


Chapter 11

Innovative Marketing of Chinese Baijiu for Online and Offline Markets: A Case Study of Wuliangye and Moutai


Poshan Yu

 <https://orcid.org/0000-0003-1069-3675>
Soochow University, China

Melanie Bobik

Independent Researcher, China

Sixian Qiu

 <https://orcid.org/0000-0002-7713-2648>
Independent Researcher, China

ABSTRACT

This paper aims to study the baijiu industry in China and abroad, as well as the marketing strategies of two leading Chinese baijiu brands (Wuliangye and Moutai) to promote liquor culture in and outside of China. Their brand strategy and marketing mix will be discussed, and it will be analyzed if and how innovative digital marketing strategies such as O2O (online-to-offline) can help baijiu brands improve brand equity and brand loyalty. In order to identify the market potential and support the sustainable brand development of baijiu spirits, this chapter will investigate the younger generation's attitude towards baijiu marketing through a small-scale survey. Managerial implications for baijiu producers of all sizes will be provided.

DOI: 10.4018/978-1-6684-5844-0.ch011

INTRODUCTION

The traditional Chinese liquor called “baijiu” (bai 白, transparent and jiu 酒, alcoholic drink), is one of the most famous distilled liquors worldwide and its origins date back to around 9000 years ago (Zheng & Han, 2016). It is made from fermented sorghum and grains, and occupies an important position in China’s brewing history with its skillful manufacturing technique and cultural heritage (Jin et al., 2017). In China’s strong spirits market, baijiu has a dominant position and consumers abroad are increasingly recognizing baijiu.

With economic growth and rising incomes, baijiu consumption has gradually shifted from government and business to personal consumption. In-house consumption has been accelerated by the restrictions due to the COVID pandemic. The industry has also seen a trend of upgrading, and high-end beverages have become very popular (Intel, 2019). There are currently two brands of baijiu leading the market: Moutai and Wuliangye. As alcohol is increasingly consumed for taste and novelty rather than for prestige, market opportunities for small, less-known brands arise.

The market is heterogeneous, with the majority of consumers in their middle age. Despite the harmful effects of alcohol, young consumers have become an important target group as they turn to high spirits. Their curiosity, high expectations and willingness to experiment has driven innovation in terms of product, packaging and promotion (Yu et al., 2022b). Millennials are tech-savvy, hence digital marketing is key. Marketers focus more and more on online communications and are increasing their online sales efforts.

While omnichannel sales management integrates all offline and online channels, “online to offline” (O2O), a strategy that drives customers from the online sphere into the physical store, is set to become the next big thing for e-commerce marketers and big baijiu producers are already investing in new technology to enhance the customer journey.

This paper investigates the relevance of digital marketing to Chinese liquor producers and their competitive advantage. It consists of four parts. The first part reviews current literature about digital marketing, the emergence of O2O-marketing and the marketing of alcohol brands. The second part provides an overview of the baijiu industry and discusses the marketing strategies of baijiu brands Moutai and Wuliangye in detail. Thirdly, research is conducted by a survey among millennials. The fourth part offers managerial implications based on the research findings.

LITERATURE REVIEW

From Traditional to Digital Marketing

Kotler et al. (2012) defined the tasks of marketing “to meet demand while making profits.” Marketing is the process of identifying and satisfying human and social needs. In the social sense, marketing is a process in which an organization carries out productive and profitable activities on the market. It is to deliver the products and services in the market to the right consumers at the right time, in the right place and at the right price, with the right means of communications and promotion. Its direct purpose is to form an in-depth and clear understanding of the customers through these processes, so as to ensure that the products and services can be matched with customers’ needs, so as to achieve the goal of self-sale of the products (Chang, 2021).

21 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/innovative-marketing-of-chinese-baijiu-for-online-and-offline-markets/315211

Related Content

Deriving Competitive Intelligence from Social Media: Microblog Challenges and Opportunities

Elisa Arrigo (2016). *International Journal of Online Marketing* (pp. 49-61).

www.irma-international.org/article/deriving-competitive-intelligence-from-social-media/152193

E-Commerce in a Web 2.0 World: Using Online Business Communities to Impact Consumer Price Sensitivity

Shirin Alaviand Vandana Ahuja (2013). *International Journal of Online Marketing* (pp. 38-55).

www.irma-international.org/article/commerce-web-world/77894

Reinforcement Learning for Online Optimization of Banner Format and Delivery

Benoit Baccot, Romulus Grigorasand Vincent Charvillat (2011). *Online Multimedia Advertising: Techniques and Technologies* (pp. 13-31).

www.irma-international.org/chapter/reinforcement-learning-online-optimization-banner/51952

Storytelling and Experience Design in Heritage Tourism

Meghan Claire Beevor, Ana Cláudia Camposand Maria Manuela Guerreiro (2022). *Global Perspectives on Strategic Storytelling in Destination Marketing* (pp. 1-21).

www.irma-international.org/chapter/storytelling-and-experience-design-in-heritage-tourism/312508

The Role of Cultural Intelligence in the Relationship Between Platform Trust and Loyalty: The Perspective From OTA Platforms

Meng Tao, Faizan Alam, Muhammad Zahid Nawazand Jashim Khan (2021). *International Journal of Online Marketing* (pp. 17-31).

www.irma-international.org/article/the-role-of-cultural-intelligence-in-the-relationship-between-platform-trust-and-loyalty/274875