to 1.3%. So the mutual relationship was not of major importance to either side, but it has grown considerably over the decade. In contrast to Japan, the mutual shares grew in harmony for most of the period, and since 2001 they have both increased, albeit at different rates.

Graph 12: Singapore-NZ wine trade, 1999-2008, mutual shares

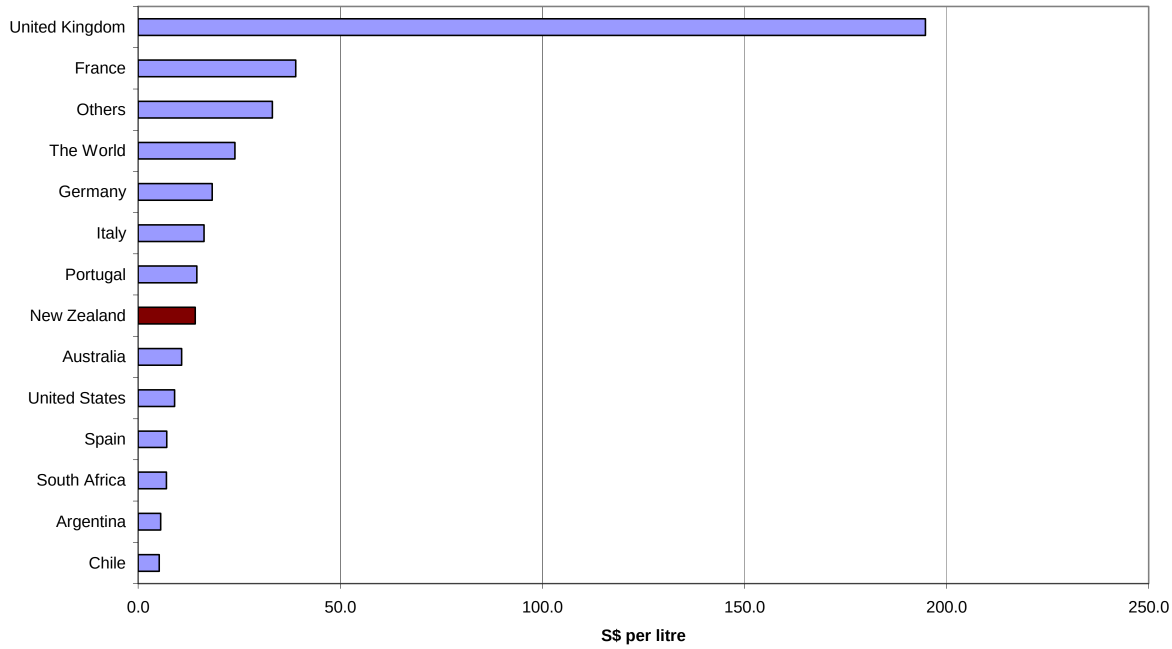


Source: Statistical Appendix Tables A18 and A19

One of the curiosities of the Singapore market is the anomalous position of the United Kingdom, which is shown as supplying 3.0% of the market by value, and 0.4% by volume. In other words, wine imports from the UK are much more costly than average and this is conformed by the unit values as shown in graph 12 . The unit value of imports from the UK are anomalously high and suggest they are preponderantly 'fine wines'. This suggests a lingering colonial relationship of old-established British wine merchants supplying to high end hotels and elite outlets, both in Singapore itself and onwards to other parts of Southeast Asia.

Whereas in Japan the unit value of New Zealand wine was second only to that of France, in Singapore it is also below that of Germany, Italy, and Portugal.

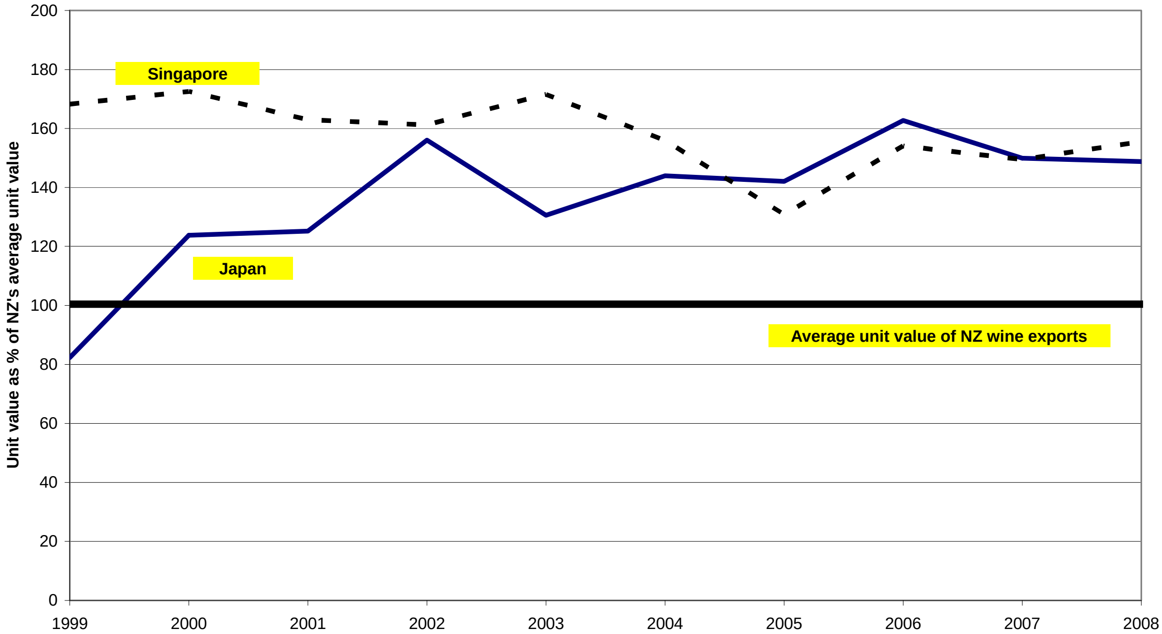
Graph 13:: Singapore wine market 2008, unit value by supplier country



Source: Statistical Appendix Table A17

Even though the unit value obtained by New Zealand wines in the Singapore market is relatively low, in comparison with major competitors, compared with its position in the Japan market (6th as against 2nd) this does not mean that Singapore is an unrewarding market to be in. On the contrary, as Graph 13 shows, unit values in Singapore, when expressed in NZ$ dollars are some 50% above average, and over the last decade have been, on average, higher than in Japan. The average unit vale for NZ wine in Singapore 1999-2008 was $14.7/litre, the highest of all major markets and considerably ahead of that in Japan ($12.8/l), which came 2nd. The average unit value for wine to all markets was $9.3/l (Table A19).

Graph 14: Relative unit value of NZ wine exports to Japan and Singapore



Source: Statistical Appendix Table A20

In Singapore, as elsewhere, there two major markets for wine – restaurants and retail:

> French wines dominate the menus of Singapore's high-end restaurants and also have a sizeable presence in the retail market. Australia and the USA have their largest markets in the retail sector. All three countries have exporters that support the marketing of their products in Singapore. SOPEXA (France) runs a French national food and drink promotion every year with a strong emphasis on promoting the consumption of French wines. Other supply countries such as Italy, Chile, South Africa and New Zealand are also actively trying to develop demand for their wines amongst shoppers and restaurant users through in-store and in-restaurant promotions.[43]

ON THE MARKETFACE

Our interviews in Singapore both with consumers as well as other stakeholders with interest in wine (Importers, journalists, restauranteurs), led to a few recurring themes.

1. Screwcaps versus Corks

Cork versus screw cap. Currently I think screw cap has made headway, big headway but if you look at the truly expensive wines it's still all corked and I think that there's also some kind of tradition with opening a cork. *(Edwin Soon – trained as winemaker and now a journalist)*

And are there parallels here with screw caps?

There's, it seems to be very widely noticed that screw caps seem to keep the wine better.
So the customers here have given up and accepted it?

Yeah I don't think there's, it's become very widely accepted, yep.

And one of the issues that comes up is the opening of the wine bottle with the cork is, can be quite a ceremony?

Particularly if you get it wrong and break the cork, yep.

But do customers then miss the ceremony?

I don't think so really. I really don't think so. Yeah I mean I guess if you're opening up a $300 or $400 bottle of wine ……it could be…..Maybe if you're opening up a special bottle of wine then a cork but when it's a pretty standard bottle of wine you know, but it's funny you get to talk to some people and they work, yeah work that I do the screw caps are quite good.

(Singapore Restauranteur, NZ by birth)

Fig 19: Alex Matheson, Trade Commissioner, Singapore

© Tim Beal

2. Familiarity with (New Zealand) wine in Singapore

How interested are people in wine tasting and wine knowledge generally?

Yeah. Yeah it definitely a lot. I mean in terms of the local market there's a lot of education to be done. We talked before about despite the food groups being here very much in tune with Rieslings and Wurtzers and pinot gris, you couldn't give them away you know. So the

education does seem to be towards looking at New Zealand sauvignon blancs and pinots and also red wines. And it's not a help when you get articles in the Strait Times telling you that if you've got lung cancer, red wine may help to alleviate some of the symptoms. Maybe a damned good weekend in Tokyo but yep. So you have that perception that red wine is actually healthy.

(Singapore Restauranteur, NZ by birth)

3. Who drinks wine in Singapore?

In terms of age younger, they are getting younger now. In the past it was led by you know 40 to 50 something year old but you know expert drinkers and then the rest would follow. But right now I think the younger drinkers, the drinkers are age 18 to 28 start drinking wine.
(Edwin Soon – trained as winemaker and now a journalist)

Fig 20: Edwin Soon, wine author and journalist, Singapore

In Singapore I think this is interesting about the younger generation now educating their parents to drink wine.

The younger generation are educating their parents to drink wine?

The thing about our parents era they were spirit and liqueur drinkers and the wine has become more like consumers drink within the young these days. So on occasions when you have family dinners, when you have birthdays, anniversaries you invite your parents to try wine.

People are starting to identify labels they have a preference for. And because Singapore is such an ex pat market, we've got one million ex pats at the moment living here.

So I think when you have all these cultures coming in and living together they bring lots of influence with them and the locals get together with the cultures and they learn about the wines. It becomes a bit more a social event thing where wine must be drunk to identify with all these cultures.

Wine is becoming a bit more of a social status, a market thing, a face thing….. an upmarket thing…… it seems very elegant, very sophisticated, very classy to have a glass of wine.

