



## ASX Announcement

31 July 2019

### Invigor to Establish Wine Sales Platform for Chinese Consumers

- **Invigor to sell Australian wine to Chinese consumers in Australia and China leveraging the Smart Farm strategy**
- **IVO's WeChat Pay platform to be deployed for sales and promotional purposes and as the basis for an online WeChat-powered 'Mini Mall' to enable wine producers to access Chinese consumers in Australia and China**
- **Invigor, together with Enring, bring an unrivalled combination of skills in procurement, logistics, sales & marketing and payments**
- **Chinese market for Australian wine now represents largest export opportunity with sales predicted to exceed \$1 billion p.a.**

**Invigor Group Limited** (ASX:IVO) ("**Invigor**" or "**the Company**"), is pleased to confirm that it is launching a dedicated WeChat-powered online community to market and sell Australian wine to Chinese domestic consumers and Chinese within Australia.

Invigor will leverage its WeChat Pay and associated social marketing platform to drive sales within Australia and in China. Invigor's partnership with Winning Group provides an immediate distribution channel in China with Winning's network of EasyGo stores being a potential retail channel available for product sales.

As well, Invigor's shopper insights, loyalty and pricing software, which has had extensive take-up among large alcohol beverage companies and retailers in Australia, will be integrated into the WeChat platform to assist with pricing and analytics.

Utilising the joint venture with Enring, a 'Mini-Mall' shop within the WeChat ecosystem will provide a safe, secure and trusted online destination for Chinese consumers to see product reviews, checking pricing, make notes on tastings, take advantage of promotions, access customer support and execute sales.

Invigor is tapping into a very large industry sector. According to Wine Australia, there is estimated to be 2,468 wineries and 6,251 grape growers employing 172,736 full and part-time employees across 65 winegrowing regions in Australia. This contributes over \$40 billion annually to the Australian economy.<sup>1</sup>

China represents the largest export sector for Australian wine with an estimated \$1 billion in annual sales. Further Chinese now are the most significant foreign visitors to Australian wineries. The recent addition of Sun Asia Group to Invigor also enables the Company to build on this exciting initiative. A presentation of the opportunity accompanies this ASX release.

#### **Commentary**

**Invigor's CEO, Gary Cohen said:** *"This is another step in Invigor capitalising on its growing WeChat Pay operations, the Smart Farm initiative and our relationships within the beverage sector in Australia. Invigor and Enring have the capability, technology platforms, export licenses and relationships in place to generate sales relatively quickly."*

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<sup>1</sup> <https://www.wineaustralia.com/market-insights/australian-wine-sector-at-a-glance>



-ENDS-

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**About Invigor Group**

Invigor Group (ASX: IVO) is a B2B data intelligence and solutions company that turns data analytics into dollars for the retail and service industries. Invigor's innovation in owned retail platforms and unique cross-channel data ecosystem allows businesses to have a holistic view of their customers and competitive landscape to not only understand, but effectively engage with today's physical and digital consumers. Combined with proprietary data and predictive engines, Invigor Group provides strategic insights and recommendations that empower businesses to successfully influence future customer strategy and increase long-term profitability.

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Twitter: <https://twitter.com/InvigorGroup> | LinkedIn: <https://sg.linkedin.com/company/invigor-group>



WeChat Powered Wine Sales Platform  
Market Opportunity and Overview

# OVERVIEW

- Leverage WeChat and associated social marketing to drive Australian wine sales to the Chinese market
  - WeChat based marketing and eCommerce presence for small to medium Australian wineries
  - Content translation and curation
  - Initially target Chinese Australians visiting cellar doors and wine regions
  - Expand to allow Chinese tourists to purchase at cellar door with direct shipment to home address
  - Encourage content sharing to engage broader Chinese market
  - Logistics and fulfillment from cellar door to mainland China



