

## **A Localization Problem: How to Market Chinese Liquor Baijiu in Europe**

**Xia Tian**

(Corresponding Author)

Foreign Language Department, Sichuan Tourism University

Chengdu City, Sichuan Province, China, Postcode: 610100

E-mail: 774860205@qq.com

**Xia Hongzhong**

International Cooperation & Exchanges Office

Sichuan University of Science & Engineering

Zigong City, Sichuan Province, China, Postcode: 643000

E-mail: 2579207534@qq.com

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### **Abstract**

Being one of the four most famous distilled beverages in the world, Chinese liquor (in Chinese “baijiu”) has a very long history and cultural tradition. As the domestic market becomes saturated, baijiu firms begin to export their product. Logically, localization becomes an inevitable mission that every baijiu company needs to accomplish. The present paper will describe some research on the localization of the Chinese liquor in Europe. Two interviews with professionals in the alcohol beverage domain were conducted so as to obtain more practicable suggestions. Strengths, weaknesses, opportunities and threats of baijiu industry’s performance were presented through SWOT analysis. Localization strategies are presented from three aspects: strategies in socio-cultural environment, strategies in commercial environment and strategies in legal and political environment. It is concluded that standardization, core competence and support from government and local association are the first step of baijiu localization management. Besides, localization of baijiu and promotion of baijiu culture should be performed simultaneously. Finally, commercial strategies including exhibition, e-commerce and broadening line extension are supplemented so as to support the research.

**Keywords:** Chinese liquor, Europe, SWOT analysis, Localization strategy.

### **1. Introduction**

Along with brandy, whiskey and rum, Chinese liquor (in Chinese “baijiu”) is one of the world’s four most famous distilled beverages. Chinese liquor market has become saturated, but exploration of the international market and baijiu localization in other countries is still in initial phase. Chinese liquor companies are now trying to open up the European market and Europe’s drink giants, including Diageo and France-based rival Pernod Ricard S.A., are also fighting to

break the market for China's national liquor. All these efforts help to lay the groundwork for its future development in Europe.

Famous spirits including brandy, cognac, rum, whisk(e)y, vodka, tequila, gin are common in Europe. But compared with their market share, baijiu's European market share is small, even negligible. It is tough to find Chinese liquor on European shelves. And very few Europeans know the variety, the function and the culture of baijiu.

According to spirits EUROPE (2012), the liquor market in Europe is currently confronting a challenging economic climate due to demand depression imposed by the crisis, austerity actions and higher taxation. However, Europe continues to be one of the most important spirits markets in the world, and keeps producing excellent liquors.

Locating products or services in target market and letting the target customers accept products or services as soon as possible are not an easy job. Consumer demand, relevant rules and laws, distribution channels, product design, advertising campaigns and many other problems constitute the barrier for baijiu localization. There are still a lot of production difficulties and marketing problems to be solved. In this case, localization becomes an inevitable mission that every baijiu company needs to accomplish.

Far beyond mere word-for-word translation, localization is the process of changing the documentation of a product, a product itself or the delivery of services so that they are appropriate and acceptable to the target society and culture. It concerns the changes required to cater to the needs of a particular 'locale' (Esselink, 2000). Therefore, baijiu companies have to tailor their product to match the language, culture, politics and statute of the country they are going to do business in. We set out to assess the localization of baijiu in Europe on the basis of a SWOT analysis mode and qualitative research.

## **2. Materials and Methods**

The present research applies qualitative methodology. Precisely, one-on-one interviews are used in this research and are conducted by telephone or face-to-face. Then SWOT analysis is used to identify the internal (strengths and weaknesses) and external (opportunities and threats) factors that will affect the industry's performance.

### **2.1 Interview**

#### **2.1.1 Research Design**

This interview was designed with two objectives in mind: to discover obstacles that need to be surmounted in baijiu localization and to collect some practicable and efficient suggestions. Thus the researcher has chosen two companies in the alcohol beverage domain.

