



OUR **PLANS** FOR THE PROMOTION,  
EDUCATION AND DISTRIBUTION OF  
**NEW ZEALAND** WINES IN **BEIJING**

## Who are we?

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Unicon Group Ltd. was founded in 2004 to offer practical advice to New Zealand companies wanting to engage with the Chinese market. What started out as a consultancy soon developed into much more. We could see huge opportunities for New Zealand products in China and so we started to take on the risk and reward of these opportunities ourselves. Today Unicon supplies a growing number of retailers in China. We work with some of New Zealand's leading brands, and we are developing our own retail outlets.

We believe you have to make your own success. When we start a new venture, we base it on hard research and analysis. Typically, we look for opportunities and then develop marketing strategies to take advantage of the opportunities that exist.

We are also able to draw on talented people. We believe that people are our biggest asset and we frequently create partnerships with others to combine skills, knowledge and market presence.

### Our capabilities

- Warehousing and distribution: Our office and warehouse is located in Beijing.
- Promotion: Experienced marketing team. Access to local and national media. Strong brand building capabilities.
- Sales: Dedicated and experienced sales team. Reputation for delivering on promises.
- Retail outlet: We will open the first wine retail outlet in October 2008 with plans to open additional stores in 2009 /2010. The first outlet will be 50m2 in the Focus Centre development in Wangjing, Beijing.

## The Market

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We have watched in awe the speed at which the Chinese market has changed. The Chinese middle class consumer is growing in sophistication, knowledge and a desire to purchase quality imported goods.

Key findings on the wine market in Beijing:

- According to the trade presses, the main consumer group of wine is still mid-aged male consumers, many of which have switched from drinking Bai Jiu (Chinese White Spirit)
- Wine achieved total volume growth of 8% and total value growth of 9% in 2007 (Euromonitor, 2007)
- Wine in China has a fashionable and healthy image compared to other alcoholic beverages.
- Red wine continues to be the favourite, mainly due to lack of knowledge and the perception that “red is best”.
- Cabernet Sauvignon, Merlot and Shiraz are the three major varieties of red wine. Cabernet Sauvignon accounted for 40% of total sales volume of red wine in 2007. With regard to white wine, Chardonnay is the most popular variety although others such as Riesling and “Dragon Eye” are common. (Euromonitor, 2007)
- Pricing is still an important issue for Chinese when choosing wine. However there has been the emergence of high end products of both domestic and imported brands being sold through specialty wine outlets. According to trade sources, when consumers want to drink wine at home they will go to supermarkets to get cheaper products, while if they want to buy wine as a gift or for some important occasions, they are likely to spend more through a specialty wine outlet.
- The “westernising” of the Chinese middle class will encourage locals to drink more wine and there is increased popularity to give wine as a gift.
- One of the biggest barriers to entry lies in the difficulty of distribution, many companies have struggled to find reliable agents inside China.
- Poor quality imported wines have been sold through restaurants claiming to be of high standard creating a lack of trust in the market for new unknown wines. Restaurants and hotels buying imported wines generally prefer to work with foreign owned suppliers rather than Chinese owned.

*Information gathered from a variety of sources including Euromonitor, Local newspaper reports and on the ground research*

## Our Strategy

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*“We are a middle to high end wine merchant specialising in supplying quality imported wines.”*

- A critical success factor to our business will be our ability to educate our customers. In response to the lack of wine knowledge and in particular knowledge on New Zealand wines, we will focus on consumer education primarily through sponsored wine tastings.
- We will be different to what currently exists in China. Through luxurious packaging, interesting marketing collateral, in-store wine tastings and product presentation we plan to make our stores the market leader for imported quality wines. We want to encourage return customers so will introduce loyalty cards, invitations to in-store tastings and other wine education events.
- To deliver consistency to our customers we will open our own retail outlets.
- While the retail store will sell wines from around the world (sourced from distributors within China) our third party sales will concentrate on the New Zealand wines that we have exclusivity for and are sourcing directly from the winery.
- Retail sales will mainly be targeted at the “wine as a gift” market segment, the educated Chinese wine consumer and the expat community.
- The retail outlet will also be central to our “corporate account” distribution strategy. The stores will be a showroom, a place where we can invite key people from the hotel and restaurant industry, introduce them to our wines and gently encourage them to stock our wines over a sampling of the product! We have very close relationships with many top restaurants and hotels in Beijing and we feel confident in our ability to get our portfolio of exclusive wines in front of the right people.

## Store Location

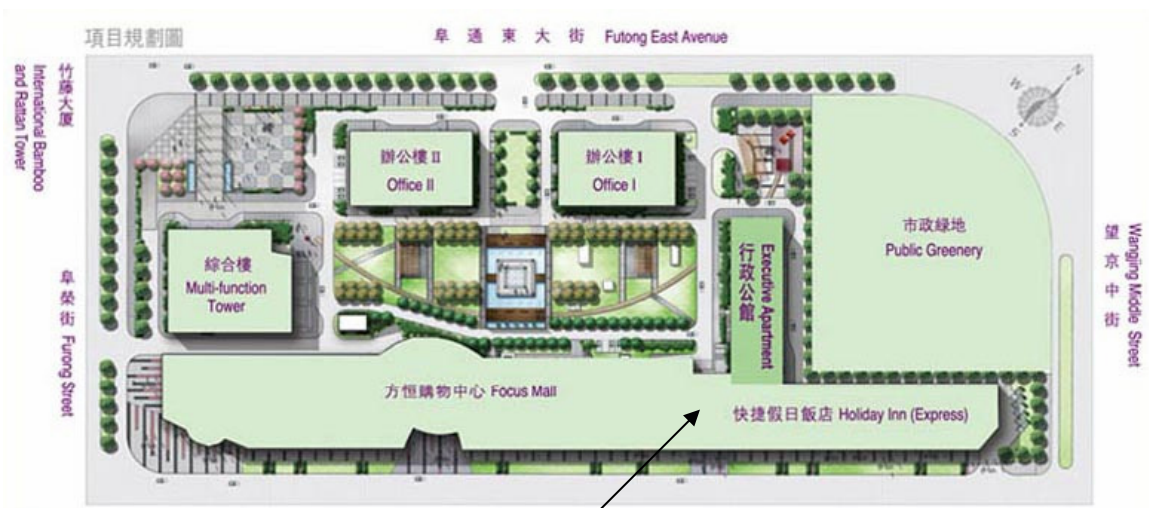
Our first flagship store will open in Focus Square Mall, Wangjing, Beijing. Please visit: <http://www.focussquare.com/en/index.asp> for more information.



External View



Internal view



The store will be located 10 meters from the internal entry to the Holiday Inn Hotel.

## **What are we looking for?**

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We want to establish a relationship with a winery or wineries that share the same values as ourselves. We are also looking for quality wines that sit across a range of price positions but with an emphasis on being good value for money.

The first shipment will leave New Zealand at the end of August ready for the store opening in October.

## **Conclusion**

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As a company we work in one of the most exciting and competitive markets in the world. Over the years we have built an understanding for how New Zealand products sit in the Chinese market, how to facilitate business relationships, and most importantly, how to get results.

We hope you recognise the advantages of working with people who are passionate about New Zealand wine and who can also see things objectively from both sides of the cultural fence. Best of all, you can be rest assured that your wine is in good hands, we understand the elements that go towards building strong brands and businesses in China, our plans are focused on the long term and we would rather show our capabilities through actions rather than words.

## Contact Details

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