# EXPORT MARKET OPPORTUNITY

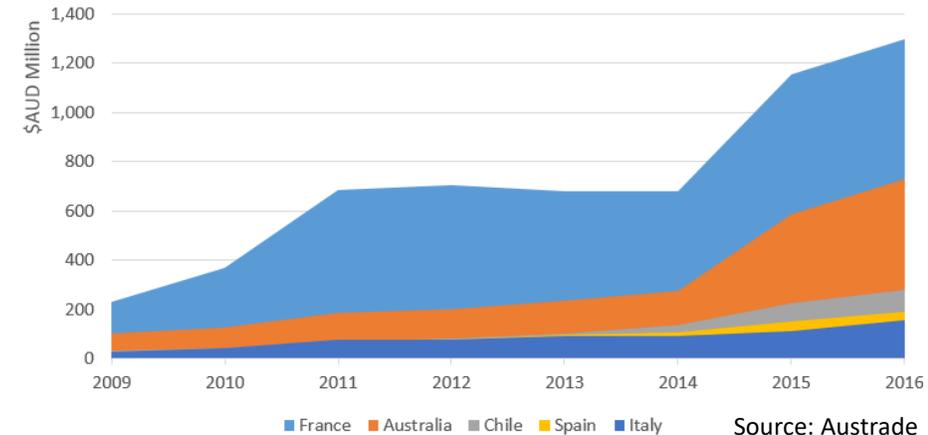
- China is Australia's top export market by value <sup>1</sup>
  - Grown from \$73m (2008) to \$1.14b (2018)
- Australia has passed France for #1 market share <sup>1</sup>
  - 33.6% market share for 2019
- Australian has highest average bottled wine price of major nations <sup>2</sup>
  - \$8.33 per bottle (up 8%) versus \$6.94 for all imports
- Competitive Advantage via China-Australia Free Trade Agreement <sup>3</sup>
  - Zero tariffs on imports versus 14% for France
  - US wines now subject to 54% import duty due to US-China trade war

Top 5 Wine Export Markets by Value (2018)

 China inc. HK and Macau	\$1.14b	▲ 18%
 United States	\$425m	▼ -5%
 United Kingdom	\$389m	▲ 12%
 Canada	\$210m	▲ 12%
 New Zealand	\$93m	▲ 14%

Source: Wine Australia

China Wine Imports by Top 5 Suppliers (2009 – 2016)