The first one is Sichuan Swellfun Co. Ltd. In July 2013, Diageo got approval from the Chinese authorities to control over 50% of the holding of the Shuijingfang Group Company Ltd, the listed producer of baijiu in Sichuan (Paul Jarvis and Clementine Fletcher, 2013). With the effort of Diageo, Shui Jing Fang is on the way to being the leading international baijiu brand.

The second company is also chosen in the interests of the Chinese liquor Industry. MTE INTERNATIONAL (Grands Vins de France) is located at No. 16 rue Patrick-Depailler, Clermont-Ferrand, Auvergne, France. With over 10 years of experience in exporting wine, MTE INTERNATIONAL has performed as an outsourced export department for many winemakers in France. MTE provides service for all partners (wineries, investors) around the world and does business with importers and distributors in Japan, Brazil, Russia and China.

Two participants took part in the present paper: Li Weibin, the publicity manager of Shui Jing Fang Co, Ltd. and Bai Kai, the export manager of MTE. The researcher conducted a one-on-one interview with each of them: telephone interview for Shui Jing Fang publicity

manager in China on 11 February 2014 and face-to-face interview for export manager in France on 14 February 2014.

### 2.1.2 Data Collection

Lin Weibin, the sales manager of Shui Jing Fang, keeps a positive attitude towards the cooperation between Diageo and Shuijing fang, because Diageo knows its domestic market and the European market better than Chinese companies. He said that, with less political stress from the Chinese government, Shui Jing Fang could compete more effectively in the global market. Chinese spirits still have a long way to go to achieve internationalization as well as localization in Europe. Poor management experience, political influence, technical barriers and lack of marketing talents are the major difficulties in baijiu localization. Mr. Lin suggests that creation of “Chinese Bordeaux”, cultivation of localization talents and choice of target markets could promote baijiu localization.

As for the MTE export manager, she emphasized that the localization strategies applied in wine export are not completely suitable for baijiu localization due to their differences in raw materials, process, food recommendation and culture. It is very hard to localize Chinese liquor in Europe in her opinion. In terms of liquor consumption habits, liquor is associated with bar culture in Europe, while in China, baijiu is associated with banquet culture. It is not easy to change European’s drinking habits. Concerning MTE’s localization strategies, MsBai emphasizes three aspects: “selling the culture”, employment of salespersons and diversified distribution channels.

## 2.1 SWOT Analysis

### 2.2.1 Strengths

**Production Techniques:** Regulated and unique production skills can build consumers’ confidence in the product. Among the four top distilled spirits, only baijiu employs solids in the fermentation process. This unique distillation process can serve as Unique Selling Proposition.

**Multiple Varieties:** Baijiu can be generally divided into five aroma types: sauce aroma, strong aroma, mild aroma, rice aroma and other aromas. It is also divided into six flavor categories: sour, sweet, spicy, bitter, salty and others. The quality and taste of baijiu can become important selling points for the marketers, because different tastes can meet the demands of different consumers.

**Baijiu Culture:** As one of the great countries with ancient wise civilization, China has Confucianism, traditional Chinese medicine, cuisine and many historical resorts, such as the Great Wall, The Dunhuang frescoes etc. Seen as a unique traditional product, baijiu has also a special position in Chinese culture. “Selling spirits is selling culture” said the export manager of MTE (personal communication, February 14, 2014). Many baijiu brands have a rich cultural heritage which can be applied as a localization tool.

### 2.2.2 Weaknesses

**Baijiu Culture:** Baijiu culture can also be seen as a weakness because Chinese culture and tradition are not well perceived in many European countries (Bai Kai, personal communication, February 14, 2014). Besides, low quality manufactured goods, low product safety standards, counterfeiting are negative judgments and prejudices with regard to China that have to be taken into account when marketing Chinese goods. Therefore, drinking etiquette, food recommendation, wide utilization of baijiu in Chinese traditional medicine and many other baijiu cultures could be used to attract the attention of European customers.