You get more pretty but when you are out in public and a lady holding a glass of wine will show more elegance than holding a glass of beer

(Jo Desai and Winnie Toh, Singapore wine retailers/importers)

Fig 21 Ms Jo Desai (l) and Winnie Toh (r), Singapore wine retailers/importers

© Tim Beal

So what's the difference between the male and female customers with wine? In terms of their wine choices?

Here let's see. In terms of the restaurant I don't know actually. Female/ male customers in terms of the wine consumption?

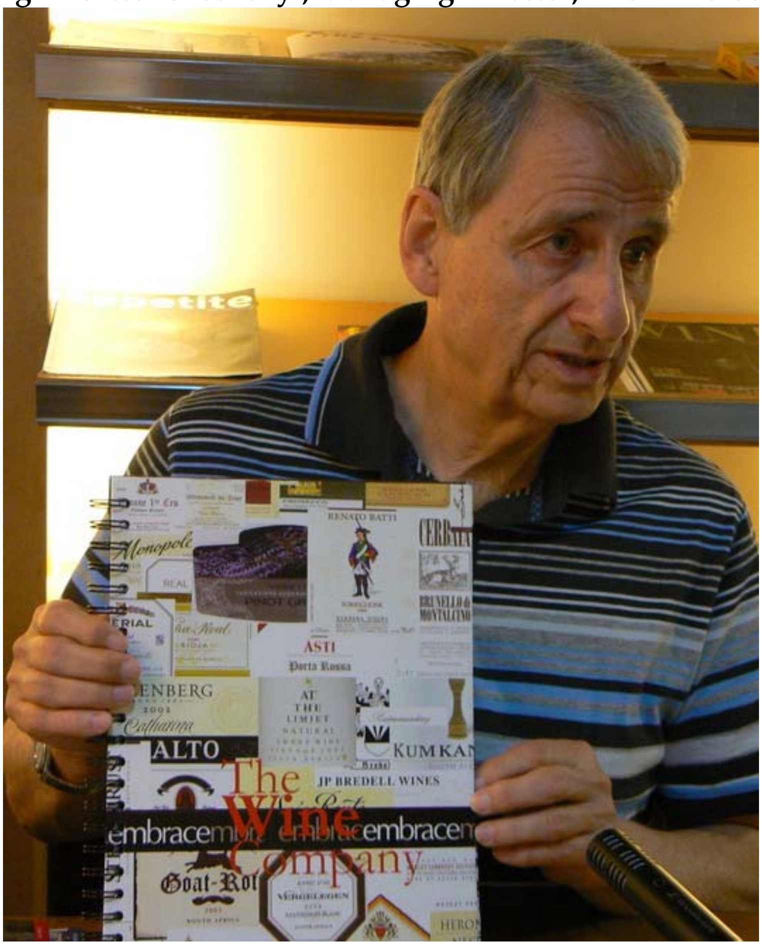
Very good question. I can't say I've noticed a distinct difference in

Okay that's the answer.

Nothing outstandingly different, I suppose the dry wine purchases tend to be males traditionally. If it's a couple situation the traditional is that the wine list is handed to the male, I tend not to do that. These days especially in Singapore being a very, feminine clients in Singapore tend to be quite passive with their approach to relationships. They tend to be more authoritative and controlled than other cultures. Males have to do essential service and over that period the women get into the workforce and tend to rise in ranks faster than men.

So they're often superior status and they've also, are more sophisticated because they've been out in the world for two years longer?

Fig 22 Victor Széchényi, Managing Director, The Wine Company, Singapore



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Yeah. I find that women are lot more in control and mature a lost faster because of their experiences. When the men come out of it, they're given a higher authority and incomes, usually a higher pay scale because of their

Compensation for the military service?

Yes. And come out of military service a lot more like men

Yes again you're talking about Singaporeans?

Singaporeans. yeah but I've found that you know just having social areas, locals, Singaporean locals whether they be Chinese or Indian, clientele they do tend to enjoy drinking wine with themselves at home and storing at home and having specialised wine storage. One of the regulars from a previous establishment who is also a regular here has a wonderful two double door wine fridge which he regularly stocks with various wines. He drinks them readily, he doesn't cellar them. It's not very good climate conditions for cellaring wine. *(Singapore Restauranteur, NZ by birth)*

What about the role of women?

I feel women are more true to their tastes because I ran the wine shop and we would have wine tastings on weekends and I would line up certain wines and invariably I'd put in a sweet wine at the end. And I notice that the drinkers would say that they actually know how to drink. They actually for them I think it must have been the first few times experiencing wine. The women were more comfortable at saying well I like this sweet wine because I like the sweetness in wine and I don't care what everyone things. And some of them, the men who were obviously new to wine, would slowly graduate to the sweet wines although they felt they had to say the red wine was the wine of choice.
(Edwin Soon – trained as winemaker and now a journalist)

4. Matching food and wine

Right and of course this is the food wine food match, how important is that? We should discuss that?

Wine food matching, yeah look people tend to, my experience so far has been that Singaporeans would like to make that decision themselves also they will also often ask of myself or my staff what do you recommend but more often than not they will make that decision themselves even if I do recommend a wine. Yeah I find in restaurants here as opposed to back home liquor sales predominantly wine followed closed by beer.
(Singapore Restauranteur, NZ by birth)

Now when you say Asian you mean Singaporean food?

I'm meaning more than that, I mean Asian food, I suppose in a Singapore context because we do not always just have the food of Singapore. Well as you notice in Singapore we are food from Asia. India, Japanese, Korean, Thai. I'm talking about food of Asia. I think until recently we've always thought of drinking wine with western food and then we thought well we love wine and we don't feel like western food why shouldn't we have wine with our, with Asian food and you'll see that more and more restaurants, Asian restaurants, Chinese restaurants, Indian restaurants as well stocking wine. You will see people bringing wines to local Hawker or coffee shops and the surprising thing is when I bring wine to, when I used to bring wine to coffee shops I'd have to bring my own glasses and own corkscrew. Nowadays some of these coffee shops will gladly supply you glasses and will even offer you an ice bucket to chill your wine in. That's quite a surprising trend.

Now going back to the Asian foods, are there any foods, any Asian styles which don't fit wine but on the other hand of the spectrum there are some that are more suitable for wine? Can you divide it up in the sense of countries?

You certainly can. Even within a country if you look at India the northern Indian states, the food is more creamy and more amenable to wines.

Less hot.

Whereas yes less hotter, more sour and you have a bit more difficulty with wines. The same with most other Asian cuisines. So what I've looked at is actually the national cuisines, dividing them into those dishes that are more amenable and friendlier to wine and those that are more difficult for wine.
(Edwin Soon – trained as winemaker and now a journalist

5. Future of Wine in Singapore

So 50 years ahead in Singapore if I went into a wine shop where would most of the bottles of wine come from?

I think they probably come if, if consumer tastes continue the way they are I think they will come from cooler climate countries because it is getting warmer and some of the standard wine growing countries and they will have cooler climates or they will have to use technology to remove alcohol from the wines which is possible. Yes. Or consume taste might be for heavy handed high alcohol strong wines. I think in terms of tastes I do teach and so I try to tell people who attend my seminars that wine taste should not be dictated by any wine critic, decide for yourself. Decide for yourself.
(Edwin Soon – trained as winemaker and now a journalist

6. The importance of telling a good 'story'

Now you talked about stories, how important are stories?

They are important because we look to visiting winemakers visiting producers to tell us, to give us direction. I think a lot of consumers whilst they know what wines they like are still uncertain as to when to send the wine back. I've been to wine tastings or so called expert wine drinkers and some of them are still not sure when the wine is corked and they're also not sure as to the means of sending the wine back. When you're sending the wine back because it's corked you should order the same, another wine of the same. Not say oh it's corked I don't like it, let's try a different wine because that's not the way it's done. This wine's corked so I want to try another bottle, the chances of it being corked is not there.

But the stories behind wines, is that important in the market?

I think it is. Certainly I hear stories behind wines and my readers like those stories and the feedback, they like to know about technical aspects but they also like to be entertained and they don't want too much technical stuff.

Do they like the personalised facts?

The personalised facts, they like the stories behind wine. Something about it, a little bit of history.

I mean is that your role?

That's my role as a wine journalist.

Fig 23: The Wine Company, Singapore

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CONCLUSIONS AND RECOMMENDATIONS

Having gone through the secondary data and subsequently having supplemented this with primary data collected over the course of interviews and focus groups with wine consumers as well as wine importers, retailers, journalists, sommeliers, food and beverage managers and restaurateurs in Japan and Singapore, we were struck by a few key issues.

The first issue is in regards to the marked differences between Japanese and Singaporean consumers. Japanese consumers appear to have an insatiable thirst for knowledge regarding wine. When they become interested in wine, they demonstrate this interest by taking wine appreciation and wine knowledge courses and in many cases, courses designed to allow them to achieve some sort of wine qualification. This was not evident in Singapore.

The other marked difference (from a consumer perspective) was that for the Japanese consumer, there is great attraction and interest in the winemaker having a compelling and interesting story to tell……about the winemaker, about the wine, about the story behind the label etc. Again, this did not come up to any great extent in our Singapore meetings. Singaporeans are perhaps more confident about appraising a wine on its merits.

The Japanese consumer who becomes interested and first experiments with wine tends to only know of French wine and possibly Italian. There is increasing awareness of other wines, but with very limited exposure to the Japanese consumer, New Zealand wine is not top of mind. Interesting discussions about screw caps versus corks led to our conclusion that there is still a preference for corks on the part of the Japanese consumer – especially for those who do not consider themselves 'Otaku' or wine enthusiasts, with a perception that screwcaps represent wines of a lower quality. However, for the Otaku, or for those in the industry, screw caps were not viewed negatively. This did not even appear to be an issue in Singapore, presumably because of the large proportion of wine consumption being attributable to expatriates with more knowledge of the advantages to screw caps and less need for the 'ceremonial' aspect of opening a bottle that has a cork. Singapore is a much more cosmopolitan society, open to foreign ideas and products, than Japan where, for reasons of size and history, these are filtered and made Japanese. In Japan, wine has moved from just being something connected with celebrations to becoming much more a normal drink, to be consumed in ordinary situations. Yet despite this, Japan is not a normal wine market in the sense that Britain, Australia, and Singapore can be considered to be. Japan takes an extra effort and with other, faster growing, markets it is not surprising that New Zealand wine exporters have tended to look elsewhere.