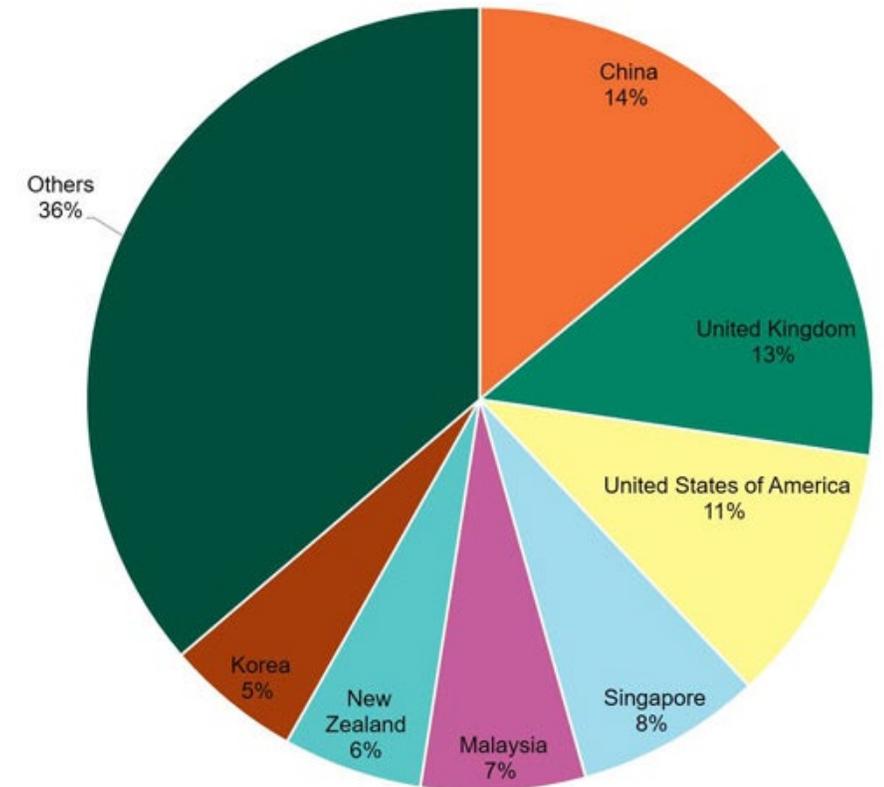
Source: Austrade

1. [Wine Australia – Australian Wine Exports Continue to Grow in Value](#)
2. [Wine Australia – China Market Update May 2019](#)
3. [Austrade – Wine to China](#)

# WINERY TOURISM MARKET OPPORTUNITY

- Chinese driving winery tourism <sup>1</sup>
  - #1 country in terms of international winery visitors
  - Almost 150,000 visits during 2017
  - 42% of Chinese tourists to SA visited a winery <sup>2</sup>
  - 10% of Chinese tourists to NSW visits a winery <sup>3</sup>
- Chinese winery tourists spent \$1.4bn in 2017 <sup>1</sup>
  - Up 28% from 2016
  - 35% on food, drink and accommodation
- Opportunity to drive cellar door sales by shipping direct to China
  - Chinese duty free limited to 2 bottles

Number of international visitors to wineries by country share



Source: Tourism Research Australia

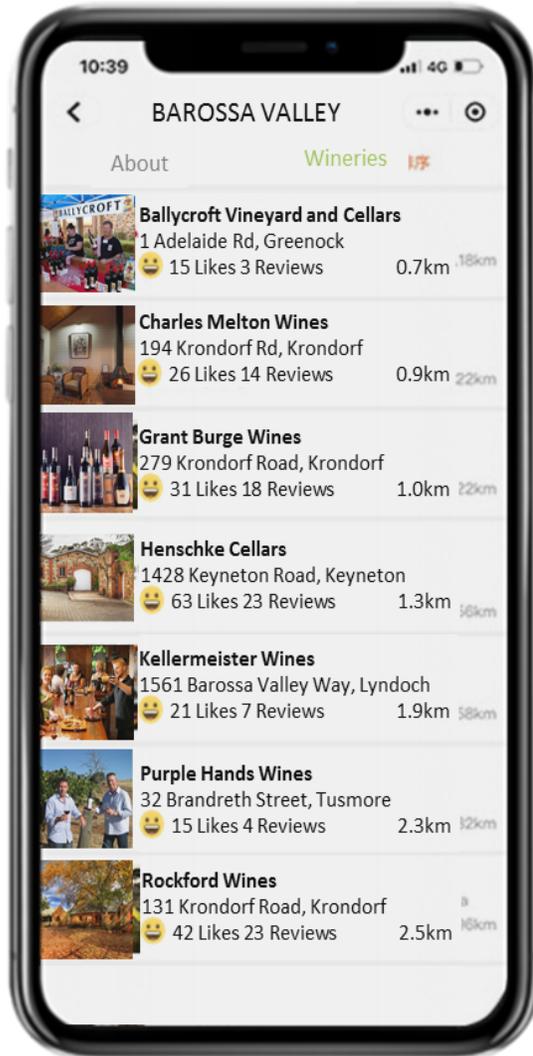
1. [Wine Australia – Growing International Tourism to Australian Wineries](#)
2. [South Australian Tourism Commission – Activating China 2020](#)
3. [Destination NSW – China Market Toolkit](#)

