
Globalization and Modernity—A Case Study of Cognac Consumption in Hong Kong

Josephine Smart *University of Calgary*

Abstract: Hong Kong is one of the top consumers of cognac. Yet the Chinese population in Hong Kong is extremely light in their drinking habits with less than 4% of the population described as regular drinkers. This paradox of light alcohol consumption habit and high level of actual consumption of cognac can be explained by the successful integration of cognac as the liquor of choice at wedding banquets since the 1970s, and a common item in gift exchange at important calendar and social occasions. The successful marketing of cognac in Hong Kong is shown to be closely linked to local economic conditions, symbolism and culturally appropriate conspicuous consumption. While the success of cognac in Hong Kong is an example of effective global circulation of goods, it also serves as an illustration of the resilience of cultural diversity within an increasingly integrated global economy. The consumption formats and meanings associated with cognac have been given “local colours” in Hong Kong.

Keywords: cognac, Hong Kong, Chinese wedding banquets, conspicuous consumption, globalization, modernity

Résumé : Les résidents de Hong Kong sont parmi les plus grands consommateurs de cognac au monde. Pourtant la consommation d'alcool chez la population chinoise de Hong Kong est plutôt légère : moins que 4% de la population se considère comme habituée. Ce paradoxe d'un faible taux de consommation générale d'alcool accompagné d'un taux élevé de consommation de cognac s'explique par l'intégration du cognac comme la boisson du choix dans le contexte de réceptions de mariages depuis les années 1970 et de son statut de don typique à l'occasion des diverses fêtes dans le calendrier annuel tout comme d'autres occasions sociales d'importance. Le marketing réussi du cognac à Hong Kong s'associe étroitement aux conditions économiques locales, au symbolisme, et à la consommation patente appropriée dans ce contexte culturel. Bien que le succès du cognac démontre une circulation mondiale efficace des biens de consommation, il exemplifie aussi la flexibilité de la diversité culturelle au sein d'une économie mondiale de plus en plus intégrée. À Hong Kong, les formes de consommation du cognac et leurs significations respectives ont acquis des «couleurs locales».

Mots clés : cognac, Hong Kong, réceptions de mariages chinoises, consommation patente, mondialisation, modernité.

Introduction

One of the most readily observable aspects of globalization is the global circulation of goods and consumer cultures, even though this is only part of a much wider phenomenon which entails policies, processes and outcomes at global, regional, national and community levels (Rees and Smart, 2001). The highly successful marketing efforts of brand products of American and European origins create the widely held impression of the Westernization or Americanization of everyday life in all corners of the world, leading to a concern about the loss of cultural diversity and the inevitable consequence of cultural homogenization (see Klein, 2000; Sklair, 1991). Within the popular thinking that “[w]hen foodways change, the culture also changes” (Visser, 1999: 120), the ubiquitous presence of MacDonalD's presents the possibility that a bit of American culture is transmitted to every consumer around the globe. It cannot be denied that the circulation and consumption of global commodities have a certain impact on local cultures, but it cannot be assumed that the direction of this change and the magnitude of the impact are uniform and regular in every geographical and cultural region. A growing body of ethnographic data points to the unlikelihood of complete cultural homogenization despite the continuing growth of imported goods in non-Western societies (García Canclini, 1997; Hannerz, 1992; Jussaume Jr., 2001). Any given product and its consumption convey very different meanings in different parts of the world for people of different class background, gender, age group and ethnicity (see Howes, 1996; Scholliers, 2001; Watson, 1997). Coca Cola, a truly global product of American origin, epitomizes the perfection of market penetration that reaches every household in the United States on the basis of its affordability and availability. In China, a nation of 1.3 billion people where Coca Cola was not reintroduced until the 1980s, it is a symbol of modernity and Western sophistication. Its relatively high cost compared to locally produced beverages means

that its consumption is largely restricted to the middle- and upper-classes. While Coca Cola is considered a beverage akin to water in Western societies today, its original intent as a medicinal tonic persists in many non-Western markets. For example, a well-known folk remedy for common cold in Hong Kong is Coca Cola boiled with lemon slices. It should be noted that a new format of consumption is created by local culture. Who would have thought of “cooking” Coca Cola in the United States?

Within the literature of globalization, there is a tendency to assume that global cultural change is largely influenced by American or Western products and practices, ranging from hamburgers to business management structures. This assumption is both misleading and overly simplistic. First, not all foreign products and practices are unconditionally accepted by consumers in new markets. This is a well-known fact within business circles (Bretherton, 2001; Ferraro, 1998). Successful imports are often subjected to modifications to accommodate local cultural values and practices. MacDonald’s lamb burgers in India and burdock burgers in Japan are good examples of the localization of global products and the strength of cultural factors in shaping consumer demands.

Second, the global circulation of goods and knowledge offers equal opportunity for non-Western products and practices to penetrate American and other Western markets. The popularity of sushi, green tea, Tai-chi, acupuncture and vegetarianism throughout Europe and North America serve as a reminder that Western cultures are also changing under the influence of globalization. This change is not entirely driven from without, however, as evident from the escalating anti-brand movement in the United States since the mid-1990s that has spread worldwide (Klein, 2000: 325-343).

Third, global trade is not a new phenomenon (Appiah, 1998; Rees and Smart, 2001); the history of trade between the Americas, Europe, Africa and Asia provides plenty of evidence to show that the European dietary traditions and economies were greatly affected by the importation of goods—sugar, chocolate, coffee, spices—from other parts of the world and vice versa (Mintz, 1996; Toussaint-Samat, 1992). Put in another way, cultural diffusion is a given in human history; while the rate of diffusion today may be greatly accelerated as a result of globalization, past history points to the resilience of cultural heterogeneity.

The complex mutual influences in global ideological and material exchanges demand a re-consideration of our thinking about the directions and processes of change in a given locality within the context of global economy (Rees and Smart, 2001: 1-15). This paper uses a single commodity—cognac—in a case study to show the social and eco-

nomic complexity in the global circulation of goods. Cognac is used as a lens through which Hong Kong society and culture can be studied in its recent history of economic development and transformation. The use of “food...as an instrument for the study of other things” (Mintz, 1996: 3) has been fruitfully employed by other scholars and proven to be an excellent way to situate wider economic and global issues within the everyday life of the people under study (see Fischler, 1988; Marshall, 1979; Mennell, 1985; Scholliers, 2001; Wu and Cheung, 2002). This paper hopes to answer questions of how and why an imported product—cognac—became integrated within the local culture of consumption and what this successful product integration in Hong Kong society may reveal about the local social and economic changes in the past few decades.