APPENDICES

A: Big Issues grant application
B: Statistics
C: Acknowledgements
D: Fieldwork in Japan
E: Fieldwork in Singapore
F: References and endnotes

Appendix B: Statistics

Table A1: Wine in NZ exports, 1988-2008

	wine	total exports	
	$m		wine %
1988	12.6	13,091	0.10
1989	15.6	14,390	0.11
1990	21.4	15,097	0.14
1991	25.3	15,952	0.16
1992	46.9	17,482	0.27
1993	45.2	18,804	0.24
1994	43.4	19,819	0.22
1995	48.0	20,057	0.24
1996	65.3	20,312	0.32
1997	92.2	20,919	0.44
1998	116.4	21,722	0.54
1999	145.7	22,608	0.64
2000	195.5	28,103	0.70
2001	229.8	31,576	0.73
2002	272.7	29,821	0.91
2003	268.8	27,307	0.98
2004	367.5	29,509	1.25
2005	469.3	29,472	1.59
2006	608.9	32,718	1.86
2007	757.8	35,030	2.16
2008	898.8	41,168	2.18

Source: Statistics New Zealand, Infoshare, extracted by Tim Beal 21 May 2009
http://www.stats.govt.nz/infoshare/

Table A2: Export's share of NZ wine sales, by volume
(millions of litres)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Domestic Sales of NZ Wine	38.4	41.3	36.2	32.6	35.3	35.5	45	50	51	46.5
Export Volume	16.6	19.2	19.2	23	27.1	31.1	51.4	57.8	76	88.6
% exported	30.2	31.7	34.7	41.4	43.4	46.7	53.3	53.6	59.8	65.6

Source
New Zealand Winegrowers Statistical Annual 2008. Auckland: New Zealand Winegrowers, 2009.
http://www.nzwine.com/assets/2008_New_Zealand_Winegrowers_Stats_Annual.pdf
p 02
% exported calculated by Tim Beal

Table A3 World wine production 2007-8, by country and area

	2007	2008		
Country/Area	*mhl*	*mhl*	*change*	*%*
Germany	10,263	10,400	137	4.3
Austria	2,628	2,922	294	1.2
Greece	3,511	3,800	289	1.6
Spain	36,781	34,630	-2,151	14.4
France	46,000	41,429	-4,571	17.2
Italy	45,900	48,633	2,733	20.2
Portugal	6,042	5,596	-446	2.3
other EU15	164	147	-17	0.1
Total EU15	151,289	147,557	-3,732	61.3
Hungary	3,222	3,500	278	1.5
Romania	5,289	6,789	1,500	2.8
Bulgaria	1,796	1,800	4	0.7
EU27	163,661	161,602	-2,059	67.2
Russia	7,280	7,110	-170	3.0
Switzerland	1,040	1,073	33	0.4
USA	19,910	19,200	-710	8.0
Argentina	15,046	14,677	-369	6.1
Chile	8,227	8,683	456	3.6
Brazil	3,502	3,500	-2	1.5
South Africa	9,783	10,261	478	4.3
Australia	9,550	12,365	2,815	5.1
New Zealand	1,476	2,052	576	0.9
New World**	67,494	70,738	3,244	29.4
Non EU27	75,814	78,921	3,107	32.8
World *	239,475	240,523	1,048	100.0

Source: Derived from Tables 3 and 4, "State of world vitiviniculture world report March 2009." Paris: Organisation Internationale de la Vigne et du Vin, 2009.
2007: Provisional data; 2008: forecast

Notes (Tim Beal)
* No data is given for Japan, China, India and other non-specified countries outside Europe
** New World is the sum of USA, Argentina, Chile, Brazil, South Africa, Australia, and New Zealand

Table A4: World wine production 2007-8, by area

	2007	2008	change	share
EU15	151,289	147,557	-3,732	61.3
New 8 EU	12,372	14,045	1,673	5.8
EU27	163,661	161,602	-2,059	67.2
Russia &Switzerland	8,320	8,183	-137	3.4
New World**	67,494	70,738	3,244	29.4
Non EU27	75,814	78,921	3,107	32.8
World *	239475	240523	1,048	100.0

Source and notes as Table A3

Table A5 New Zealand's main wine markets, 1988-2008; part A 1988-1997
(Top markets in 2008); N$, fob

rank 2008	fob	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
1	Australia	3,550,607	4,512,836	3,200,173	3,735,622	2,398,021	2,195,637	2,787,868	5,580,154	7,557,911	13,544,505
2	UK	6,178,211	6,579,107	11,973,184	14,844,948	32,726,545	32,817,119	30,074,625	31,872,585	42,937,516	50,445,764
3	USA	524,632	502,125	676,746	1,183,010	779,881	1,081,183	1,125,592	1,379,105	1,942,665	6,373,844
4	Canada	279,699	388,805	517,724	532,559	1,605,953	2,112,295	1,659,360	1,368,081	1,666,600	2,184,614
5	Ireland	0	0	65,004	382,708	619,438	911,080	821,082	768,019	825,898	848,439
6	Netherlands	43,557	40,950	0	144,548	129,275	169,285	650,759	912,063	1,122,635	3,006,348
7	Singapore	23,207	42,565	46,468	85,086	121,671	177,886	122,636	240,040	410,432	689,997
8	Hong Kong	28,715	46,173	76,178	133,668	275,146	364,406	517,524	523,987	741,355	1,026,245
9	Japan	1,296,603	1,097,970	2,326,624	1,371,995	1,095,464	683,176	1,079,760	833,715	1,016,765	2,444,151
10	Belgium	0	0	7,650	100	2,150	6,878	11,894	22,951	232,105	1,572,306
11	Denmark	0	52,395	0	47,374	120,906	178,678	249,973	237,550	296,805	1,121,731
12	Sweden	430,603	1,890,965	1,949,487	1,680,444	3,471,343	3,028,720	2,583,332	1,880,662	2,270,392	1,016,185
13	China	0	0	5,992	0	0	8,236	4,497	13,135	90,131	190,257
14	Germany	1,368	37,305	39,165	159,352	346,561	113,454	235,663	691,942	1,373,241	3,382,252
15	UAE	0	0	0	0	0	0	0	6,000	0	145,965
16	France	0	25,500	20,867	2,808	0	0	0	2,376	231,740	713,200
17	Fiji	21,110	90,909	109,341	140,694	165,650	225,926	236,435	342,295	394,017	360,378
18	Latvia	0	0	0	0	0	0	0	0	0	0
19	Finland	57,750	37,915	175,622	465,986	1,681,871	491,156	46,048	180,815	36,000	106,513
20	Bermuda	0	0	0	0	0	0	0	0	13,370	8,029
21	S. Korea	5,757	0	7,708	5,888	13,595	13,223	21,524	8,801	72,238	172,071
	Total	12,589,317	15,576,791	21,404,537	25,308,377	46,881,514	45,241,317	43,425,645	47,972,873	65,286,904	92,201,435

Table A5 New Zealand's main wine markets, 1988-2008; part B 1998-2006
(Top markets in 2008); N$, fob

Rank		1998	1999	2000	2001	2002	2003	2004	2005	2006
2008	Aus	14,641,489	18,072,086	31,334,870	31,941,456	49,370,893	45,951,800	77,272,464	104,192,989	153,320,434
2	UK	63,972,129	78,262,165	90,172,267	109,828,506	117,390,887	110,206,867	139,380,725	160,211,382	194,993,613
3	USA	11,859,271	20,282,372	36,502,170	45,887,955	61,074,765	68,415,474	94,350,302	127,203,484	158,860,069
4	Canada	3,303,592	4,355,903	6,609,672	7,573,819	8,336,564	8,432,652	8,934,067	18,414,861	29,412,776
5	Ireland	1,506,334	2,167,838	2,063,795	2,682,728	3,385,218	4,785,893	4,230,179	6,317,273	8,895,739
6	N'lands	2,546,194	5,369,736	6,346,558	7,370,199	6,380,331	3,533,756	9,403,374	11,696,151	11,978,419
7	S'pore	618,499	1,050,850	1,243,786	1,323,874	1,712,261	1,757,241	2,865,447	3,388,663	5,791,142
8	HK	622,061	1,002,225	1,027,524	2,024,797	2,044,433	2,058,951	2,594,129	3,091,000	3,931,460
9	Japan	4,444,016	3,691,145	4,838,046	5,243,434	4,379,442	4,747,841	5,780,772	5,691,224	6,555,776
10	Belgium	4,391,124	1,358,449	3,590,441	4,171,175	3,878,289	3,822,001	3,558,317	6,465,637	6,867,623
11	Denmark	1,279,262	1,666,369	2,709,970	3,176,030	3,819,578	3,709,203	4,722,567	3,953,334	5,973,281
12	Sweden	2,003,605	1,933,476	1,451,002	1,348,300	1,842,462	1,442,236	1,670,106	1,357,357	3,773,019
13	China	72,777	38,526	26,982	112,327	188,366	144,838	377,239	1,031,503	1,653,271
14	Germany	2,524,402	2,535,790	2,909,646	2,600,561	3,030,479	2,269,677	2,643,050	3,641,745	2,165,617
15	UAE	50,400	0	206,712	135,714	259,134	250,187	452,717	864,011	1,277,360
16	France	3,000	103,523	510,396	146,455	398,621	1,126,606	850,068	1,091,604	1,294,775
17	Fiji	398,161	656,476	260,910	532,396	845,275	571,394	1,154,917	1,308,144	1,611,379
18	Latvia	0	0	0	0	0	0	0	327,732	20,195
19	Finland	34,178	0	117,000	0	356,467	551,948	784,114	1,048,315	1,113,980
20	Bermuda	0	0	0	0	181,064	90,688	267,723	767,798	1,367,945
21	S. Korea	17,340	96,817	319,863	57,551	177,559	109,439	196,307	424,111	573,951
	Total	116,359,217	145,685,082	195,548,354	229,750,776	272,724,824	268,781,192	367,526,185	469,269,253	608,860,423

Table A5: New Zealand's main wine markets, 1988-2008; part C: 1988, 2007, 2008
(Top markets in 2008); N$, fob

