

Italian wine Export in Singapore

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After leaving behind a brief yet brilliant IT career, Wai Xin Chan decided to open his own wine communication business, Winexin.sg. He became a Certified Wine Educator (CWE), attended Vinitaly International Academy and got the Italian Wine Ambassador certification in 2015 and the Italian Wine Expert certification in 2016. We asked him to be our guide as we discover Singapore's wine market.

How does the wine scene look like in Singapore?

Basically, the consumers are divided into two segments. Group 1 are premium wine drinkers, usually above 50 years old and interested at Bordeaux, Burgundy and Super Tuscan. You can see them at Wine Auctions and buying en primeur wines. Generally these are less inclined to taste wines from lesser-known grape varieties and regions. Group 2 is a more price sensitive segment but also willing to try something unusual. Most of those who are part of this group are between 30 – 40 years old, educated outside of Singapore and less willing to pay for expensive wines.

In terms of wine import volume, the top 3 wine producing

countries are Australia, France and Chile, with Italy ranked 6th.

Which is Italian wine current positioning? What do people know about it?

Italian wines are naturally showing a lot in Italian restaurants at the moment, but outside of Italian restaurants, the most commonly seen Italian wines are from Tuscany, Veneto and Piedmont. Most people associate fine Italian wines only to red wines like Brunello, Amarone and Barolo. White wines usually don't enjoy the same premium reputation, with most people knowing only Moscato, Pinot Grigio and Prosecco. There is still much to be done to introduce people to Italian wines in Singapore.

Which are the main obstacles an Italian wine producer can find in approaching Singapore market? For example, you mentioned there are tax issues to face. Can you please explain that?

Actually the biggest challenge is that people are not familiar with the names and geography of Italy. Singaporeans know about Milan, Rome and Florence because these are common tourist destinations. But few people know that Cinque Terre is in Liguria and that in Liguria some very interesting wines are produced.

Tax-wise the situation is less confusing than it seems. Singapore has a alcohol tax based on alcohol level. So a bottle of wine with 15% alcohol will be only around S\$10 in alcohol tax. This S\$10 does not include Cost, Insurance and Freight which is taxed at 7% of the total value. So every wine with 15% alcohol will pay the same tax. For this reason people are less willing to pay for a wine that is too cheap, because the proportion paid in tax seems a lot and they tend to spend a little bit more for something of higher perceived value. As a result, most consumers are willing to pay between S\$40 – S\$100 (28 EUR – 60 EUR) for a bottle of wine from retail shop.

Which is the target they should look at?

In my opinion, I think most Italian wine producers will have

better luck with Millennials and Gen X. They fit into the second group I mentioned earlier (price sensitive but willing to try) and they also tend to see wine as a lifestyle instead of a luxury. Therefore engaging customers at this tier will yield better results.

What should they do to best promote Italian wine in Singapore, in your opinion?

We believe there is strength in numbers. Instead of coming and promoting as individual wineries, lesser-known wineries should come as a group to make a meaningful collective impact. Allowing people to taste one grape variety made in different styles and by different hands will give people a better understanding. For example, the grape Verdicchio can better illustrated with 6 – 8 wineries making wines from sparkling, dry, to sweet. Or even show people the difference between Jesi versus Matelica. Otherwise people will know only one expression of Verdicchio.

What practical advice would you give to Italian wine producers?

Firstly Consortia should be more active in promoting their regions and wines. A lot more can be done to make lasting impression of Italian wines from specific regions in Southeast Asia. Secondly, try to relate their autochthonous grape varieties with attributes found in international varieties. For example, it can be effective to tell people Refosco dal Peduncolo Rosso has the same juicy character and red fruit notes like Merlot. I know some wine producers will not agree, but it is a good way for consumers to get familiar with these wines before they learn more.