This paper is informed by several dominant themes in the social studies of food. The foremost is the well-established and often cited theories of symbolism and meanings associated with food and eating (Douglas and Gross, 1981; Levi-Strauss, 1968). The act of consumption, the choice of items for consumption, and the items themselves convey and are encoded with layers of symbolic meaning; these symbolic meanings are not automatically transparent to all observers. Observers familiar with the cultural code within which the meanings were originally encoded will “get it,” others may give different meanings and interpretations according to their cultural competence. Using art as an illustration, Bourdieu (1984: 2) explains this organic relationship between cultural knowledge and shared meanings as follows,

A work of art has meaning and interest only for someone who possess the cultural competence, that is, the code, into which it is encoded.... A beholder who lacks the specific code feels lost in a chaos of sounds and rhythms, colours and lines, without rhyme or reason.

A person’s cultural competence has multiple functions. In Bourdieu’s description above, it is a tool to give meanings to his/her social universe. It reflects and validates the person’s social identity, an identity with many variations rooted in distinctions by class, ethnicity, gender, education and profession. In light of the multiplicity of identities, distinctions and cultural codes, it is risky at best to presuppose that any given object or experience may generate the same meanings for most people. The other function of cultural competence is its utility as a tool of communication. It enables a person to conduct himself/herself in ways that convey the specific messages that s/he intends. Mintz (2002: 26) compares this culturally encoded communication to the use of language, “[a]s with language, on many occasions people define them-

selves with food, at the same time, food consistently defines and redefines them.”

Consumption in general, and consumption of food—specifically, are well studied within the context of modernity. Modernity is a “local experience” with a “global reality” that is “interactively everywhere” (Appadurai and Breckenridge, 1995: 2, 14). It can be conceptualized as an elastic matrix of practices and cognition that point to the future and in doing so distinguish themselves from the past. Naturally the historical legacy of a culture or place has great influence on what is recognized as “modernity” by its participants. Voluntary simplicity in lifestyle and consumption may be a symbol of modernity for a segment of the population in Canada and other developed countries, yet in China today the ultimate symbol of modernity is material wealth and conspicuous consumption. Many Chinese people want everything that they were deprived of for the past five decades. Personal and material wealth are the strongest symbols of success and modernity in China today. This path—dependent emergence of symbols and experiences of modernity in specific locations is a reminder to us that divergence and heterogeneity co-exist with the convergence and homogeneity that globalization may produce.

Inherent within the elastic net of practices and cognition that define modernity is the possibility of incorporating new experiences or giving new meanings to old experiences. This possibility is the life line for marketing companies who are dependent on the successful creation of new consumer demands in neverending succession. The advertisements provide a form of mediated experience for the consumers, the symbolism associated with the products is carefully assembled and projected with the hope that consumers will operationalize the mediated experience into consumption, or lived experience (Elliot and Wattanasuwan, 1998: 141). The highly complex and rarely predictable transformation between mediated and lived experiences is precisely what this paper hopes to explore. How does the marketing image of cognac as a luxury product translate into actual consumption in a cultural group that remains extremely light in drinking habits regardless and in spite of significant gains in affluence and intensive exposure to Westernized foodways? How can we account for the empirical discrepancy between the drinking habits of Hong Kong Chinese and the actual consumption level of cognac? This paradox, as I will show in this paper, can only be resolved by turning our gaze to the actual processes of “cultural docking.” Similar to the site-specific molecular coupling of oxygen and haemoglobin, or

pathogen and human cells, a newly introduced product must find a point of entry into the consumer society by docking onto compatible sites of cultural praxis. For cognac, its image of luxury and prestige and its actual high level of consumption in Hong Kong are greatly enhanced by its successful normalization as the drink of choice at Chinese wedding banquets.

The interesting and dynamic interplay of post World War II economic development, foreign product introduction, Chinese culture and social politics in Hong Kong will be explored in the remainder of this paper.

Cognac Production and Distribution

Cognac is a drink described as a “symbol of luxury, refinement and *art de vivre*” (India Today, 1997), and is known for its high costs and “incomparable richness and delicacy” (*Economist*, 1999). This image of luxury and prestige today belies its humble beginning in the 17th century when wine was distilled in an attempt to dispose of the surplus crop when Bordeaux wines gained greater popularity (Larousse, 2000: 319). Spirit distilled from fruit is brandy, cognac is a brandy twice distilled from wine, the most common grapes used are of the *ugni blanc* variety. Brandy had been around for many centuries, the name “cognac” was not applied to the brandy produced in the Charente region of France around the town of Cognac until 1783 (Larousse, 2000: 319). This brand name monopoly is fiercely protected and reinforced by the French government, and the cognac production and quality control is carefully regulated by the *Bureau National Interprofessionnel du Cognac*. The intensity of state intervention in the cognac industry in France has a parallel in its champagne industry (Edwards, 1999: 6-10)—not surprisingly both products are high value commodities with a great global presence. 92% of all cognac is exported (*Economist*, 2000) involving billions of U.S. dollars in revenue. By 1985, 90 000 hectares were devoted to cognac production in the Charente region involving 18 000 independent growers. The cognac industry supported the livelihood of 70 000 people in the region (New Beverages Publication, 1998). Cognac, the town with a population of 30 000, is situated about 100 km north of Bordeaux and 60 km east of Angouleme in the southwestern part of France along the Bay of Biscay. The cognac industry is dominated by four big companies—Hennessy, Martell, Rémy Martin and Courvoisier—who are key players in the global marketing of the product, but they are dependent on the smaller growers for the supply of grapes, wines or newly distilled spirit to support their production for export. Only grapes grown in the delimited Charente region are used in the production of cognac (*Economist*, 2002).