	1988			2007		2,008		
fob	rank	$	%	2007	%	rank	$	%
Australia	2	3,550,607	28.2	210,845,878	27.8	1	308,237,166	34.3
UK	1	6,178,211	49.1	250,133,255	33.0	2	248,868,110	27.7
USA	4	524,632	4.2	167,605,649	22.1	3	182,104,300	20.3
Canada	6	279,699	2.2	37,104,201	4.9	4	45,439,401	5.1
Ireland	nil	0	0.0	12,351,412	1.6	5	16,185,361	1.8
Netherlands	9	43,557	0.3	13,161,209	1.7	6	15,628,513	1.7
Singapore	11	23,207	0.2	7,437,190	1.0	7	11,366,104	1.3
Hong Kong	10	28,715	0.2	4,850,885	0.6	8	7,746,915	0.9
Japan	3	1,296,603	10.3	6,557,707	0.9	9	7,555,221	0.8
Belgium	nil	0	0.0	4,078,465	0.5	10	6,984,319	0.8
Denmark	nil	0	0.0	5,621,151	0.7	11	5,974,486	0.7
Sweden	5	430,603	3.4	5,010,752	0.7	12	5,681,673	0.6
China	nil	0	0.0	2,177,189	0.3	13	5,477,376	0.6
Germany	26	1,368	0.0	6,111,154	0.8	14	4,996,353	0.6
UAE	nil	0	0.0	2,454,268	0.3	15	4,154,723	0.5
France	nil	0	0.0	5,398,217	0.7	16	2,953,378	0.3
Fiji	12	21,110	0.2	1,271,050	0.2	17	1,850,883	0.2
Latvia	nil	0	0.0	758,571	0.1	18	1,462,606	0.2
Finland	7	57,750	0.5	1,347,912	0.2	19	1,436,249	0.2
Bermuda	nil	0	0.0	1,228,706	0.2	20	1,288,535	0.1
S. Korea	20	5,757	0.0	1,456,063	0.2	21	1,287,156	0.1
Total		12,589,317	100.0	757,849,610	100.0		898,768,524	100.0

Source: Statistics New Zealand, Infoshare, extracted by Tim Beal 21 May 2009
http://www.stats.govt.nz/infoshare/

Table A6: Quantity and value in New Zealand's major export markets, 1999-2008

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
UK	L	9.041	10.464	9.918	11.858	12.258	13.864	21.124	21.907	27.573	29.646
	$	68.135	84.673	92.728	117.981	113.729	119.786	162.12	166.937	227.418	240.73
Australia	L	2.291	2.402	2.373	3.569	4.661	5.654	9.762	13.18	18.632	24.633
	$	16.186	23.857	26.059	38.132	51.621	56.285	88.033	122.441	179.933	246.696
USA	L	1.494	2.51	3.132	3.776	5.578	7.266	12.975	14.411	18.712	19.492
	$	14.357	26.53	40.815	48.225	67.39	80.026	113.237	138.411	175.515	159.787
Canada	L	0.386	0.648	0.612	0.713	0.988	0.7	1.477	2.061	3.182	5.219
	$	3.014	5.641	6.312	7.687	10.351	6.934	13.907	21.888	33.87	47.06
Netherlands	L	0.331	0.683	0.903	0.801	0.525	0.487	1.716	1.217	1.559	1.363
	$	2.622	5.281	7.656	7.119	5.058	4.404	12.688	10.017	13.318	12.808
Ireland	L	0.212	0.3	0.278	0.318	0.423	0.461	0.573	0.844	0.853	1.496
	$	1.595	2.173	2.151	2.893	4.141	4.307	5.2	8.158	8.92	15.012
Denmark	L		0.295	0.266	0.316	0.46	0.443	0.527	0.508	0.654	0.654
	$		2.377	2.497	3.253	4.524	4.019	4.608	4.656	6.029	5.836
Japan	L	0.767	0.365	0.391	0.268	0.326	0.426	0.491	0.406	0.484	0.545
	$	4.761	3.98	5.038	4.486	4.423	5.967	5.903	5.855	6.665	7.299
Germany	L	0.283	0.226	0.377	0.155	0.22	0.175	0.307	0.301	0.382	0.462
	$	2.45	2.423	3.324	1.965	2.9	2.446	3.289	2.914	3.699	5.342
Others	L	1.813	1.277	1.261	1.513	1.49	2.067	2.948	3.464	3.993	5.125
	$	12.221	11.699	14.021	17.925	17.699	22.443	30.479	35.742	42.935	57.227
Total	L	16.618	18.875	19.245	22.971	27.114	31.101	51.373	57.791	76.024	88.636
	$	125.341	166.257	198.104	246.413	281.838	302.599	434.856	512.362	698.303	797.797

Source: *New Zealand Winegrowers Statistical Annual 2008*. Auckland: New Zealand Winegrowers, 2009. , p.45

Table A7: the unit value of New Zealand Wine exports, 1999-2008

June years. Unit value =$/L

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	7.1	9.9	11.0	10.7	11.1	10.0	9.0	9.3	9.7	10.0
Canada	7.8	8.7	10.3	10.8	10.5	9.9	9.4	10.6	10.6	9.0
Denmark		8.1	9.4	10.3	9.8	9.1	8.7	9.2	9.2	8.9
Germany	8.7	10.7	8.8	12.7	13.2	14.0	10.7	9.7	9.7	11.6
Ireland	7.5	7.2	7.7	9.1	9.8	9.3	9.1	9.7	10.5	10.0
Japan	6.2	10.9	12.9	16.7	13.6	14.0	12.0	14.4	13.8	13.4
Netherlands	7.9	7.7	8.5	8.9	9.6	9.0	7.4	8.2	8.5	9.4
UK	7.5	8.1	9.3	9.9	9.3	8.6	7.7	7.6	8.2	8.1
USA	9.6	10.6	13.0	12.8	12.1	11.0	8.7	9.6	9.4	8.2
Others	6.7	9.2	11.1	11.8	11.9	10.9	10.3	10.3	10.8	11.2
Total	7.5	8.8	10.3	10.7	10.4	9.7	8.5	8.9	9.2	9.0
Japan relativity	82	124	125	156	131	144	142	163	150	149

Note: Japan relativity is the Japan unit value as a percentage of the average (i.e. total) one

Source: *New Zealand Winegrowers Statistical Annual 2008*. Auckland: New Zealand Winegrowers, 2009. , p.45 calculations by Tim Beal

Table A8: New Zealand wine exports by variety 2004 -2008
by volume

	2004		2005		2006		2007		2008	
	Litres	%	Litres	%	Litres	%	Litres	%	Litres	%
Cabernet or Merlot Blend	758,002	2.4	890,349	1.7	971,522	1.6	942,267	1.2	1,071,558	1.2
Cabernet Sauvignon	36,061	0.1	24,403	0.0	5,633	0.0	17,346	0.0	14,902	0.0
Chardonnay	3,597,739	11.5	4,577,895	8.9	4,011,066	6.7	4,229,588	5.6	5,540,862	6.3
Chardonnay Blend	69,799	0.2	10,926	0.0	14,427	0.0	10,076	0.0	159,399	0.2
Chenin Blanc	12,052	0.0	11,239	0.0	10,582	0.0	17,896	0.0	8,416	0.0
Fortified	38,737	0.1	30,899	0.1	40,052	0.1	37,935	0.0	26,292	0.0
Generic Red	99,953	0.3	118,369	0.2	770,582	1.3	252,359	0.3	82,010	0.1
Generic White	1,221,039	3.9	1,212,807	2.4	911,010	1.5	830,772	1.1	700,175	0.8
Gewürztraminer	74,228	0.2	111,190	0.2	125,965	0.2	161,978	0.2	130,528	0.1
Merlot	410,003	1.3	714,307	1.4	903,522	1.5	1,500,810	2.0	1,876,171	2.1
Müller Thurgau	48,123	0.2	2,916	0.0	5,634	0.0	405	0.0	45	0.0
Other Red Varietals	127,767	0.4	91,820	0.2	97,161	0.2	106,941	0.1	88,998	0.1
Other White Varietals	100,842	0.3	141,884	0.3	437,769	0.7	178,916	0.2	39,096	0.0
Pinot Gris	121,825	0.4	254,165	0.5	254,967	0.4	607,517	0.8	1,256,027	1.4
Pinot Noir	1,651,907	5.3	2,672,857	5.2	4,150,853	7.0	5,882,318	7.7	5,702,690	6.5
Riesling	637,913	2.0	821,086	1.6	765,375	1.3	927,764	1.2	1,003,199	1.1
Rose	54,540	0.2	307,271	0.6	597,380	1.0	1,144,477	1.5	963,395	1.1
Sauvignon Blanc	19,747,071	63.1	36,310,275	70.9	42,804,227	72.0	56,554,808	74.5	66,848,885	76.1
Sauvignon Blend	494,186	1.6	242,609	0.5	129,529	0.2	55,395	0.1	24,156	0.0
Semillon	26,231	0.1	59,425	0.1	54,697	0.1	9,243	0.0	12,632	0.0
Sparkling	1,910,905	6.1	2,555,926	5.0	2,290,076	3.9	2,282,711	3.0	2,064,160	2.4
Sweet Wines	53,593	0.2	56,878	0.1	56,452	0.1	77,613	0.1	42,603	0.0
Syrah/Shiraz					18,368	0.0	83,668	0.1	136,575	0.2
Totals	31,292,516	100.0	51,219,496	100.0	59,426,849	100.0	75,912,805	100.0	87,792,774	100.0

Source: Wine Export Certification Service via New Zealand Winegrowers Statistical Annual 2008. Auckland: New Zealand Winegrowers, 2009. p. 47.
The years are presumably June years
Data will differ slightly in total volume to those obtained through Statistics New Zealand (Winegrowers' note)

Table A9: New Zealand wine exports by market and type, 2008
Litres, value, and unit value
(year end June)