# WINERY MINI-MALL

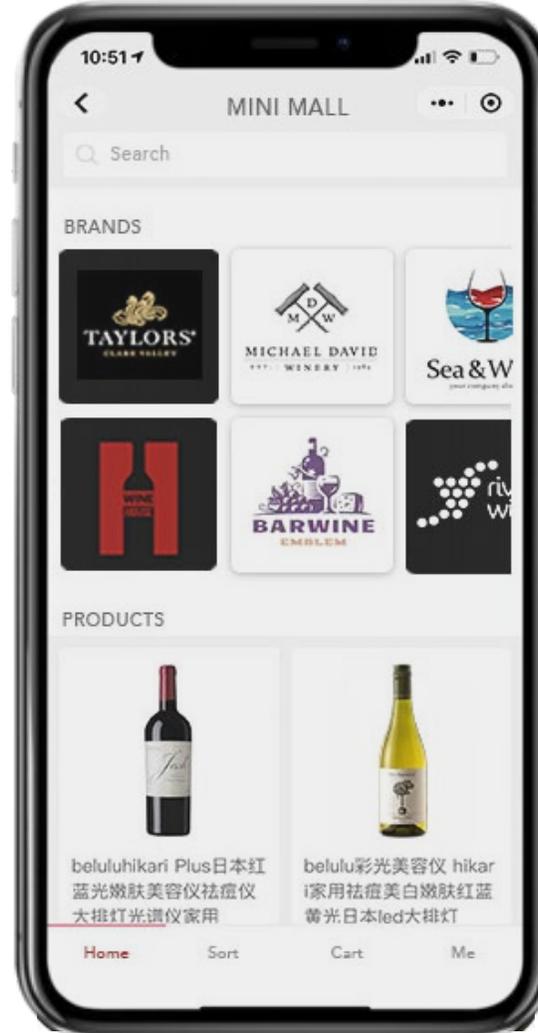
- WeChat based mini-program
  - Supports multiple wineries
  - Supports multiple wine regions e.g. Barossa, Hunter Valley
  - Supports multiple countries e.g. Australia, New Zealand
- Winery marketing, information and eCommerce
  - Winery information and history
  - Wines and tasting notes
  - Wine purchase and delivery
  - Content sharing
  - Coupon sharing and rewards
  - Customer support
- Expand to include other business types
  - Food and beverage
  - Tours and excursions
  - Shopping and souvenirs



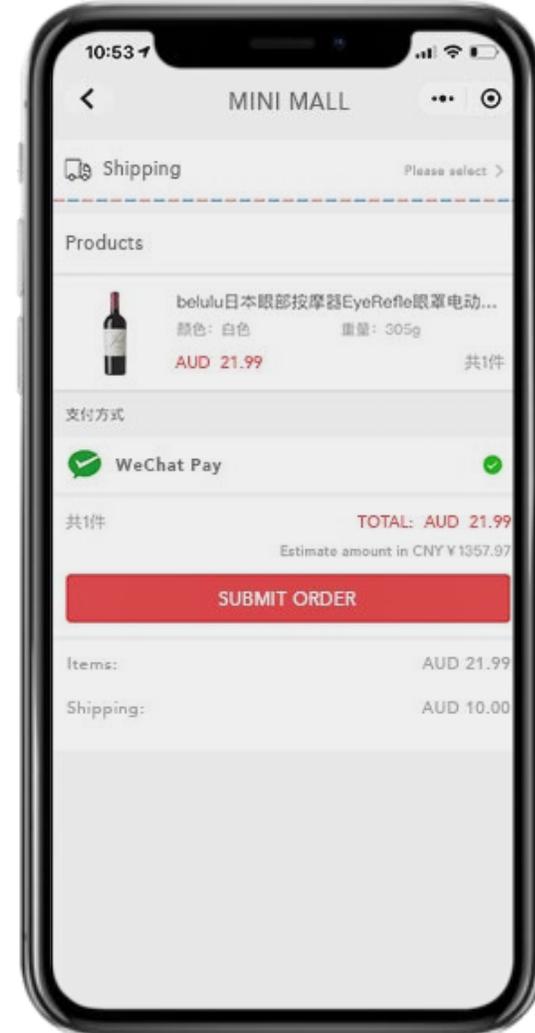
# SCREEN MOCKUPS (ORIGINAL CONTENT IN CHINESE)



Wine Region Listing



Marketplace Home Page



Wine Purchase Page