TABLE 1
Market Share of Major Cognac Producers,
1995-96

Major Cognac Companies	World Wide Sales (1995-96) in bottles
Hennessy	33 000 000
Martell	25 000 000
Rémy Martin	20 000 000
Courvoisier	12 000 000
Others	38 000 000

Source: Cognac Torula News Market Data, <http://swfrance.com/torula/torulamarkets.htm>.

In total, over 145 million bottles of cognac were sold worldwide in 1996. While the European region remains the largest market for cognac at 46.6% of the market share in 1996 (see Table 2), the United States is the single biggest importer of cognac in the world at over 40 million bottles in 2000-01 (see Table 3). Yet it is Asia that has the undivided attention of the big cognac companies. The Asian market accounted for 59.7% of cognac exports by value in 1996 and 47.3% in 1997 (New Beverages Publication, 1998). The Asian market buys exclusively the high-end superior quality cognac (see Table 3). The region also accounts for 34% of the revenues of French luxury goods sold worldwide, three times higher than the American market (*Economist*, 1997). Asia is a very important export market for cognac and other luxury goods.

TABLE 2
Global Cognac Sales in 1996 and 1995

	Cognac bottles sold in 1996	Market share % in 1996	Market share % in 1995
Europe	68 000 000	46.6	47.1
Asia	45 000 000	31.0	31.6
Americas	31 300 000	21.5	20.3
Oceania	900 000	0.6	0.62
Africa	400 000	0.3	0.27
Total	145 700 000		

Source: Cognac Torula News Market Data, <http://swfrance.com/torula/torulamarkets.htm>.

TABLE 3
World Wide Cognac Sales in Bottles (2000-01)

	Cognac bottles sold in 2000-01	% superior qualities
United States	40 700 000	25
Britain	11 300 000	15
France	8 600 000	33
Germany	7 200 000	38
Japan	6 000 000	100
Singapore	5 000 000	100
Hong Kong	4 500 000	100
Finland	3 300 000	33

Source: Bureau National Interprofessionnel du Cognac, www.cognac.fr.

The appearance of wealth in the town of Cognac and its surrounding areas hides an undercurrent of crisis that is directly tied to the cycles of boom and bust in the world sales of luxury goods in the shadows of the same cycles in world economy. Over 10 000 hectares of vines in the Charente region have been uprooted since 1985 in an effort to diversify the local economy by growing new varieties of vines (e.g., Chardonnay, Merlot) or other crops (e.g. sunflowers) (*Economist*, 1999). The downsizing strategy proved strategic given the decline in world sales throughout the 1990s so much so that by 1998, the total sales in volume of 110 million bottles of cognac was at the level of the early 1970s (*Economist*, 1999).

The substantial budget allocated to the marketing of cognac worldwide is a necessary strategy to maintain and create market share for a commodity that is geographically restricted to a small region in France for its production as a result of its specific legacy of brand monopoly. Brandies are produced worldwide, but only those created within the delimited Charente region can be called cognac. The widely deployed backward integration strategy of setting up production in locations closer to the material source and consumer markets that many multinationals have in place cannot be utilized by the cognac producers; their only alternative is to strengthen their forward integration efforts to reach the consumers through marketing efforts (see Talbot, 1997 for a discussion of these two integration strategies in the instant coffee industry). Since consumers in export markets are rarely socialized into the cultural history of cognac, their product loyalty tends to be weak. The marketing strategies employed by the cognac houses are based on the principle that images sell products, and cognac's image of luxury and prestige has been a bedrock for its marketing campaigns worldwide (New Beverages Publication, 1998).

The established market share of cognac in Asia has been declining from a peak of 22 to 24 million bottles per year in 1988-1992 to 6 million bottles in 2000 in Japan, and from a peak of 10 to 18 million bottles per year in 1987-1995 to 4.5 million bottles in 2000 in Hong Kong (Bureau National Interprofessionnel du Cognac, 2002). To counteract this loss of sales in Asia, recent campaigns aim to attract the younger drinkers by marketing cognac as a "long drink for all occasions" mixed with ice, tonic water, sparkling mineral water, fruit juice, or other spirits as in martinis (India Today, 1997; New Beverages Publication, 1998). This new image of cognac is a departure from its established image as an after-dinner drink for rich old men. It is too early to tell if this recent effort to market cognac as a cocktail will attract the Asian young drinkers or boost the sales of cognac in the weakening Asian markets.

Cognac in Post-World War II Hong Kong

An obvious issue in the consideration of consumption is the economic factor. For a luxury product like cognac, its successful entry into a new market must be supported by the existence of a critical mass of affluent consumers with the purchasing power to support the market. Based on this rather simple economic correlation, it comes as no surprise that cognac only made a successful entry into the Hong Kong Chinese market in the 1970s (see Figure 1 for GDP growth 1961-2000). Using interview data collected in 2002 from Hong Kong, Taiwan, United States and Canada involving a total of 26 individuals (15 male, 11 female) aged 35 and older, published statistics and other secondary sources, the following sections will attempt to tease out the social complexity of cognac consumption within the broader rubric of economic development in Hong Kong.

The awareness of "foreign spirits" (*yang jiu*)¹ including brandy, whisky, gin, beer, wine and port developed in Hong Kong and other major city ports in China more than 60 years ago. One informant in his eighties recalled Shanghai during the 1930s-40s when drinking Johnny Walker Red Label whisky and Hennessy brandy was in vogue among the young and the rich. Coming from an elite family of engineers and government officials, he was part of the local elite for whom the consumption of imported liquor, music, fashion, English language education and travel were distinguishing markers that separated them from the ordinary masses. In contrast, post-1949 Hong Kong was in poor economic shape (see Table 1) under the multiple burdens of a sharp population increase from half a million to over two million within a short span of a few years, damages in the local economy sustained during the Japanese occupation of 1941-45, and the threat to its entrépot trade during the American embargo against China (1953-55). Two couples who married in the early 1950s in Hong Kong did not recall any alcohol being served at their wedding. They were part of a growing population of refugees in Hong Kong who left China after the Communist government took over in 1949. Extreme poverty was so common in Hong Kong throughout the 1950s that it was placed within the same league as Burma and Sri Lanka in a report by the United Nations which expressed a rather pessimistic view of its economic future. Even the colony's governor, A. Grantham, described Hong Kong as a "dying city" in 1955 (Zhang, 2001: 133). With the exception of a small community of economic elites (both Chinese and international) and expatriates (mostly British) who could afford imported liquor and other items of luxury, the masses in Hong Kong were barely coping with basic sub-

sistence during the 1950s. Real and significant GDP growth only took place beginning in the late 1960s (see Figure 1).