		White 750ml	White other	White total	Red 750ml	Red other	Red total	Sparkling	Fortified	Total
United Kingdom	L	23,849,748	1,160,600	25,010,348	4,297,906	17,288	4,315,194	320,775	9	29,646,326
	$	191,443,677	4,716,454	196,160,131	42,008,400	191,839	42,200,239	2,368,408	820	240,729,598
	$/L	8.03	4.06	7.84	9.77	11.1	9.78	7.38	91.11	8.12
U.S.A.	L	17,174,341	428,106	17,602,447	1,864,226	2,424	1,866,650	22,649	91	19,491,837
	$	134,946,901	3,209,100	138,156,001	21,282,419	34,559	21,316,978	304,330	9,808	159,787,117
	$/L	7.86	7.5	7.85	11.42	14.26	11.42	7.38		8.2
Australia	L	21,614,935	1,038,139	22,653,074	1,727,703	72,432	1,800,135	179,789	15	24,633,013
	$	211,438,140	7,285,888	218,724,028	24,990,236	793,593	25,783,829	2,186,825	987	246,695,669
	$/L	9.78	7.02	9.66	14.46	10.96	14.32	12.16	65.8	10.01
Canada	L	3,193,083	1,379,252	4,572,335	635,494		635,494	7,448	3,465	5,218,742
	$	34,844,407	3,019,662	37,864,069	9,032,617		9,032,617	85,668	77,507	47,059,861
	$/L	10.91	2.19	8.28	14.21		14.21	11.5	22.37	9.02
Netherlands	L	1,033,144	122,850	1,155,994	187,361	558	187,919	19,548		1,363,461
	$	9,771,373	567,401	10,338,774	2,280,454	10,235	2,290,689	178,815		12,808,278
	$/L	9.46	4.62	8.94	12.17	18.34	12.19	9.15		9.39
Denmark	L	558,376	5,634	564,010	85,707	3,407	89,114	387		653,511
	$	4,403,909	88,750	4,492,659	1,275,112	62,362	1,337,474	6,113		5,836,246
	$/L	7.89	15.75	7.97	14.88		15.01	15.8		8.93
Ireland	L	1,266,936	15,860	1,282,796	210,554	1,368	211,922	972		1,495,690
	$	12,345,232	200,015	12,545,247	2,425,119	27,480	2,452,599	14,580		15,012,426
	$/L	9.74	12.61	9.78	11.52	20.09	11.57	15		10.04

		White 750ml	White other	White total	Red 750ml	Red other	Red total	Sparkling	Fortified	Total
Japan	L	349,645	248	349,893	194,013	618	194,631	871		545,395
	$	4,248,413	2,411	4,250,824	3,017,751	10,412	3,028,163	20,016		7,299,003
	$/L	12.15	9.72	12.15	15.55		15.56	22.98		13.38
Germany	L	334,526	2,997	337,523	123,914	729	124,643	189		462,355
	$	3,291,339	34,215	3,325,554	1,998,384	12,471	2,010,855	5,214		5,341,623
	$/L	9.84	11.42	9.85	16.13	17.11	33.23	27.59		70.67
Others	L	3,752,917	167,946	3,920,863	1,065,729	31,940	1,097,669	103,547	3,239	5,125,318
	$	40,218,590	1,368,676	41,587,266	13,896,461	307,194	14,203,655	1,313,954	122,100	57,226,975
	$/L	10.72	8.15	10.61	13.04	9.62	12.94	12.69	37.7	11.17
TOTAL	L	73,127,651	4,321,632	77,449,283	10,392,607	130,764	10,523,371	656,175	6,819	88,635,648
	$	646,951,981	20,492,572	667,444,553	122,206,953	1,450,145	123,657,098	6,483,923	211,222	797,796,796
	$/L	8.85	4.74	8.62	11.76	11.09	11.75	9.88	30.98	9

Note from Winegrowers
* There appears to be a discrepancy in sparkling wine. These numbers should be treated as provisional.
SOURCE: Statistics New Zealand
Note from Tim Beal. The figure given for unit value of exports to Germany ($70.67) appears to be a mistake.
The calculated unit value is $11.55

Table A10: NZ wine exports to Japan, 2008

JAPAN				
Wine; still, in containers holding 2 litres or less	7,553,390			
of which	White			
		Wine; still, (not containing more than 14% vol.), white, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area	4,152,065	
		Wine; still, for further manufacture in a licensed manufacturing area, containing not more than 14% vol., white, in containers of a capacity not exceeding 750ml	4,658	
		total white		4,156,723
	Red			
		Wine; still, for further manufacture in a licensed manufacturing area, containing not more than 14% vol., red, in containers of a capacity not exceeding 750ml	47,233	
		Wine; still, (not containing more than 14% vol.), red, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area	3,344,352	
		Wine; still, (not containing more than 14% vol.), red, in containers of a capacity exceeding 750ml but not exceeding 2 litres, not for further manufacture in a licensed manufacturing area	3,924	
		total red		3,395,509
	Wine; still, containing more than 14% vol., fortified by addition of spirits or any substance containing spirit, port, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area			1,158
Wine; sparkling	1,831			
Total to Japan	**7,555,221**			

Statistics New Zealand, via Infoshare, extracted 24 May 2009

Table A11: NZ wine exports to Singapore, 2008

SINGAPORE				
Wine; still, in containers holding 2 litres or less	11,212,593			
	White			
		Wine; still, (not containing more than 14% vol.), white, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area	8,370,207	
		Wine; still, for further manufacture in a licensed manufacturing area, containing not more than 14% vol., white, in containers of a capacity not exceeding 750ml	31,462	
		Wine; still, (not containing more than 14% vol.), white, in containers of a capacity exceeding 750ml but not exceeding 2 litres, not for further manufacture in a licensed manufacturing area	4,590	
				8,406,259
	Red			
		Wine; still, (not containing more than 14% vol.), red, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area	2,781,197	
		Wine; still, for further manufacture in a licensed manufacturing area, containing not more than 14% vol., red, in containers of a capacity not exceeding 750ml	14,436	
		Wine; still, (not containing more than 14% vol.), red, in containers of a capacity exceeding 750ml but not exceeding 2 litres, not for further manufacture in a licensed manufacturing area	5,301	
				2,800,934
	Wine; still, containing more than 14% vol., fortified by addition of spirits or any substance containing spirit, port, in containers of a capacity not exceeding 750ml, not for further manufacture in a licensed manufacturing area			5,400
				11,212,593
Wine; still, in containers holding more than 2 litres	1,932			
	White			
		Wine; still, in containers holding over 2 litres, containing not more than 14% vol., white, not for further manufacture in a licensed	1,680	

		manufacturing area		
	Red			
		Wine; still, in containers holding over 2 litres, containing not more than 14% vol., red, not for further manufacture in a licensed manufacturing area	252	
Wine; sparkling	151,579			
Total to Singapore	**11,366,104**			

Statistics New Zealand, via Infoshare, extracted 24 May 2009

Table A12: NZ wine exports to Japan and Singapore, by type, 2008, summary table

Japan		
	litres	%
Total	7,555,221	100.0
White	4,156,723	55.0
Red	3,395,509	44.9
Other still	1,158	0.0
Sparkling	1,831	0.0
Singapore		
	litres	%
Total	11,366,104	100.0
White	8,407,939	74.0
Red	2,801,186	24.6
Other still	5,400	0.0
Sparkling	151,579	1.3

Table A13: NZ wine exports to Japan, and the world, 2008, by variety

	Total		Japan				deviation	
Variety	litres	%	Inferred	actual	rank	%	litres	%
Sauvignon Blanc	66,848,885	76.1	414,085	222217	1	40.9	-191,868	-35.3
Pinot Noir	5,702,690	6.5	35,324	118846	2	21.9	83,522	15.4
Chardonnay	5,540,862	6.3	34,322	72019	3	13.2	37,697	6.9
Merlot	1,876,171	2.1	11,622	49755	4	9.1	38,133	7.0
Riesling	1,003,199	1.1	6,214	15560	5	2.9	9,346	1.7
Cabernet or Merlot	1,071,558	1.2	6,638	14060	6	2.6	7,422	1.4
Rose	963,395	1.1	5,968	10578	7	1.9	4,610	0.8
Sweet Wines	42,603	0.0	264	10283	8	1.9	10,019	1.8
Syrah/Shiraz	136,575	0.2	846	7321	9	1.3	6,475	1.2
Pinot Gris	1,256,027	1.4	7,780	4554	10	0.8	-3,226	-0.6
Gewürztraminer	130,528	0.1	809	4530	11	0.8	3,721	0.7
Semillon	12,632	0.0	78	4185	12	0.8	4,107	0.8
Sparkling	2,064,160	2.4	12,786	2190	13	0.4	-10,596	-1.9
Other White Varietals	39,096	0.0	242	2079	14	0.4	1,837	0.3
Other Red Varietals	88,998	0.1	551	1668	15	0.3	1,117	0.2
Generic Red	82,010	0.1	508	1507	16	0.3	999	0.2
Generic White	700,175	0.8	4,337	1008	17	0.2	-3,329	-0.6
Sauvignon Blend	24,156	0.0	150	639	18	0.1	489	0.1
Cabernet Sauvignon	14,902	0.0	92	594	19	0.1	502	0.1
Chenin Blanc	8,416	0.0	52	225	20	0.0	173	0.0
Chardonnay Blend	159,399	0.2	987	0	21	0.0	-987	-0.2
Fortified	26,292	0.0	163	0	22	0.0	-163	0.0
Müller Thurgau	45	0.0	0	0	23	0.0	0	0.0
Total	87,792,774	100.0	543,818	543818	24	100.0	0	0.0
Source: Wine Export Certification Service in Winegrowers Statistical Annual 2008 p. 48								

Table A14: Japan's wine imports, 2008

		Volume		Value				unit value	
Rank	Country -	Litres	%	Yen billion	US$ m	NZ$ m	%	Yen/Litre	%NZ
0	--World-- -	179,796,728	100.0	137.78	1,455.3	2,359.6	100.0	766	68
1	France -	62,079,905	34.5	86.48	913.4	1,481.0	62.8	1,393	124
2	Italy -	28,831,371	16.0	17.12	180.8	293.1	12.4	594	53
3	Chile -	21,945,418	12.2	6.17	65.2	105.7	4.5	281	25
4	United States -	19,662,675	10.9	7.92	83.6	135.6	5.7	403	36
5	Spain -	15,748,075	8.8	7.38	78.0	126.4	5.4	469	42
6	Argentina -	12,614,923	7.0	2.50	26.4	42.7	1.8	198	18
7	Australia -	9,088,034	5.1	4.67	49.3	79.9	3.4	514	46
8	Germany -	4,022,978	2.2	2.58	27.2	44.2	1.9	641	57
9	South Africa -	2,275,174	1.3	0.74	7.9	12.8	0.5	327	29
10	Portugal -	840,015	0.5	0.64	6.8	11.0	0.5	765	68
11	New Zealand -	566,130	0.3	0.64	6.7	10.9	0.5	1,123	100
	Others	2,122,030	1.2	0.95	10.1	16.3	0.7	449	40