**Lack of Professionals:** Although baijiu companies try to be equipped with modern technology and advanced facility, their corporate philosophy and business vision are not well shaped and their talent reserves are far behind other developed liquor companies. To localize baijiu in

Europe, baijiu companies need baijiu expertise with marketing, foreign trade and intercultural communication knowledge (Lin Weibin, personal communication, February 11, 2014).

**Political Environment:** Many famous baijiu enterprises are mostly state-owned or state-controlled enterprises. In the early stage of localization, income is low and risk is high, government and relevant department should formulate policies to encourage entrepreneurs to participate in international competition in the market (Lin Weibin, personal communication, February 11, 2014).

### 2.2.3 Opportunities

**Drinking Option Diversification:** There seems a clear trend that people prefer to drink better rather than to drink more. An individual consumer now tends to choose a price, a color, a bottle, and a flavor of liquor to match his or her mood (Etienne Musonera & David Hemley, 2007). The trend of consumers' preferences may imply a need of consumer-oriented localization strategy for the baijiu industry.

**Trends in Electronics:** Technological developments are having considerable impact on all aspects of the marketing practice including marketing communication, distribution and marketing research. The export manager of MTE said that her export team is trying to improve their website and product catalogue so as to promote e-commerce. It implies that baijiu manufacturers need to catch up with the e-commerce development.

**High Alcohol Consumption in Europe:** According to spirit EUROPE (a spirit of growth, 2012), 26 million hectoliters of spirit drinks are sold in the European Union. Most products are sold via supermarkets and other outlets, while the rest is consumed in the hospitality sector – in bars, restaurants and hotels. According to a recent WHO report (Global status report on alcohol and health, 2011), on average, Europeans over 15 consume 12.5 liters of alcohol annually. Thus it continues to be one of the most important spirits markets in the world, and is home for world famous products.

### 2.2.4 Threats

**Too Many Competitors:** With numerous choices of alcohol beverages including spirits, wine and beer (flavored/non-flavored, domestic/imported, and premium/ultra-premium) in the marketplace, it is hard for European customers to differentiate baijiu from other alcohol beverages. Moreover, as a new comer, is it possible for baijiu to change existing European attitudes and prejudices towards Chinese liquor?

**Commercial and Legal Restriction:** European government leaders, regulators, and some public interest groups have proposed possible regulatory actions, placing all alcohol beverages under scrutiny. (Etienne Musonera, David Hemley, 2007). Indeed, alcoholic abuse can lead to negative consequences for both personal health and social security, for instance, various illnesses, automobile accidents and violent incidents. Thus localization strategies should be adjusted responsibly.

**Technical Barriers:** The 21st century is the era of standardization. European countries formulate a variety of technical barriers to protect food safety and domestic liquor market. They have made strict rules on ingredients, additives, contaminants and labeling. Rigorous testing procedure and detection tools are also obstacles for Chinese liquor. Unfortunately, the analysis of baijiu's trace components has so far proved inconclusive (Lin Weibin, personal communication, February 11, 2014).

### **3. Results and Discussion**

#### **3.1. Strategies in Socio-Cultural Environment**

##### **3.1.1 Core Competence**

The core competence is a management concept originally advocated by C.K. Prahalad and Gary Hamel in 1990. The core competence is perceived as a critical competence which is a complex coordination of multiple technologies. A competitor might imitate some of the production methods but it will find it more complicated to copy the inner coordination of production skills (Robert L Cross, Sam Israelit, 2000). Lin Weibin (personal communication, February 11, 2014) holds that developing core competence means to develop core technology. Baijiu companies should concentrate human, material and financial resources on the research and development of proprietary and key technology so as to develop their own intellectual property rights.

The researcher holds that apart from developing core technology, integration of baijiu culture is also necessary. Chinese liquor culture is different from the other liquor culture in European market. And this difference can serve as a selling point to arouse the curiosity of European consumers and then encourage them to purchase.

We may reasonably conclude that the core competence of Chinese liquor is composed of culture value and technology value. Therefore, Chinese liquor companies should try to coordinate production skills and then integrate their unique baijiu culture with. The aim is to create unique cultural strength which serves as the base of baijiu localization. Only the promotion of cultural strength can help baijiu to occupy an irreplaceable position in European market.