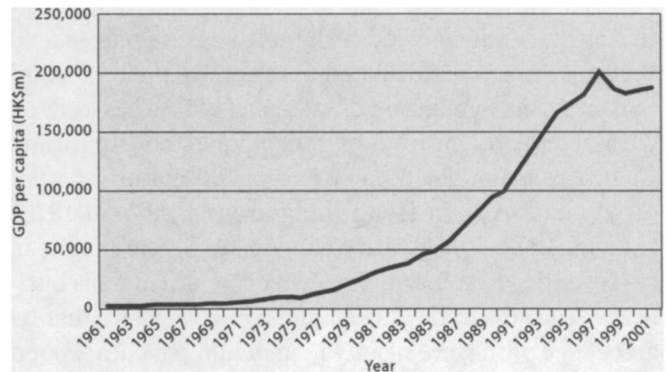


Figure 1: Hong Kong Gross Domestic Product Per Capita, 1961-01. Source: Hong Kong Census and Statistics Department.

A Hong Kong resident in his early seventies recalled serving Three Star brandy at his own wedding banquet in 1964. His working-class background as a truck driver for a trading company in those days normally would not be associated with a luxury product like Three Star brandy which retailed for many times more than the liquor imported from China. The company he worked for carried this particular brandy and he was given a good discount. He paid HK\$16² for a bottle instead of the retail price of HK\$22. In his own words, serving Three Star brandy in 1964 among people of his class background (which accounted for the majority of the Hong Kong population at the time) was a "big deal," it was a highly prestigious and face-gaining event for him and his family. In 1964, the monthly tuition for public primary school was HK\$5. A bottle of Three-Star brandy at retail cost covered one semester's tuition for a lucky child. Brandy and cognac were luxury goods out of reach for most people in Hong Kong in the 1950s and 1960s.

The first mention of cognac being served at a wedding banquet came from a university-educated professional in Hong Kong who married in 1974. Both bride and groom were university graduates with well-paying jobs; they held their wedding banquet at one of the biggest restaurant chains (Maxim's) at considerable costs. Cognac was included in the wedding banquet menu. Being non-drinkers, they could no longer recall which cognac was served at their own wedding banquet 30 years ago. It was also in the 1970s that cognac became a popular drink among business owners and investors in Hong Kong. Business dinners were/are almost exclusively male affairs

marked by abundances of food, alcohol and women (prostitutes or hostesses). Some private clubs and restaurants have special display cases for regular clients to leave their personal bottle(s) of cognac in between visits. These bottles are carefully labeled with their owner's names, and their placement is calculated to maximize their visibility to convey the symbolism of status and "face" associated with cognac as an item of conspicuous consumption. Cognac consumption became part of the "culture of affluence" that arose in Hong Kong around the mid-1970s (Leung, 1996: 70). A retired shoe manufacturer now in his seventies first learned to drink cognac from his business associates in the 1970s. The factory owners that he associated with were mostly men of humble background like himself who worked their way from the bottom up, and many became rich from the 1960s when Hong Kong became a workshop of the world producing labour intensive commodities for world consumption (Chiu et al., 1997). The business climate in Hong Kong remained rosy throughout the 1980s and 1990s when nearly all the productions were moved into the Pearl River Delta (China) which is now the new workshop of the world (*Economist*, 2002; Smart and Smart, 1991). Up to 1986 when he took semiretirement, this now retired shoe manufacturer consumed up to a bottle of Martell Cordon Bleu (his favourite brand of cognac) a day over business meetings and meals. He eased off his cognac consumption throughout the 1990s for a combination of reasons: a desire to stay healthy as he gets older by restricting alcohol consumption and a greater care about expenditure when he finally retired in 1992.

The impact of cognac on household consumption is similarly tied to the wider economic conditions in Hong Kong (see Table 2 and Table 3) and affected by issues of gender, life cycles and class as indicated by the following ethnographic account of the drinking history of an ex-civil servant who passed away at age 79 in 2000. Even though he had been a regular drinker since early adulthood, this mid-rank ex-civil servant did not begin drinking cognac until after his retirement in 1974. Before retirement, he consumed mostly the cheaper locally produced rice wine or other liquor imported from China. He was familiar with cognac and brandy which were served at various special banquets over the years. He liked them but could not afford them other than as an occasional treat once in a long while. By the time he retired in 1974 at age 55, his six children were all grown and gainfully employed. He supplemented his government pension with a job as a security guard. His improving economic situation enabled him to indulge in cognac drinking on a regular basis throughout the 1980s until he came down with

cancer in 1996. His children brought him gifts of cognac on special occasions. He considered cognac, especially the XO cognac, superior to the Chinese spirits. He distinguished brandy from cognac by their degrees of "smoothness." Despite his sustained economic ability to afford cognac, this informant returned to the traditional Chinese spirits in his later life when he was saddled with arthritis and cancer. Many traditional Chinese wines and spirits are known for their medicinal properties, and he turned to these for health purposes.

Of the 11 women interviewed for this paper, none is a self described regular drinker; nearly 20% (2 of 11) are non-drinkers, the rest are "social drinkers" who may have a glass of wine, a beer, or a shot of cognac at special occasions. Interestingly, two women (they are sisters) in this group profess to have a particular fondness for cognac, a fondness arising from early exposure to alcoholic beverages at the family-run liquor retail shop. Another female cognac drinker learned to like cognac through her husband who was the ex-civil servant mentioned above. Among the 15 men interviewed for this paper, three (20%) are non-drinkers for allergy or preference reasons; the rest are occasional drinkers. Only two men in this group were regular consumers of cognac at one point in their life. Two observations can be made from this limited interview data: first, even though Hong Kong has one of the highest rates of consumption of cognac in the world, most people only occasionally sample it at special occasions. Second, drinking was/is not a serious activity in Hong Kong based on the interview responses, an impression confirmed by a recent survey which reported that less than 4% of the Hong Kong population drinks regularly (New Beverages Publication, 1998).