Source: Japan Customs via World Trade Atlas

Calculations and conversions by Tim Beal

Conversion rates

Yen	US$	NZ$
1	0.0105628	0.0171259

Table A15: New Zealand's share of Japan's wine imports by value, 1998-2008

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
World	100	100	100	100	100	100	100	100	100	100	100
France	51.9	55.6	58.5	59.7	60.9	62.3	65.0	64.2	66.1	65.3	62.8
Italy	14.1	11.8	12.1	13.9	14.6	14.3	12.3	12.0	11.5	11.8	12.4
Chile	7.9	3.7	4.2	4.2	3.7	3.4	3.3	3.3	3.0	3.7	4.5
United States	6.4	8.2	7.8	7.4	7.0	6.5	5.6	5.7	5.8	5.9	5.7
Spain	3.5	3.7	3.6	3.4	3.4	3.5	3.7	4.2	4.1	4.5	5.4
Argentina	3.4	3.2	2.2	2.0	1.6	1.4	1.4	1.4	1.6	1.5	1.8
Australia	1.7	2.1	2.4	2.1	2.2	2.6	3.2	3.9	3.0	3.4	3.4
Germany	5.0	6.1	4.7	4.0	3.8	3.4	2.9	2.8	2.6	1.9	1.9
South Africa	1.0	0.8	0.9	0.7	0.7	0.6	0.5	0.5	0.4	0.5	0.5
Portugal	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.5	0.4	0.4	0.5
New Zealand	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5
Others	4.4	3.9	2.6	1.7	1.3	1.0	1.1	1.0	1.1	0.7	0.7

Source: Japan Customs via World Trade Atlas

Table A16: NZ-Japan wine trade, mutual shares, 1998-2008

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Japan share of NZ wine exports	3.8	2.5	2.5	2.3	1.6	1.8	1.6	1.2	1.1	0.9	0.8
NZ share of Japan's wine imports	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5

Sources
NZ data: Statistics New Zealand via Infoshare
Japan data: Japan Customs via World Trade Atlas

Table A 17: Singapore's wine imports, 2008

	Quantity			Value					unit value	
				S$	US$	NZ$				
Country	Litres	Rank	%	millions			Rank	%	S$/L	%NZ
The World	24,154,881	0	100.0	577.8	398.9	646.6	0	100.0	23.9	169
France	10,708,045	1	44.3	417.5	288.2	467.3	1	72.3	39.0	276
Australia	6,122,583	2	25.3	65.6	45.3	73.5	2	11.4	10.7	76
United States	1,666,057	3	6.9	15.0	10.4	16.8	5	2.6	9.0	64
Chile	1,522,832	4	6.3	7.9	5.5	8.9	7	1.4	5.2	37
Italy	1,137,133	5	4.7	18.5	12.8	20.7	3	3.2	16.3	116
New Zealand	681,430	6	2.8	9.6	6.6	10.8	6	1.7	14.1	100
Argentina	569,561	7	2.4	3.2	2.2	3.5	12	0.5	5.6	39
South Africa	531,194	8	2.2	3.7	2.6	4.1	10	0.6	7.0	49
Spain	475,018	9	2.0	3.4	2.3	3.8	11	0.6	7.1	50
Germany	264,080	10	1.1	4.8	3.3	5.4	8	0.8	18.3	130
Portugal	100,864	11	0.4	1.5	1.0	1.6	14	0.3	14.5	103
United Kingdom	89,657	12	0.4	17.5	12.1	19.5	4	3.0	194.8	1380
Others	286,427		1.2	9.5	6.6	10.6		1.6	33.2	235

Source: International Enterprise Singapore via World Trade Atlas
Conversions and calculations by Tim Beal

Conversion rates

S$	US$	NZ$
1	0.690408	1.11921

Table A 18: New Zealand's share of Singapore's wine imports by values, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
The World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
France	75.2	72.9	74.4	71.9	74.3	75.2	81.2	77.5	76.0	72.3
Australia	9.3	10.1	11.3	13.8	14.4	14.3	10.1	11.5	11.0	11.4
Italy	2.4	2.7	2.7	2.9	2.6	2.1	1.7	2.5	2.4	3.2
United Kingdom	3.3	2.3	1.6	2.2	1.2	0.9	0.7	1.0	2.7	3.0
United States	4.0	5.2	4.4	3.9	2.8	2.2	1.5	1.7	2.0	2.6
New Zealand	0.6	0.7	0.6	0.8	1.0	1.0	0.9	1.3	1.3	1.7
Chile	1.2	1.9	1.4	1.3	1.0	1.2	0.9	1.3	1.0	1.4
Germany	0.6	0.8	0.8	0.8	0.6	0.7	0.6	0.6	0.6	0.8
Switzerland	0.5	0.5	0.1	0.2	0.0	0.1	0.1	0.2	0.6	0.8
South Africa	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.5	0.4	0.6
Others	2.3	2.3	2.0	1.7	1.5	1.9	1.6	1.9	1.9	2.3

Source: International Enterprise Singapore via World Trade Atlas

Table A19: NZ-Singapore wine trade, mutual shares, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Singapore share of NZ wine exports	0.7	0.6	0.6	0.6	0.7	0.8	0.7	1.0	1.0	1.3
NZ share of Singapore wine imports	0.6	0.7	0.6	0.8	1.0	1.0	0.9	1.3	1.3	1.7

Sources

NZ data: Statistics New Zealand via Infoshare

Singapore data: International Enterprise Singapore via World Trade Atlas

Table A20: Unit values of NZ wine exports to major markets, and the world, 1990-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	average 99-08
Australia	7.1	9.9	11.0	10.7	11.1	10.0	9.0	9.3	9.7	10.0	9.8
Canada	7.8	8.7	10.3	10.8	10.5	9.9	9.4	10.6	10.6	9.0	9.8
Denmark		8.1	9.4	10.3	9.8	9.1	8.7	9.2	9.2	8.9	9.2
Germany	8.7	10.7	8.8	12.7	13.2	14.0	10.7	9.7	9.7	11.6	11.0
Ireland	7.5	7.2	7.7	9.1	9.8	9.3	9.1	9.7	10.5	10.0	9.0
Japan	**6.2**	**10.9**	**12.9**	**16.7**	**13.6**	**14.0**	**12.0**	**14.4**	**13.8**	**13.4**	**12.8**
Netherlands	7.9	7.7	8.5	8.9	9.6	9.0	7.4	8.2	8.5	9.4	8.5
Singapore	**12.7**	**15.2**	**16.8**	**17.3**	**17.8**	**15.2**	**11.1**	**13.7**	**13.7**	**14.0**	**14.7**
UK	7.5	8.1	9.3	9.9	9.3	8.6	7.7	7.6	8.2	8.1	8.5
USA	9.6	10.6	13.0	12.8	12.1	11.0	8.7	9.6	9.4	8.2	10.5
Others	6.7	9.2	11.1	11.8	11.9	10.9	10.3	10.3	10.8	11.2	10.4
Total	**7.5**	**8.8**	**10.3**	**10.7**	**10.4**	**9.7**	**8.5**	**8.9**	**9.2**	**9.0**	**9.3**
Japan relativity	82	124	125	156	131	144	142	163	150	149	138
Sing relativity	168	173	163	161	172	156	131	154	150	156	159

Sources:
NZ Winegrowers Statistical Annual 2008
p. 45
except Singapore data
International Enterprise Singapore via World Trade Atlas
Historical conversion rates from NZForex
http://www.chartflow.com/fx/averageRate.asp
Notes
Japan and Singapore relativities are the unit values for these markets as a percentage of the average unit value of NZ wine exports

Appendix C: Acknowledgements

During the course of this project we have received valuable advice and assistance from a number of people in New Zealand, Japan, and Singapore. We are particular grateful to the NZTE offices in Tokyo and Singapore for their contacts, and to our focus group organisers in Tokyo, Osaka, and Singapore. Special mention must be made of Kaori Takeda, NZ-wines.co.nz representative in the Kansai. Dr Aaron Gazley, then a PhD student, worked on the project as a research assistant, providing invaluable support in setting up interviews

General

Andrew Butcher	*Director, Policy and Research, Asia:NZ Foundation*
Steve Cochran	*Multimedia Technician, ITS Teaching Services*
Mariko Fukui	*Cross-cultural psychologist*
Mark Loo	*NZTE, Singapore*
Charles Mabbett	*Media Adviser, Asia:NZ Foundation*
Evan Maehl	*CFO, Villa Maria Wines*
Alex Matheson	*Trade Commisioner, Singapore*
Jonny Mole	*MarkITable Limited*
Craig Pettigrew	*NZTE, Tokyo*
Peter Bodnar Rod	*13th Street Winery, Ontario, Canada*
Shin Saito	*Director, New Zealand Wines.co.nz*
Rochelle Savage	*Flexible Distance Learning, SMIB, VUW*
Jim Tait	*Business Services Manager, NZTE*
Kaori Takeda	*New Zealand Wines.co.nz in Osaka*
Paul Vaughan	*Trade Commissioner, India*
Brenda Watson	*Transcriber, Nelson*

Focus Group Organisers

Akari Kano	*Tokyo*
Takunori Shiomi	*Tokyo*
Mala Suppiah Retna	*Singapore*
Kaori Takeda	*Osaka*
Gopal Varutharaju	*Singapore*
Yasuko Yumisaki	*Tokyo*

Interviewees

(Affiliation is only mentioned where appropriate. The other interviewees spoke to us in their private capacity)

Ayako Chujo	*Eat Creative*
Shigeo Fujita	*Bonsai Box, Ebisu*
Yumi Fujiwara	
Kate Garton	*Marketing Executive – Asia, NZ Winegrowers*
Noriko Hada,	*Online Wassy's*
Jason Hill	*Regional Manager Japan, Tourism New Zealand*