##### **3.1.2 Baijiu Culture Promotion**

Chinese liquor failed to be well localized in Europe as expected, and the general explication is cultural differences and high alcohol content. But French wine sells well in China and also highly praised by Chinese consumers. Does every French wine consumer know French wine culture? Does every Chinese consumer accept the taste of French wine? French wine is not sold to all Chinese people, but to people who understand it, who are willing to accept it or who claim to understand it. Taste recognition can be developed slowly. We find that no French wine is changed in order to fit Chinese people. On the contrary, French companies constantly emphasize its pureness, difference and culture behind every bottle of wine. From the above, it is safe to say that being one part of the core competence of Chinese liquor, cultural strength should be promoted, and can be done in two ways :

###### **3.1.2.1 Culture Localization by Baijiu Firms**

###### **3.1.2.1.1 Food Culture and Baijiu Appreciation Methods**

The alcohol consumption patterns differ from country to country. Compared with the pub culture in Europe, Chinese like to drink baijiu during a banquet, celebration, party or family reunion. Guiding European consumers to accept Chinese food culture could be a good solution. Sake is often associated with Japanese dining and tequila with Mexican (Adam Molon, 2013). Thus we could recommend baijiu to pair with Chinese cuisine. In this context, thousands of Chinese restaurants in Europe represent an opportunity. The chef or restaurant owner could propose toast to guests during meal times, which helps to introduce Chinese banquet culture and drinking patterns.

But baijiu companies cannot force restaurants to sell baijiu. They have to start from encouraging potential customers to drink baijiu. For example, tell customers how to identify quality of baijiu and how to appreciate baijiu by providing information about appreciation methods and food recommendation on the video-sharing websites, company's official website

or liquor forums. The aim is to teach them how to drink and appreciate Chinese liquor. This is a slow and gradual process, but effective to let more European know baijiu culture and then to purchase.

#### **3.1.2.1.2 Culture Awareness in Packaging**

Baijiu companies could give consumers their product information through multiple ways; for example, product catalogue, ads in magazines, packaging in a supermarket. Pilditch (1972) suggests that the package design is the “salesman on the shelf”. Consumers tend to purchase when the information in the package could attract them and when they have ability to understand or admire the messages. So apart from creating an image of quality in the packaging of baijiu, the combination of cultural elements in the target market and consumers’ understanding of Chinese culture should be taken into consideration in the package design. Logically, we could make the assumption that a bottle in the shape of a Long (Chinese dragon) or a panda could be more attractive.

Apart from the shape design, colors used on the package must be designed cautiously, because color perception differs from culture to culture. The export manager of MTE also holds that the choice of color in the package design influences the quality of product perceived by consumers. In Chinese’s eyes, France is a place full of romance and luxury goods. Logically, French wine is also considered as an exclusive alcohol beverage. In China, gold is often associated with luxury. So golden label and golden logo is more likely to be accepted (personal communication, February 14, 2014). Thus, baijiu packaging designer should avoid unappealing connotation of color. For example, red is perceived as happy and wealthy in China while aggressive in Europe. The researcher holds that white, blue, grey or black would be better in color design.

#### **3.1.2.2. Culture Promotion by Education Organization**

Education organizations in the present research refer to Confucius Institutes in Europe and international departments within Chinese universities. There are currently 440 Confucius Institutes and 646 Confucius classrooms around the world in which 149 Confucius Institutes and 153 Confucius classrooms in Europe. We see a great opportunity to let more Europeans know baijiu culture. Like the tea ceremony courses in Japan, baijiu culture courses could also be designed for adult students, for example, simple baijiu history and its production process, appreciation of high-quality baijiu and food recommendation etc. This kind of courses does not aim at increasing the sales but cultural communication. Then they might convey the message to their family and friends by word of mouth. Finally, the message is conveyed to potential consumers.

### **3.1.3 Improve Social Responsibility**

According to statistical data 2.5 million people in the world die from excessive alcohol consumption every year. About 12 percent of people aged between 15 and 64 lost their lives due to alcohol abuse (the voice of Russia, 2012). However, from a scientific perspective, drinking is not opposed to keeping healthy. Written by Li Shizhen during the Ming Dynasty (1368-1644), Bencao Gangmu (Compendium of Materia Medica), the most complete and comprehensive medical book ever written in the history of traditional Chinese medicine (“Compendium of Materia Medica”, n.d.) finds that liquor has effect of stimulating blood circulation, relaxing muscles and joints and relieving much of rheumatism. Thus, moderate drinking is good for our health. Christophe Thomassin, Jean-Michel Gilibert (2007) suggest that companies should not only inform consumers, on the back of the packaging, the good ingredients and ingredients that are no so good, but also give simple information about food recommendation so as to help them make a balanced diet.

Therefore, Chinese liquor firms should highlight health management service in their marketing and communication strategy. Health could be both a problem and an opportunity for baijiu localization. If Chinese liquor leaves a healthy image to European consumers, we could see a virtuous circle in which consumers are willing to purchase and drink in proper way and Chinese

liquor companies gain some market share in Europe.

## **3.2. Strategies in Commercial Environment**

### **3.2.1 Exhibitions**

In an alcohol beverage exhibition, visitors assess a product or a company by observing a display stand, reading printed promotional materials, talking with marketers and tasting the product. So display stand and promotional materials should be specially designed.

Firstly, stand design, contrary to packaging design, should emphasize Chinese liquor culture and use less or ignore local cultural elements. The aim is to be distinctive and to catch customer's eyes and to make them want to know more about the product. Secondly, promotional materials should be designed to meet customers' demand. Bai Kai (personal communication, February 14, 2014) suggests that if the financial condition permits, product catalogue, brochures, leaflets should be designed in at least two languages: English and the local language. Finally, it is noteworthy that the marketer is the representative of baijiu companies. Thus several bilingual marketers with a good understanding of the product, the baijiu culture and the local culture are also necessary for a successful promotion.

Besides, employment of brand ambassador is also in the interest of baijiu localization. In 1998, the first Vinexpo Asia-Pacific was held in Hong Kong, during which wine and spirits association of Bordeaux region and Alain Juppé the former French Minister of Foreign Affairs employed Jackie Chan and Gong Li as brand ambassador to promote their product and service. The two most bankable stars definitely attracted visitors' eyes. This marketing strategy benefited French wine and spirits companies and helped them occupy the Asia-Pacific market (Yang Liu, 2005). Therefore, to localize Chinese liquor in Europe, employment of a brand ambassador during an exhibition could help to create brand awareness.

### **3.2.2 E-Commerce**

#### **3.2.2.1 Online Marketing**

Internet affects almost every aspect of our lives. Probably nothing has impacted the business more than the Internet. These revolutions are changing how goods and services are exchanged, how we communicate with customers and employees and how we manage the competition.

E-commerce could provide baijiu companies with an inexpensive way to meet customers. In the network marketing, physical transaction is replaced by online negotiation; baijiu companies could directly sell their product to importers or even clients, and cut out the middleman; the direct marketing becomes a major sales channels, thus the intermediate transaction costs is saved. Furthermore, Chinese liquor companies could publish through internet their latest business information for global search, in order to introduce the image of company and promote product, service and production technology and baijiu culture. In addition, the internet is also a convenient way to find international partners and develop potential customers.

During the interview with the export manager of MTE, Bai Kai (personal communication, February 14, 2014) gave four pieces of advice for baijiu E-commerce: Firstly, promote website and domain name and improve click-through rate by building site links with renowned foods and drinks websites in European countries. Secondly, build site links with local government website, especially, government's business website so that European investors can find company information more easily. Thirdly, improve usability of website and quality of service. Finally, questionnaires, feedback forms or comments on the official website can be used to monitoring clients' demand.