Lastly, the recent trend of declining cognac sales in Asia requires a closer examination. The general correlation between global-local economic downturns and decline in sales of luxury goods is well established (*Economist*, 1997; Stein, 1997; Van Westering, 1994: 6). It should be noted that each nation state or region has its own cycles of boom and bust rooted in its specific articulations with the global economy, its historical legacies of political structure, state ideology, economy and culture. For Japan, the sharp decline in cognac consumption began in 1989, just before the burst of the Japanese economic bubble became full blown in the 1990s. Despite the decline, Japan remains a major importer of cognac at over five million bottles a year. The decline in cognac import in Hong Kong began in 1992 despite the fact that its GDP keep climbing steadily until 1997 (see Table 4 and Table 5). The loss of manufacturing jobs in Hong Kong throughout the 1980s and 1990s as productions moved inland to the Pearl River

Delta (China) and the drastic drop in property value since 1997 are two main likely factors that contributed to the decline in cognac sales and non-essential consumption in general (Kwong and Miscevic, 2002: 24; see *South China Morning Post*, various issues as listed in the References). Singapore is an exception in that its import of cognac keeps rising steadily to catch up with Japan and Hong Kong. China is another market that shows a steady increase in cognac imports and it is considered to be the next major market for cognac and other luxury goods (*Economist*, 1997; *India Today*, 1997).

The rising popularity of wine in Asia may have taken away some of the market shares of cognac (*Economist*, 1998). This rising preference for red wine is quite noticeable in Hong Kong. Many hotels and major restaurants that host wedding banquets are including red wine on their menu (see Table 4 for more details). Cognac used to be the signature liquor associated with wedding banquets in Hong Kong since the 1970s.

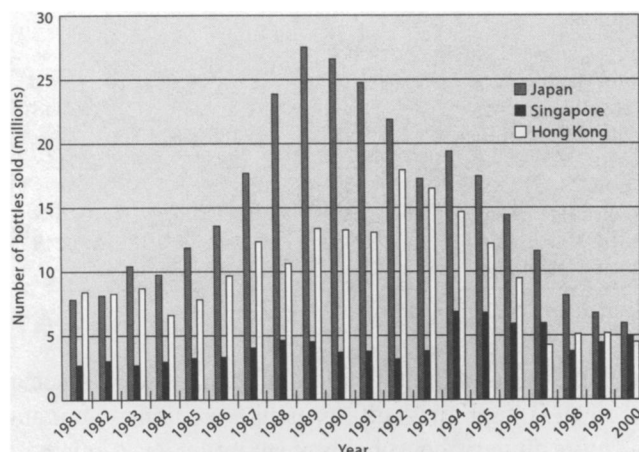


Figure 2: Sales of Cognac by Country in Millions of Bottles, 1981-01. Source: Bureau National Interprofessionnel du Cognac. www.cognac.fr.

Cognac Consumption with Hong Kong Characteristics

The spectacular success of cognac in Hong Kong begs two questions which have not been addressed so far: first, given the fierce competition for market share among a large variety of expensive premium alcoholic beverages, what gives cognac the edge to dominate the Hong Kong market? Second, given that less than 4% of the Hong Kong population drinks regularly, what happened to the millions of bottles of cognac imported every year?

According to Singer (1979: 320, Table 3), the average consumption of alcohol in Hong Kong in 1960-69 was the equivalent of 70 bottles of wine (10% alcohol) or 4.55 litres of absolute alcohol per person per year. Recent figures indicate that Hong Kong Chinese remain light drinkers in 1998 at an average of 22 litres per person. Germany tops the list with an average of 100 litres of alcoholic drinks per person per year, the United States among the top at 73 litres per person, Canada at 60 litres per person, and Japan is the heaviest drinking Asian country at 57 litres per person (*Economist*, 1999). Unfortunately these recent figures did not specify the alcoholic content of the volume consumed. Given that only 4% of the population in Hong Kong is reported to drink regularly (New Beverages Publication, 1998), those who drink are drinking more than a glass of wine a day or 22 litres per year. And if this small portion of regular drinkers were responsible for the consumption of all alcoholic beverages sold in Hong Kong each year that include cognac, beer, wine, whisky, gin and many varieties of Chinese alcoholic products, one would expect alcoholism to be a problem. Yet problems associated with alcohol abuse are rare in Chinese societies in China or overseas, and Hong Kong has not experienced any problem with alcoholism before or now (Lin and Lin, 1982; Singer, 1979).

As I have explained in another paper (Smart, forthcoming), the Chinese drinking culture discourages solitary drinking for personal gratification. The normative code regarding drinking implies a social function of cementing social solidarity and/or completing an important event. Drinks can be shared among guests of all ages and both sexes, or offered to the gods or ancestors or ghosts; no important ritual or event (such as weddings, birthdays, New Year and other significant calendar dates) is complete without this act of real or symbolic drinking (Man, 1998: 111; Zhang, 1982: 13-14; Zhang, 2000: 59). This established social function of sharing drinks at significant events provides the cultural framework for occasional drinking as an approved practice among people who otherwise do not drink. It also explains some of the idiosyncratic formats of alcohol consumption in Hong Kong which mostly are rooted in an attempt by non-drinkers to cope with the unfamiliar flavour or strong alcoholic content of the drinks offered. Adding Coca Cola or Sprite (or 7-Up) to whisky, cognac and wine are common, so is the adding of ice. The Chinese tradition of serving drinks only during a meal also contributes to another highly localized format of alcohol consumption. Regardless of the cultural history of an imported alcoholic beverage as an aperitif or after-dinner drink in its country of origin, its use in Hong Kong is localized to become a dinner drink. Cognac, whisky, beer,

wine, soft drinks and Chinese tea are served throughout a dinner in high ball glasses in generous portions both in commercial and private settings. Due to its prestige associated with high costs and acknowledged high quality (Ma, 2001: 124), cognac is a favourite drink at banquets even for people who normally do not drink cognac at home.

Formal banquets held in restaurants and hotels are major occasions of alcohol consumption in Hong Kong, and the strong association of cognac with banquets since the 1970s contributes in a significant way to the high volume of cognac sales in Hong Kong (for more detail see Smart, forthcoming). The serving of cognac at banquets has become a signature of Hong Kong, it is a practice not found in China, Taiwan or Japan. Mention cognac at a wedding banquet, and everybody knows it must be a Hong Kong Chinese wedding banquet. A recent survey of selected banquet menus from Hong Kong indicates that cognac is still strongly associated with wedding banquets. Over 60% of surveyed wedding menus include cognac in addition to other drinks (beer and soft drinks) within the set menu price of HK\$3 000 to 5 000 for a table of 10.

TABLE 4
A Comparison of Beverages Included in the Published Set Menus for Three Types of Banquet in Hong Kong, 2002

Number of restaurants that offer listed beverages ^a /description of beverages	Wedding	Birthday	Chinese New Year
cognac	5	2	2
red wine	3	2	1
beer	8	8	5
soda pop	8	8	5
non-alcoholic punch	1	none	none
champagne	2	none	none
total number of menus surveyed	8	8	6

^a Several beverages are usually included in each set menu.

Household consumption and business dinners are two other major sources of cognac consumption. Lastly, it is estimated that nearly one third of all cognac is bought as gifts. The importance of cognac in the gift economy in Hong Kong³ is readily observable in the supermarket advertisements during major Chinese calendrical events like the Chinese New Year or the Mid-Autumn Festival when gift exchanges are common. Many of these gifts of cognac are circulated within the family such as a gift to the parents or grandparents, or to uncles and aunts. Some are circulated between friends, and many are given to preferred clients or one's superior in the workplace.

Reproduced below is a summary of the brands and prices of cognac in newspaper advertisements by three major supermarket chains in Hong Kong in February 2002 for the Chinese New Year period. The total number of brands of cognac carried by each supermarket is far greater than what appeared in these advertisements.

TABLE 5
Price Range (regular/discounted price in HK\$) and Brands of Cognac and Brandy in Hong Kong Chinese Newspaper Advertisements, February 1-13, 2002

Brand/Store	Wellcome (HK\$ range)	ParkNShop (HK\$ range)	CRC Shop (HK\$ range)
Bisquit VSOP	305/223	305/218	
Courbret VSOP	268/213	268/218	
Courbret XO8	435/358	435/338	
Courvoisier VSOP	332/248	332/258	
Courvoisier XO	1 438/1 068		
Denis M FOV	418/358	418/373	416/358
Hine VSOP	328/248	338/253	
Hine Fine Champagne		389/318	
Hennessy XO	1 375/1 035	1 150/1 035	1 349/1 035
Hennessy VSOP	345/258	345/258	345/258
Hobson Napoleon brandy		65/55	
Jules Gautret VSOP	238/168		
Jules Gautret XO	699/438		
Major XO brandy			160/148
Martell Cordon Bleu	1 102/958	1 102/958	
Martell VSOP	328/263	328/258	325/258
Otard VSOP	325/248	325/253	
Rémy Martin Club	498/358	498/373	498/368
Rémy Martin VSOP	344/248	344/258	325/248
Rémy Martin XO	1 265/995	1 265/995	

Source: *Apples Daily* and *Oriental Daily*

The successful integration of cognac into the social fabric of Hong Kong—gift exchange, wedding banquets, business dinners, household consumption—is a key to its stake of a certain market share in Hong Kong. Given the fierce competition for market share among a large variety of expensive premium alcoholic beverages, what gives cognac the edge to dominate the Hong Kong market? Part of the reason may be found in its timely penetration in the Hong Kong market during the 1960s-70s when the growing population of nouvelle riche was seeking symbols to distinguish itself from the masses. Cognac, marketed in its image of luxury and finesse, provides an ideal object to include in lavish dinners in business and private settings which were a well-established form of conspicuous consumption (Mathews and Lui, 2001: 3-4). The fact that cognac is a French product may have contributed to its favourable reception in Hong Kong in two ways. First, it did not arouse any of the ambivalence about British colonial presence in Hong Kong that products from Great Britain might have had. Secondly, the French origin of

cognac projects an image of modernity and sophistication that enhances its reception. Its status as a luxury good with a high price tag matches perfectly the emerging Hong Kong ideology that money is everything. Unlike the French mode of distinction based on cultural knowledge and sophistication described by Bourdieu (1984), social-class distinction in Hong Kong is measured by material wealth (Mathews and Lui, 2001: 8). The economic growth and optimism generated since the late 1960s created a great deal of wealth that modernized Hong Kong everyday life with Western technologies and products ranging from colour TV to kitchen gadgets (Rooney, 2001). The Hong Kong Chinese have always looked to the West for symbols of modernity (Cheng, 2001; Mathews, 2001), like the Caribbean people took to refined sugar as a symbol of "the modern and industrial" during the 19th century (Mintz, 1985: 193). Cognac was embraced as a symbol of distinction within a growing and evolving repertoire of material and cultural consumption in affluent Hong Kong society. Subsequently, cognac consumption becomes a part of an Hong Kong lifestyle that provides a model of Chinese modernity for Chinese in other societies (Friedman, 1994).

The incorporation of cognac into restaurant and hotel banquet menus since the 1970s further consolidated the market position of cognac in Hong Kong and expanded its consumer base beyond the business and nouvelle riche groups. The proliferation of supermarkets throughout the 1980s provided the efficient distribution networks to bring cognac to the urban populations for private consumption and gift exchanges. The success of cognac is interwoven within a complex web of economic development, cultural traditions, symbolism of modernity, conspicuous consumption, social/economic distinctions and gift exchanges. It is interesting to note that the success story of cognac in Hong Kong is achieved in the absence of a rise in drinking habits among the local population. Given this context, it is doubtful that the new marketing campaigns by the major cognac houses to appeal to the young people to consume cognac as "tall drinks for all occasions" will find much success in Hong Kong (India Today, 1997). This new marketing campaign assumes that young Chinese consumers have similar drinking habits to their Western counterparts, that drinking is a social activity for fun, a form of personal gratification, and something that is done on a daily basis. This assumption runs against the grain of the established Chinese normative code regarding the functions and formats of drinking. Cultural tradition aside, there is no indication that the young generations in Hong Kong or other Chinese societies are taking to drinking like their North American or European counterparts. This is a Chinese paradox that the alcohol producers must deal with.