Takehashi Ishiguro,	*AoteaRangi, Ebisu*
Motoko Ishii	
Tomonori Iwao	
Alison Jambert	*Eat Creative*
Akari Kano	
Yuki Kimura	
Maiko Kubo	
Hiroyuki Kusuda	*Wine maker, Kusuda Wines, Martinborough*
Evan Maehl	*CFO, Villa Maria Wines*
Kaye McAuley	*Wine maker, Vynfields, Martinborough*
Futaba Mizuno	
Kenichi Ohashi	
Craig Pettigrew	*NZTE, Tokyo*
Shin Saito	*Director, New Zealand Wines.co.nz*
Yoshiji Sato	*Shuhan News*
Kai Schubert	*Wine maker, Schubert Wines, Martinborough*
Mika Shigemoto	
Miki Shimatani	
Takunori Shiomi	
Mala Suppiah Retna	
Mieko Takahara	
Kaori Takeda,	*NZ-wines.co.nz, Kansai*
Takakiyo Tanimizu	
Yuri Umeda	
Masashi Umeda,	
Gopal Varutharaju	
Akiko Watanabe	
Yasuko Yumisaki	

Organisations, Companies, and Wineries

AoteaRangi	*http://www.unitedf.com/aotea_rangi/*
Asia:NZ Foundation	*http://www.asianz.org.nz/*
Eat Creative	*http://www.i-eatsite.com*
Kinoshita International	*http://www.kinoshita-intl.co.jp/*
Kusuda Wines	*http://www.kusudawines.com/*
Misha's Vineyard	*http://www.mishasvineyard.com/*
New Zealand Wines.co.nz	*http://www.nz-wines.co.nz/ (Japanese)* *http://www.nz-wines.co.nz/pr/ (English)*
NZ Trade & Enterprise (NZTE)	*http://www.nzte.govt.nz/*
NZ Winegrowers	*http://www.nzwine.com/*
Online Wassy's	*http://www.rakuten.co.jp/wassys/index.html*
Schubert Wines	*http://www.schubert.co.nz/*
Tourism New Zealand	*http://www.tourismnewzealand.com/*
Victoria University of Wellington (FCA)	*http://www.victoria.ac.nz/fca/*
Victoria University of Wellington (SMIB)	*http://www.victoria.ac.nz/smib/*
Villa Maria Wines	*http://www.villamaria.co.nz/*
Vynfields	*http://www.vynfields.com/*

Appendix D: Fieldwork in Japan

Question Schedule for Participants Based in Japan

Q 1: Your company

First of all, before we start discussing Japan, could you tell us something about your organisation?
How would you describe the business you are in?
How long has your company been in business?

Q 2: Your personal experience

Can you tell us something about yourself?
What is your present position?

How long have you been in your current position?

Q 3 Working with New Zealanders/New Zealand Wineries

Can we ask you about your experience in working with New Zealand and New Zealanders and/or agents of New Zealand wineries?

What is you organisation's connection with New Zealand?

How do New Zealanders wines compare with other wines such as American, or Australian, French, Italian etc.?

What do you think NZ's image in Japan is?

Q 4: Thinking generally

What, in general, would be your advice to NZ wineries seeking to enter the Japan market?

Q5 Social trends

We are interested in exploring social trends. Thinking of a hypothetical 'average wine consumer' in Japan what is your informed guess about how he/she would answer the following questions. In addition, do you think the answer would be different between males and females, and older and younger.

- What was their first experience of drinking wine? Was this in Japan or overseas. if overseas, which country?

- Why did that happen? Were they introduced by a friend or family member? Had they seen people drinking wine in a movie, or on TV? Had they read about it in books or magazines?

- Do they parents drink wine? Do they see wine drinking as something their generation does but not their parents?
- How often roughly do they drink wine?
- Where do they drink it? In a restaurant? At home?
- What sort of wine do they prefer? (red, white; still, sparkling; sweet, dry)
- Is there any type of wine they definitely do not like?
- Do they think that wine drinking is different from beer or sake drinking? Is it more sophisticated? Is it more fashionable? Or do they think that sophistication and fashion play no part, that it is just a matter of personal preference?
- Is wine drinking a sign of Japan's internationalisation?
- Do they think that people who drink wine are internationalised or do they think that wine has now become as 'Japanese' as say beer?
- Is wine drinking more popular among women than men? What types of wine do they think that, in general, women and men prefer?
- What country or countries do they think the best wine comes from? What are the worst?
- Do they think that wine should only be drunk with European food, or is it suitable for Japanese food?
- Do they have any opinions on New Zealand wine?
- What do they think of Japanese domestic wine? Is it as good as imported wine? Better? Better value for money?

Q 6: ANY OTHER ISSUES

Are there any important issues we haven't covered?

Thank you very much for your participation

Japan fieldwork - Focus Groups

Project

We describe the project as 'investigating the role of wine as a significant marker of societal, and market, change in societies which are not traditionally wine drinking'. We see the focus groups as a good way to investigate the personal experiences and opinions of Japanese wine

consumers. The groups cannot, of course, be regarded as representative, but we think they will be illustrative and that is valuable.

Mode
This will be an informal discussion amongst mutual friends over wine and food for which we will pay. We will also give each participant a small souvenir from New Zealand as a token of our appreciation. We will video the discussion to enable us to identify who is saying what. If there is no objection we would like to be able to use excerpts in teaching.

Location
Preferably in a private room of a restaurant. We want to avoid extraneous noise as much as possible because we will be recording the discussion

Duration
Probably about an hour to an hour an a half. We are flexible and can adjust to shorter or longer durations.

Language
We anticipate that the discussion will primarily be in Japanese and we will interact with the group through the focus group leader in English. For research purposes we will be working from a translation of the a transcript of the discussion.

Anonymity
If anyone wants to remain anonymous that is fine with us; we will just assign a fictional name.

Questions
Here are a list of questions. We anticipate that the leaders will guide the group through the questions. However, the important thing is spontaneity and we want the discussion to 'go with the flow'. There is no set order for the questions and it may be that some are not considered relevant, or that other questions and issues arise naturally in the course of discussion

- What was your first experience of drinking wine? Was this in Japan or overseas. if overseas, which country?

- Why did that happen? Were you introduced by a friend or family member? Had you seen people drinking wine in a movie, or on TV? Had you read about it in books or magazines?

- Do you parents drink wine? Do you see wine drinking as something you generation does but not your parents?

- How often roughly do you drink wine?

- Where do you drink it? In a restaurant? At home?

- What sort of wine do you prefer? (red, white; still, sparkling; sweet, dry)

- Is there any type of wine you definitely do not like?

- Do you think that wine drinking is different from beer or sake drinking? Is it more sophisticated? Is it more fashionable? Or do you think that sophistication and fashion play no part, that it is just a matter of personal preference?

- Is wine drinking a sign of Japan's internationalisation?

- Do you think that people who drink wine are internationalised or do you think that wine has now become as 'Japanese' as say beer?

- Is wine drinking more popular among women than men? What types of wine do you think that, in general, women and men prefer?

- When you dine out with friends or family is wine a popular choice? Do you sometimes persuade them to drink wine rather than beer or sake

- Is wine seen as an expensive choice?

- What country or countries do you think the best wine comes from? What are the worst?

- Who influences your choice of wines?
    - Friends
    - Wine critics
    - Sommeliers (wine waiters)
    - *Kami no Shizuku*
    - Others

- Do you think that wine should only be drunk with European food, or is it suitable for Japanese food?

- How do you decide what to have (wine, beer, sake or other alcoholic drinks) with your meal?

- Are food menus important for the decision or are you not fussy about the drink and food matching?

- Do you have any opinions on New Zealand wine?

- What do you think of Japanese domestic wine? Is it as good as imported wine? Better? Better value for money?

- If your company arranges a function, do they serve wine or is it just beer ad sake?

    - If they have wine, what sort?

- Do you have proper wine glasses at home ?
    - If so, why? Does it make a difference? Where did you get them

- How much are you will to spend on wine?
    - Retail, for a special occasion
    - Retail, for an ordinary occasion
    - In a restaurant

- Have you ever bought wine online?

- When you go out drinking and eating with friends how do you travel home afterwards? (train, bus, walking, car?)

Focus Groups in Japan

Japanese version by Mariko Fukui and Kaori Takeda

TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI
VICTORIA
UNIVERSITY OF WELLINGTON

ワインは社会変革の指標

ワインが伝統的な飲み物ではない社会において、その社会や市場を変革するための重要な指標としてのワインの役割を調査するプロジェクト

<u>プロジェクト概要:</u>
ワインを飲むことを伝統としない国に、"ワイン"がもたらした社会変革についてを探る調査です。さまざまな形でワインに関わっている日本人の方との、一対一のインタビューや、フォーカスグループ(グループ対談)を通して、各個人、それぞれの"ワイン"に対する考えや意見を追及することを目的としています。

<u>グループ対談について:</u>
グループ対談は、静かなレストランの個室で、食事をしながらの、自然体でのインタビューになります。時間は1時間から1時間半ほどを目安としていますが、その時の状況や流れによって、多少、長くなったり、短くなったりする可能性がありますので、ご了承ください。すべての対談の様子はビデオカメラで撮影されます。対談中は実名を使わせていただくことになりますが、匿名を希望する方がいらっしゃいましたら、遠慮なく申し出てください。又、対談後のデータ分析や結果発表の段階で、皆さんの実名を使うことは一切ございません。
使う言語は、日本語でも英語でも、また両方でも構いません。私たちは日本語がしゃべれませんが、各グループには、英語がしゃべれる方がいますので、必要な場合にはこの方を通して通訳をしてもらう場面もあるかもしれません。参加していただくお礼としまして、食事にかかる代金はこちらで用意させていただきます。

研究補助者：アジア：ニュージーランド基金
ウェブサイト：http://www.vuw.ac.nz /~caplabtb/wine_project_site/
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<u>テーマについて:</u>

グループ対談は、できるだけ自然な形で、「ワイン」をテーマに、参加者の皆さんに、自由におしゃべりしていただくことを一番の目的としています。しかし、できれば聞きたいなというテーマもいくつか用意してありますので、ここで、ご紹介いたします。注意していただきたいのは、この順番通りにそわなければならない、又、すべての質問内容について話さなければならない、などという規制は、全くございませんので、このほかのことでも、ワインをテーマに、どんどんおしゃべりをしていただいて、結構です。したがって、以下のテーマと質問には、事前に軽く目を通していただければ結構です。

1）ワインを飲むようになったきっかけ
- 初めてワインを飲んだのはいつごろで、それはどこでですか？日本でですか？それとも、海外でですか？
- どうして初めてワインを飲んだのですか？（例えば、友達や家族の紹介で？それとも、映画やテレビでワインを飲んでいるのを見たり、雑誌や本で読んだから？など）