#### **3.2.2.2 Cultural Awareness in Web Design**

The communication styles differ from one country to another, so web design needs to reach a

high level of cultural adaptability. To localize Chinese liquor by E-commerce, Chinese liquor website should be tailored to fit European communication style. Recognition of difference in values and norms across cultural segments will be beneficial to online marketers as they introduce the product into new markets (Norizan Kassim & Nor Asiah Abdullah, 2010).

The localization of a transnational website is no longer just translation of text, change of time and date-formats, but modification of content structure, visual layout, color and typography. Thus usability and esthetics are the most important facets of web design. More precisely, graphics, animation and sounds in baijiu website need to be specially designed to appeal to European culture. It is also suggested to select 3-4 languages from the 23 European official working languages to design a web. And the criterion is the allocation of potential customers. However, designing a website in 3-4 different layouts is expensive and time consuming, thus it is better to apply the High-Context culture and Low-Context culture theory during the web design.



**Figure 1:** High-Context culture and Low-Context culture

**Source:** Hall, E. and M. Hall (1990), Understanding Cultural Differences

Generally speaking, Scandinavians, Germans, and the Swiss are categorized as low-context cultures. Communication in these countries often takes place through explicit statement in text. In high-context culture people are more likely to be impacted by visual images (Elizabeth Wurtz, 2006). So we could hypothesize that use of graphics and animations could help to communicate useful messages to high-context consumers. For example, use of human presence to tell some kind of lifestyle or liquor culture. While for their low-context counterparts, we might highlight the effects of text.

### 3.2.3 Broadening Line Extensions

As the world population is growing, young consumers are perceived as the major segment for alcohol companies. Furthermore, they tend to be more autonomous and individual and like to seek out new flavor and new brand. Thus, preference investigations need to be launched if Chinese liquor companies want to introduce several flavored baijiu during the localization of baijiu. Chinese liquor companies need to meet the preference of European young people so as to build brand loyalty. Chinese liquor is divided into six flavor categories: sour, sweet, spicy, bitter, salty and others while other spirits are generally distilled from fruit or starchy material. So baijiu companies could introduce some sweet flavored liquor or design some new flavors. In addition, bars, nightclubs and Chinese restaurants in Europe that are in cooperation with baijiu companies can help promote these flavored Chinese liquors.

### **3.3. Strategies in Legal and Political Environment**

#### **3.3.1 Technical Barriers**

During the interview, Lin Weibin (personal communication, February 11, 2014) suggested that to achieve localization of baijiu, baijiu companies should, in the first place, be familiar with the European legal system in alcohol beverage control. Generally, the EU spirits regulatory system includes commission regulation EC No 110/2008, EC No 2870/2000, (EEC) No1014/90, and (EEC) No2009/92. Baijiu companies should study these regulations so as to find countermeasures for baijiu localization. European nations have built strict trade and technical barriers and have taken restrictive measures to control quantity and quality of liquor imported. Thus the baijiu industry should apply rationally international trade rules to provide necessary support and protection for baijiu export. Intensive research and sensible use of international trade rules are a matter of great urgency. The aim is to bring the comparative advantage of baijiu standard system into full play (Lin Weibin, personal communication, February 11, 2014). Besides, current baijiu flavor assessment and quality control is performed by professional testers, gas chromatography or a combination of gas chromatography and mass spectrometry. But these methods are sometimes ineffective and subjective, so application of an “electronic nose” is recommended for the assessment of Chinese liquor. In other words, application of European food safety standard and utilization of international trade rules are not enough, baijiu companies still need to find out more healthy compositions of baijiu which could speed up the localization of baijiu in Europe.

#### **3.3.2 Baijiu Industry Association and Local Government**

Many famous baijiu companies in China are state-controlled, thus the influence of government policies are considerable. In the initial phase of baijiu localization, baijiu companies have to confront lots of risks. Baijiu entrepreneurs are not willing to invest too much capital into localization. Lin Weibin (Personal communication, February 11, 2014) suggested that to achieve localization, we must integrate marketing resources and improve cooperative network. And only local governments and the baijiu industry associations could help baijiu companies to achieve the target. Thus encouraging policies should be formulated to help baijiu companies to participate in international competition.