Conclusion

Cognac consumption in Hong Kong is a case study of a French product with Chinese characteristics. It is a case study that illustrates the successful introduction and subsequent integration of a foreign product in a Chinese market. The success of cognac in Hong Kong is even more remarkable given that it happened in a society without a strong drinking habit. This success may be seen as a celebration of globalization, but readers should be reminded that the experience of cognac marketing in Hong Kong highlights the power of local culture in making or breaking the entry of a global product or service. Cognac consumption in Hong Kong is coloured by localized drinking formats and the culturally defined contexts for drinking. The success of a new product or service in any given market requires strategic and timely marketing in response to local economic conditions and local cultural ideas and practices. In the case of cognac, the strategic coupling of cognac with wedding banquets beginning in the 1970s was the key to its success. Without the strong and well-established association with wedding banquets, the loss of market share of cognac in Hong Kong in the post-1997 period could have been much worse. The cognac producers are well advised to strengthen this established cultural linkage between cognac and banquets in their future campaign to hold or gain their market shares in Hong Kong and other Chinese societies.

Josephine Smart, University of Calgary, Calgary, Alberta, Canada, T2N 1N4. E-mail: smart@ucalgary.ca

Acknowledgment

An earlier version of this paper was presented at the Canadian Anthropology Society (CASCA) annual meeting at the University of Windsor, May 2-5, 2002. The author wishes to thank the reviewers and the editors of *Anthropologica* for their comments and suggestions.

Notes

- 1 This term in Putonghua (Mandarin) is made up of two Chinese characters—*yang* means "ocean" or "foreign," *jiu* is an alcoholic brew made from grains or fruits with an alcoholic content of 10-40 % by volume. Beer in Chinese is *bi jiu*, medicinal wine (up to 40% alcohol by volume) is *yao jiu*, rice wine (10-25% by alcohol) is *mi jiu*.
- 2 The exchange rate in 1964 was HK\$5.7143 to US\$1 (Pacific Exchange Rate Service, 2003). As of October 1983, the Hong Kong dollar was pegged with the U.S. dollar at a fixed rate of \$7.8 to US\$1.
- 3 See Bosco (2001) for an interesting discussion of the gift-giving culture in Hong Kong. He suggests that gift-giving "is culturally shaped...is also shaped by social pressure...most

people...gave gifts...to increase the love and esteem in which they are held by the recipient of the gift" (2001: 278-279).

References

- Appadurai, Arjun and Carol A. Breckenridge
 1995 Public Modernity in India, *Consuming Modernity: Public Culture in a South Asian World*, C.A. Breckenridge (ed.), Minneapolis: University of Minneapolis Press: 1-20.
- Appiah, K.A.
 1998 Foreword, *Globalization and Its Discontent*, Saskia Sassen, New York: New Press: vi-xv.
- Apples Daily* (newspaper in Chinese)
 2002 Various issues in February, Hong Kong.
- Bosco, Joseph
 2001 The McDonald's Snoopy Craze in Hong Kong, *Consuming Hong Kong*, G. Mathews and T.L. Lui (eds.), Hong Kong: Hong Kong University Press: 237-262.
- Bourdieu, Pierre
 1984 *Distinction: A Social Critique of the Judgement of Taste*, Cambridge, MA: Harvard University Press.
- Bretherton, Philip
 2001 Market Entry Strategies for Western Produced Wine into the Chinese Market, *International Journal of Wine Marketing*, 3(1): 23-35.
- Bureau National Interprofessionnel du Cognac (BNIC)
 2002 http://www.bnic.fr/web_bnic/htm/Economie/2000_2001/eco_com_vente_pays.html#ho. Retrieved February 2002.
- Cheng, Sea-ling
 2001 Consuming Places in Hong Kong: Experiencing Lan kwai Fong, *Consuming Hong Kong*, Gordon Mathews and Tai-Lok Lui (eds.), Hong Kong: Hong Kong University Press: 237-262.
- Chiu, Stephen W.K., K.C. Ho and Tai-Lok Lui
 1997 *City-States in the Global Economy: Industrial Restructuring in Hong Kong and Singapore*, Boulder, CO: Westview Press.
- Cognac Torula News Market Data
 2002 <http://www.swfrance.com/torula/torulamarket.htm>. Retrieved February 2002.
- Douglas, Mary and Jonathan Gross
 1981 Food and Culture: Measuring the Intricacy of Rule System, *Social Science Information*, 20(1): 1-35.
- Economist
 1997 Asia: China's New Tipple, April 3, 1997.
 1997 Business: Asia's Lapse of Luxury, December 4, 1997.
 1998 Business: Lightening the Spirits, May 21, 1998.
 1999 Spirits: Grapes of Wrath, April 1, 1999.
 1999 Weekly Indicators: Alcohol Consumption, December 16, 1999.
 2000 Through a Glass Darkly, April 6, 2000.
 2002 The Pearl River Delta: A New Workshop of the World, October 10, 2002.
 2002 Champagne: Uncorking Success, December 19, 2002.
- Edwards, Michael
 1999 *Champagne and Sparkling Wine*, London: Octopus.
- Elliot, Richard and Kristsadarat Wattanasuwan
 1998 Brands as Symbolic Resources for the Construction of Identity, *International Journal of Advertising*, 17(2): 131.
- Ferraro, Gary P.
 1998 *The Cultural Dimensions of International Business*, 3rd ed., Upper Saddle River, NJ: Prentice Hall.
- Fischler, C.
 1988 Food, Self and Identity, *Social Science Information*, 27: 275-292.
- Friedman, Edward
 1994 Reconstructing China's National Identity: A Southern Alternative to Mao Era Anti-Imperialist Nationalism, *Journal of Asian Studies*, 53(1): 67-91.
- García Canclini, N.
 1997 Urban Cultures at the End of the Century: The Anthropological Perspective, *International Social Science Journal*, 153: 345-354.
- Hannerz, Ulf
 1992 *Cultural Complexity: Studies in the Social Organization of Meaning*, New York: Columbia University Press.
- Howes, David (ed.)
 1996 *Cross-Cultural Consumption: Global Markets, Local Realities*, London: Routledge.
- India Today, Fourth Quarter
 1997 The Reinvention of Cognac, <http://www.indiatoday.com/iplus/41997/cognac.html>. Retrieved February 2002.
- Jussaume Jr, Raymond A.
 2001 Factors Associated with Modern Urban Chinese Food Consumption Patterns, *Journal of Contemporary China*, 10(27): 219-232.
- Klein, Naomi
 2000 *No Logo: Taking Aim at Brand Bullies*, Toronto: Random House.
- Kwong, Peter and Dusanka Miscevic
 2002 Globalization and Hong Kong's Future, *Journal of Contemporary Asia*, 32(2): 323-337.
- Larousse
 2000 *Gastronomique*, New York: Clarkson Potter.
- Leung, Benjamin K.P.
 1996 *Perspectives on Hong Kong Society*, Hong Kong: Oxford University Press.
- Levi-Strauss, Claude
 1968 *L'origine des manières de table*, Paris: Plon.
- Lin, Tsung-Yi and David T.C. Lin
 1982 Alcoholism among the Chinese: Further Observations of a Low-Risk Population, *Culture, Medicine, and Psychiatry*, 6: 109-116.
- Ma, Eric Kit-wai
 2001 The Hierarchy of Drinks: Alcohol and Social Class in Hong Kong, *Consuming Hong Kong*, G. Mathews and T.L. Lui (eds.), Hong Kong: Hong Kong University Press: 117-140.
- Man, K. K.
 1998 *Chinese Alcoholic Beverages*, Taipei, Republic of China, (published in Chinese).