2）ワインを飲む人について
- あなたのご両親はワインを飲みますか？
- ワインを飲むというのはあなた達、若い世代の人たちに多いと思いますか？それともご両親やその前の世代の人たちの中でもよくあることだと思いますか？
- あなたはワインを飲む人はインターナショナルな人だけだとおもいますか？
  それとも、ワインはビールや日本酒のように、すでに日本に定着していると思いますか？
- あなたはどのようなタイプの人がワインを好んで飲むと思いますか？
- 男性よりも女性の方がワインを飲むことが多と思いますか？
- 飲むワインのタイプは女性と男性で違うと思いますか？

3）あなたとワイン
- あなたはどのくらいの頻度でワインを飲まれますか？
- ワインを飲む場所は大体どこが多いですか？（例えば、レストラン？家で？）
- どのようなワインが好きですか？（赤ワイン、白ワイン、スパークリングワイン、甘口、辛口など）
- ワインの中で、これだけは飲まない！という種類はありますか？（ブランド名など）
- あなたにとって『ワインを飲む』ということは他のアルコール類（例えば『日本酒やビールを飲む』ということとは違ったものだと思いますか？（例えばそれは、イメージの問題？それともただ単に、個人の好き、嫌いでからくるもの？）
- あなたは家にワイングラスがありますか？
  それはなぜですか？そして、どこで買ったものですか？
- あなたがワインを買って飲むとしたら、いくら位のものを買いますか？
  （特別なときに飲むワインの値段、普段飲むワインの値段、レストランで飲むワインの値段など）
- あなたがワインの種類を選ぶときに一番影響されるのはだれからの意見ですか？
  （例えば、友達の意見？ワインに詳しい評論家の意見？ソムリエの意見？マンガ『神の雫』など？）
- インターネットでワインを購入したことがありますか？
- あなたがお友達と飲みに出かけた後、普段どのようにして、帰宅しますか？（帰宅方法の例：電車、バス、徒歩、車など）

4） ワインと食事
- ワインは日本食にあうと思いますか？それとも、外国料理のメニューにだけあうと思いますか？
- あなたが食事の際どのようなお酒（ワイン、ビール、その他のアルコール類）を飲むかはどうやって決めますか？
- お酒の種類を食事のメニューに合わせることは重要だとおもいますか？それともあまり重要ではないと思いますか？

5）ワインの好感度
- あなたがお友達や家族で外食に出かけるとき、「ワイン」は特に好まれて注文されるものですか？
- 過去にほかの人に、ビールや日本酒よりもワインを注文するように勧めたことはありますか？
- 日本でつくられているワインをどう思いますか？海外から輸入されてくるワインとどう違うと思いますか？日本で作られるワインのほうが、おいしいと思いますか？
  または、価格が安いと思いますか？
- あなたの職場でパーティなどがあるとき、用意されるお酒類は、ワインのほうが多いですか？
  それとも、ビールや日本酒などのほうが多いですか？
- もしもワインが用意されて、飲まれるとしたら、どのような種類のワインが多いですか？
- ワインはほかのお酒類に比べて、値段が高いと思いますか？
- 一番ワインを多く飲む国はどこだと思いますか？
- 反対に一番ワインを飲まない国はどこだと思いますか？
- どこの国のワインが一番素晴らしいと思いますか？
- 反対に一番質の悪いワインはどこの国のものだと思いますか？

6） 日本とワイン
- あなたは日本にもワインが登場して人々に飲まれているということは、日本の国際化を象徴していると思いますか？

7）ニュージーランドのワイン
- ニュージーランドのワインについて知っていることがあれば教えてください。

Appendix R: Fieldwork in Singapore

Question Schedule for Participants Based in Singapore

Appendix

Q 1: YOUR COMPANY

First of all, before we start discussing Singapore, could you tell us something about your organisation?
How would you describe the business you are in?

How long has your company been in business?

Q 2: YOUR PERSONAL EXPERIENCE

Can you tell us something about yourself?
What is your present position?

How long have you been in your current position?

Q 3 WORKING WITH NEW ZEALANDERS/NEW ZEALAND WINERIES

Can we ask you about your experience in working with New Zealand and New Zealanders and/or agents of New Zealand wineries?

What is you organisation's connection with New Zealand?

How do New Zealanders wines compare with other wines such as American, or Australian, French, Italian etc.?

What do you think NZ's image in Singapore is?

Q 4: THINKING GENERALLY

What, in general, would be your advice to NZ wineries seeking to enter the Singapore market?

Q5 SOCIAL TRENDS

We are interested in exploring social trends. Thinking of a hypothetical 'average wine consumer' in Singapore what is your informed guess about how he/she would answer the following questions. In addition, do you think the answer would be different between males and females, and older and younger.

- What was their first experience of drinking wine? Was this in Singapore or overseas. if overseas, which country?

- Why did that happen? Were they introduced by a friend or family member? Had they seen people drinking wine in a movie, or on TV? Had they read about it in books or magazines?

- Do they parents drink wine? Do they see wine drinking as something their generation does but not their parents?

- How often roughly do they drink wine?

- Where do they drink it? In a restaurant? At home?

- What sort of wine do they prefer? (red, white; still, sparkling; sweet, dry)

- Is there any type of wine they definitely do not like?

- Do they think that wine drinking is different from beer or sake drinking? Is it more sophisticated? Is it more fashionable? Or do they think that sophistication and fashion play no part, that it is just a matter of personal preference?

- Is wine drinking a sign of Singapore's internationalisation?

- Do they think that people who drink wine are internationalised or do they think that wine has now become as 'Singaporean' as say beer?

- Is wine drinking more popular among women than men? What types of wine do they think that, in general, women and men prefer?

- What country or countries do they think the best wine comes from? What are the worst?

- Do they think that wine should only be drunk with European food, or is it suitable for Singaporean food (i.e. China, India, etc.)?

- Do they have any opinions on New Zealand wine?

Q 6: ANY OTHER ISSUES

Are there any important issues we haven't covered?

Thank you very much for your participation

Singapore fieldwork - Focus Groups

Project

We describe the project as 'investigating the role of wine as a significant marker of societal, and market, change in societies which are not traditionally wine drinking'. We see the focus groups as a good way to investigate the personal experiences and opinions of Singaporean

wine consumers. The groups cannot, of course, be regarded as representative, but we think they will be illustrative and that is valuable.

Mode
This will be an informal discussion amongst mutual friends over wine and food for which we will pay. We will also give each participant a small souvenir from New Zealand as a token of our appreciation. We will video the discussion to enable us to identify who is saying what. If there is no objection we would like to be able to use excerpts in teaching.

Location
Preferably in a private home. We want to avoid extraneous noise as much as possible because we will be recording the discussion

Duration
Probably about an hour to an hour an a half. We are flexible and can adjust to shorter or longer durations.

Anonymity
If anyone wants to remain anonymous that is fine with us; we will just assign a fictional name.

Questions
Here are a list of questions. We anticipate that the leaders will guide the group through the questions. However, the important thing is spontaneity and we want the discussion to 'go with the flow'. There is no set order for the questions and it may be that some are not considered relevant, or that other questions and issues arise naturally in the course of discussion

- What was your first experience of drinking wine? Was this in Singapore or overseas. if overseas, which country?

- Why did that happen? Were you introduced by a friend or family member? Had you seen people drinking wine in a movie, or on TV? Had you read about it in books or magazines?

- Do you parents drink wine? Do you see wine drinking as something your generation does but not your parents?

- How often roughly do you drink wine?

- Where do you drink it? In a restaurant? At home?

- What sort of wine do you prefer? (red, white; still, sparkling; sweet, dry)

- Is there any type of wine you definitely do not like?

- Do you think that wine drinking is different from beer or whisky drinking? Is it more sophisticated? Is it more fashionable? Or do you think that sophistication and fashion play no part, that it is just a matter of personal preference?

- Is wine drinking a sign of Singapore's internationalisation?

- Do you think that people who drink wine are internationalised or do you think that wine has now become as 'Singaporean' as say beer?

- Is wine drinking more popular among women than men? What types of wine do you think that, in general, women and men prefer?

- When you dine out with friends or family is wine a popular choice? Do you sometimes persuade them to drink wine rather than beer or whisky, etc.

- Is wine seen as an expensive choice?

- What country or countries do you think the best wine comes from? What are the worst?

- Who influences your choice of wines?
    - Friends
    - Wine critics
    - Sommeliers (wine waiters)
    - Others

- Do you think that wine should only be drunk with European food, or is it suitable for Chinese, Indian, and other foods?

- How do you decide what to have (wine, beer, or other alcoholic drinks) with your meal?

- Are food menus important for the decision or are you not fussy about the drink and food matching?

- Do you have any opinions on New Zealand wine?

- If your company arranges a function, do they serve wine or is it just beer and other drinks?

    - If they have wine, what sort?

- Do you have proper wine glasses at home ?
    - If so, why? Does it make a difference? Where did you get them

- How much are you will to spend on wine?
    - Retail, for a special occasion
    - Retail, for an ordinary occasion

    - In a restaurant

- Have you ever bought wine online?

- When you go out drinking and eating with friends how do you travel home afterwards? (train, bus, walking, car?)

APPENDIX F: REFERENCES AND ENDNOTES

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[2] Ibid. p.6

[3] See interview with Kaye McAuley

[4] "Wine Exports exceed $900 million in 2008," NZ Winegrowers, 3 February 2009. This is probably a final figure and the one given in the Statistical Annual a provisional one, though that is not stated. Alternatively the Statistical Annual may be referring to a June year and not a calendar one.

[5] The illustration is of the Harvester wine tourism programme run by Mr Shin Saito of NZ-wines.co.nz in association with Air New Zealand

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[13] Alun Griffiths et al., "Berrys' Future of Wine Report A glimpse into the world of wine in 2058," Berry Brothers & Rudd, 9 May 2008.

[14] Ibid.

[15] "State of world vitiviniculture world report March 2009," (Paris: Organisation Internationale de la Vigne et du Vin, 2009). Table 10

[16] Jenster et al., The business of wine : a global perspective. P. 189

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[18] Most of the data used here comes from the Infoshare database of Statistics New Zealand which gives detailed wine export statistics back to 1988

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[39] See Appendix C

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[41] Ibid.

[42] See Table A10

[43] Stanton, "Singapore Product Brief Wine 2002."