

# TAKING CHINESE BAIJIU AND WINE OUT TO THE WORLD

CONFERENCES

Jeannie Cho Lee

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Although China has a long-standing history of drinks production and consumption, two products currently stand out for their exportability: baijiu and wine. Master of Wine **Jeannie Cho Lee** analysed that potential and delivered a series of recommendations for would-be Chinese exporters.

Given the current global popularity of white spirits, it isn't hard to image a place for baijiu in the international marketplace and yet, to date, a large part of its sales have been concentrated in its homeland. The steady increase in baijiu production in recent decades begs the question of where it fits in globally, to which the obvious immediate answer is the Asia-Pacific region where three of the top ten spirits brands by value are baijiums led by Kweichow Moutai. Broadening

the consumer base beyond China, where baijiu can have negative connotations linked to binge drinking, implies first identifying its position in the new market. Target consumers and competitors for individual business must be pinpointed, allowing appropriate price points, suitable sales channels and tailored packaging choices to be ascertained. As spirits sales, more than wines, hinge on brands, the desired lifestyle image and drinking occasions must feature in a marketing plan; digital outreach in the local language is also essential. Keeping abreast of market trends, effectively managing logistics and distribution networks and seeking celebrity endorsements wherever possible, are all pivotal to international success and the ideal target consumer should be cool, hip drinkers in their 20s and 30s, insisted Jeannie Cho Lee.

## Benchmarking is an essential discipline for Chinese winemakers

Moving on to wine, again, rapid production increases in recent years automatically raise the issue of exports, particularly following the anti-corruption curbs on drinking and waning popularity of Chinese wines domestically. Despite quality improvements, Chinese wine is still hamstrung by its poor reputation; the cost of producing wine in China also undermines its competitiveness internationally. Thus, benchmarking is the most decisive exercise for Chinese winemakers before exporting.

They need to determine what they are making and how it will compete with similar products overseas. They should identify strengths and weaknesses, and most importantly, determine why they want to export and how, or if, it will advance their agenda. Lack of awareness makes industry media an effective target, claimed Jeannie Cho Lee, who also insisted on the critical importance of selectively identifying

sales channels; where a wine is sold will impact its reputation and its appeal to other outlets. Establishing an emotional bond with the end consumer is similarly vital – consumers are more forgiving of a product with which they have emotional ties – and winemakers need a philosophy for how to convey their strengths to consumers. They also need to demonstrate long-term commitment to a product.

Jeannie Cho Lee concluded by expressing optimism over the future of the larger, state-run producers who boast political and economic support, along with the smaller premium winemakers due to their quality and compelling stories. The future looks more challenging for the mid-size producers who may be in trouble if they cannot enunciate a compelling brand story...