- Marshall, Mac (ed.)
 1979 *Beliefs, Behaviors, and Beverages : A Cross-Cultural Survey*, Ann Arbor: University of Michigan Press.
- Mathews, Gordon
 2001 Cultural Identity and Consumption in Post-Colonial Hong Kong, *Consuming Hong Kong*, G. Mathews and T.L. Lui (eds.), Hong Kong: Hong Kong University Press: 287-318.
- Mathews, Gordon and Tai-Lok Lui
 2001 Introduction, *Consuming Hong Kong*, G. Mathews and T.L. Lui (eds.), Hong Kong: Hong Kong University Press: 1-22.
- Mennell, Stephen
 1985 *All Manners of Food: Eating and Taste in England and France from the Middle Ages to the Present*, Oxford: Basil Blackwell.
- Mintz, Sidney W.
 1985 *Sweetness and Power: The Place of Sugar in Modern History*, New York: Penguin.
 1996 *Tasting Food, Tasting Freedom: Excursions into Eating Culture and the Past*, Boston: Beacon Press.
 2002 Food and Eating: Some Persisting Questions, *Food Nations: Selling Taste in Consumer Societies*, W. Belasco and P. Scranton (eds.), New York: Routledge.
- New Beverage Publication, Inc.
 1998 <http://www.beveragebusiness.com/art-arch/bnesta01.html>. Retrived February 2002.
- Oriental Daily* (newspaper in Chinese)
 2002 Various issues in February, Hong Kong.
- Pacific Exchange Rate Service
 2003 <http://pacific.commerce.ubc.ca/xr/>
- Rees, Martha and Josephine Smart
 2001 *Plural Globalities in Multiple Localities: New World Borders*, Lanham, Maryland: University Press of America.
- Rooney, Nuala
 2001 Making House into Home: Interior Design in Hong Kong Public Housing, *Consuming Hong Kong*, G. Mathews and T.L. Lui (eds.), Hong Kong: Hong Kong University Press: 47-80.
- Scholliers, Peter (ed.)
 2001 *Food, Drink and Identity: Cooking, Eating and Drinking in Europe since the Middle Ages*, Oxford: Berg.
- Singer, K.
 1979 Drinking Patterns and Alcoholism in the Chinese, *Beliefs, Behaviors, and Beverages: A Cross-Cultural Survey*, M. Marshall (ed.), Ann Arbor: University of Michigan Press: 313-326.
- Sklair, Leslie
 1991 *Sociology of the Global System*, Baltimore, MD: John Hopkins University Press.
- Smart, Josephine
 n.d. Cognac, Beer, Red Wine or Soft Drinks? Hong Kong Identity and Wedding Banquets, *Drinking Culture: Alcohol and the Expression of Identity, Class and Nation*, T.M. Wilson (ed.), London: Routledge, forthcoming.
- Smart, Josephine and Alan Smart
 1991 Personal Relations and Divergent Economies: A Case Study of Hong Kong Investment in South China, *International Journal of Urban and Regional Research*, 15(2): 216-233.
- South China Morning Post* (Hong Kong)
 2002 SAR's Jobless Figure Suffers by Comparison, July 17, 2002.
 2001 70 Percent Feel Pinch of Hard Times, Survey Shows, October 2, 2001.
 2001 Alarm Sounded on Poverty, September 24, 2001.
- Stein, Peter
 1997 Asia's Financial Ills Spill into Cognac Market, *The Wall Street Journal*, December 19, 1997: B9A
- Talbot, John M.
 1997 The Struggle for Control of a Commodity Chain: Instant Coffee from Latin America, *Latin American Research Review*, 32(2): 117-135.
- Toussaint-Samat, Maguelonne
 1992 *History of Food*, Translated from French by Anthea Bell, Oxford: Blackwell.
- Van Westering, Jetske
 1994 Cognac Market: An Examination of the Cognac Market in the Far East, *International Journal of Wine Marketing*, 6(1): 5-20.
- Visser, Margaret
 1999 *Much Depends on Dinner*, New York: Grove Press.
- Watson, James L. (ed.)
 1997 *Golden Arches East: McDonald's in East Asia*, Stanford: Stanford University Press.
- Wu, David Y.H. and Sidney Cheung (eds.)
 2002 *The Globalization of Chinese Food*, Honolulu: University of Hawaii Press.
- Zhang, Fei-Ping
 1982 Drinking in China: The Drinking and Drug Practices, *Surveyor*, 18: 12-15.
- Zhang, Shu Guang
 2001 *Economic Cold War: America's Embargo against China and the Sino-Soviet*, Stanford: Stanford University Press.
- Zhang, Y.
 2000 *Chinese Culture and Traditions*, Shanghai: Shanghai University Press.