Spirits groups and regional associations in European countries including CEPS ((The European Spirits Organization), SWA (Scotch Whisky Association), GVA (Gin and Vodka Association) and BNIC (Bureau National Inter professional du Cognac) attach great importance to the industry standard and policy formulation and revision. Besides, local governments and associations also spread and develop European spirits culture by international exchange and cooperation channels. The aim is to communicate its culture heritage, liquor-making technology and security concept and influence industry standard in the foreign liquor market. Therefore, national baijiu associations including CADA (China alcohol drinks association), China National Association for Liquor and Spirits Circulation and Chinese Liquor Golden Triangle Industry Association should promote baijiu localization from various aspects: Development of baijiu culture, integration of marketing resources, promotion of cultural exchange, provision of technical consultation, participation in the formulation of industry standards and quality supervision etc.

As regards the integration of marketing resources, Lin Weibin (Personal communication, February 11, 2014) suggested that establishing the “Bordeaux” of Chinese liquor (China Liquor Golden Triangle) could help to market baijiu in Europe. Composed of the three most famous liquor-producing cities (Yi bin, Lu zhou and Huairen), China Liquor Golden Triangle should be built as the most valuable regional brand in China.

### **4. Conclusion**

The aim of the study is to analyze how to market the Chinese liquor baijiu in Europe. Two interviews with professionals in the alcohol beverage domain were conducted so as to obtain

more practicable suggestions. Besides, in order to identify the internal and external factors that will affect localization of Chinese liquor, the researcher also conducted SWOT analysis to support the present research.

During the localization process, companies need to tailor their products to cater to the needs of the target market. They have to adjust the method of services delivery or even change their products' property so as to ensure the product acceptable to the 'locale'. However, the general localization theory might not be perfect for baijiu localization.

To market Chinese liquor in Europe, the baijiu industry has to face the huge difference between European countries and China including liquor culture, drinking habits, production techniques, regulatory system, and distribution channels and so on.

Therefore, the present research provides some strategies for baijiu localization.

Over the present research, it is discovered that standardization, core competence and support from government and local association are the first step of baijiu localization management. This is also applicable to other products' localization including electronic industry, medical industry, chemical industry, automotive industry, food industry, packaging industry and so on. Firstly, companies need to do some research on the target market structure, legal system, and technical standards and apply rationally international trade rules so as to be officially approved by local government. Then there comes developing core competence, which is hard for competitors to imitate. Finally, as it is difficult for individual company to integrate marketing resources and improve cooperative network, support from government and relevant associations is also necessary.

Baijiu localization is a huge project which requires the efforts in many fields. It is difficult to stay long in a foreign market only by eliminating technical, legal or political barrier. Thus, the present research suggests that localization of baijiu and promotion of baijiu culture should be performed simultaneously. This is also a localization strategy for companies exporting food, handicrafts and packaging service, for example, tea, milk products, tea sets, liquor sets, leather goods and accessories etc. These companies need to find ways to be adapted to the local culture environment and to meet consumers' demand, but not by the loss of proper characteristics. As many countries in the world are multi-ethnic and multi-cultural society, cultural collision and integration have become part of their lives, which suggests that consumers in most countries of the world are eager to try new products from foreign countries and create their own consumption style.

The present research also provides several strategies in commercial environment, which are not only applicable to baijiu localization, but also to some other products such as food, handicrafts, vehicles, domestic appliance and so on. Firstly, before attending an exhibition, display stand and promotional materials should be designed to meet customers' demand in order to communicate the most important message to potential clients. And employment of brand ambassador and several bilingual marketers with a good understanding of the product and the local culture are also necessary for a successful promotion. Secondly, in an e-commerce setting companies should try to gain more clients by developing on-line marketing, especially, increasing cultural awareness in Web Design to attract audience's attention and provide more interaction between companies and consumers. Lastly, to meet the trend of consumers' preferences, companies should constantly seek ways to know how consumers think about the category and properly broaden their line extension.

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