

CHARACTERISTICS OF WINE CONSUMERS & THE POSITIONING OF CALIFORNIA & INTERNATIONAL WINES IN JAPAN

Roblyn Simeon, College of Business, San Francisco State University

dx.doi.org/10.18374/JIBE-13-3.11**ABSTRACT**

Competition in the global wine market gets more intense every year. As the number of wineries increase and more countries move to export their production, a wide range of marketing and distribution strategies are being employed to enter or expand into new markets. Not only has the on-going battle between old world and new world wines continued, but the fight for market share has intensified among new world wine producers such as the USA, Chile, Australia, Argentina, and even South Africa. One region that has become a focal point for a lot of this competition is Asia. (Ridding, Robinson et al. 1997; Cholette 2004; Orth, Lockshin et al. 2007; Corsi, Marinelli et al. 2010) Asia has been targeted for a number of reasons. The large and growing population provides a great opportunity for market expansion. The growing middle class and the impressive buying power of many of these consumers have attracted the attention of major wine producing nations worldwide. Because of their central role as emerging market countries, China and India have often been presented as ideal locations for expanding wine sales. We do in fact see tremendous growth in both the volume and variety of wines that are being sold in these countries. The large populations of both countries will continue to function as a magnet for firms seeking market expansion. However, it is this author's view that by studying the dynamics in the Japanese market, we can learn a lot more about how major wine producing nations will have to compete in the long run. (Ridding, Robinson et al. 1997; Thach and Olsen 2004; Yu, Sun et al. 2009). In some ways, the Japanese wine market is very different from the other Asian markets. From another perspective, it could be a good example of where other Asian wine markets are headed. Japan has been consuming wines for a very long time and the wine culture is well established and entrenched. Japan consumes about 30% of the total Asian wine consumption and about 60% of the wine imported into the region. The amount of imported wines consumed by the Japanese has increased by more than 16% in the 5-year period from 2006 to 2010 and some have predicted that it will grow by more than 18% between 2011 and 2015. Japan has been and will continue to represent a sizable growth market opportunity for international wines. However, the Japanese wine market continues to be very competitive. Although over 50 countries supply wine to Japan, ten countries account for approximately 96% of the imported volume. At present, Chile and the United States lead the bulk wine exports to Japan, while France and Italy are the top competitors in reputation and market share. (Robinson 2000; GAIN 2011; GAIN2 2012; W&G 2012) Another development which makes a study of the wine attitudes and consumption patterns in Japan interesting is that wine-related activities take place in a well developed alcoholic beverage market that is varied and very competitive. Wine has to compete vigorously with at least six other alcoholic beverage categories some of which have long and deep cultural and historical associations. The purpose of this paper is to examine certain dynamics in the Japanese alcoholic beverage market in order to isolate a set of consumer characteristics which might effectively forecast their attitudes towards domestic and international wines; especially those from California. To that end a specially designed survey was administered to wine drinkers in Japan. The results show a number of interesting patterns that are not as easily noticed by just looking at production and consumption statistics. (Carlsen 1990; Hashimoto and Telfer 1999; Beaumont 2007; Campbell 2007)

Keywords: