Analysis of the Whole Industry Chain of Jiang Xiaobai Sorghum Wine

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Abstract. This paper uses industry chain theory to analyze the product strategy of Jiang Xiao Bai. Research shows that Jiang Xiao Bai has the advantages of the flavour meets the needs of young people, upgrade manufacturing process, development in product R&D and the internet brand communication. In order to improve the current situation of Jiang Xiaobai's product strategy and the effectiveness of Jiang Xiaobai's industry chain strategy. This paper puts forward some countermeasures to improve the structure, strengthen product innovation, speed up new product development and deepen brand communication. Relevant conclusions can provide reference for other liquor enterprises.

1. Introduction
Liquor has always had a vast market and rich profits in China. Under the special social culture of China, the daily activities of festival gifts, business banquets, daily dinners, sacrifices and so on can hardly be separated from liquor. The rapid growth of Jiang Xiao Bai in Chongqing has aroused a heated discussion in the industry and stimulated the industry to make innovative breakthroughs. Jiang Xiaobai avoided the fierce competition in the mainstream market, and entered the youth market through small bottles of liquor, contrary to the image of traditional liquor "tall and superior". The unique product strategy quickly aroused market reaction and won the favor of consumers. While Jiang Xiao Bai has made remarkable achievements, problems have gradually emerged.

Jiang Xiao Bai’s products were on the market in 2012, and by 2017, sales in just five years amounted to more than 300 million. This caused a sensation in the slow-developing white wine industry at that time, and it was a black horse in the Chinese liquor industry in recent years. Now the liquor industry acknowledges that Jiang Xiao Bai is the most knowledgeable brand of consumers. Jiang Xiao Bai’s success has brought new hope for the development of traditional liquor industry. However, behind the boom, problems ensue. This paper takes Jiang Xiao Bai as the research object, analyses the reasons of Jiang Xiao Bai’s blooming and encountering development obstacles through the analysis of its product strategy, and gives appropriate suggestions for the problems of product strategy, provides help and guidance for the sustainable development of Jiang Xiao Bai’s products, and also for other liquor brands in its development. Similar problems encountered provide lessons for the sustainable development of the industry.

2. Literature review
Jing Zhang, al. (2016) pointed out that in the highly competitive industry, the new brand needs more precise product positioning. He Jingwen (2015) thought the concept of product strategy includes product mix strategy, product life cycle strategy, new product development strategy, brand strategy and product packaging strategy. Roberto Bermejo (2014) emphasized that the formulation of product
marketing strategy should be based on the target market and humanistic culture, combined with innovation and new elements of the times, in order to achieve the sustainable development of the brand. Tao Shiquan (2016) to explore the new era of white wine communication strategy to learn to play imagination, emphasizing the establishment of a special relationship between product brands and consumers, consumers choose a product is a self-categorization. Deng Lin (2016) believed that the development of liquor industry in China should pay more attention to brand communication and stable brand maintenance. Brand communication should be combined with the characteristics of information technology and social reality in the Internet era. Jiang Pinchun (2016) believes that young consumers will lead the industry's new economic growth in the next decade. Ren Chaoqun (2016) believed that the development of liquor industry in China had the problems of low market threshold and disorderly competition in similar products market, which needed a long-term solution.

3. The Strategy of Jiang Xiao Bai’s Product

3.1. Target young people
Judging from Jiang Xiao Bai’s existing product mix, the company's product target is the young people. At present, only liquor is the main product line. Although ice black tea drinks have been introduced to the market at this stage, it needs to be sold with liquor mix and not only liquor. Although Jiang Xiao Bai has introduced eight series of products to the market, the taste has been subdivided into refreshing, fruit-flavored and cocoa-flavored liquors, but they all belong to Fen-flavor liquor. Apart from the differences in product packaging, the difference of liquor taste in essence is not large, which will make the series lose their original market position. Seemingly more product items, but in essence not all meet the market demand, but resulted in a single product mix.

Facing the fierce competition in liquor market, Jiang Xiao Bai’s single refreshing liquor cannot meet the different needs of different consumers on liquor taste. A single product mix is not conducive to stabilizing and expanding Jiang Xiao Bai’s market share, affecting its future balanced development, and easy to be overtaken by other emerging liquor brands.

3.2. Fresh fragrance is the main product flavor

Jiang Xiao Bai’s 100ml bottle liquor is the main product of the market. With the appearance of fashionable bottles and the help of Internet emotional marketing, Jiang Xiao Bai has become a "phenomenal product", which has also been emulated by the industry, as shown in Figure 1. This paper
summarizes four situations. Firstly, the high-end brand Wuliangye's Bamboo Sun Wine and Langjiu's Bamboo Sun Wine introduced Xiaobao Wine. Relying on the original brand awareness, complete marketing network, strong sources of funds and unique white wine culture, they can still occupy a large share of Xiaobao Wine market and achieve good results. Secondly, Red Star Erguotou and Niulanshan, which originally have the brand of light bottle wine products, have been playing a major role in the low-end market, but have accumulated a large number of stable consumers, so on the basis of the original brand and consumer audience, combined with Jiang Xiao Bai’s popular packaging style, also quickly gained market share. Third, the new network brand, occasional wine and Doubai Creative Liquor have made more interesting and special innovations on the basis of imitating Jiang Xiao Bai’s product design and style. Fourthly, there are some miscellaneous brands in the market, completely imitating Jiang Xiao Bai’s packaging and propaganda methods, regardless of product quality, selling at low prices, which makes some consumers who do not know Jiang Xiao Bai choose the latter because of low prices, resulting in malicious competition in the market.

Figure 2 shows the results of the survey and analysis of consumers’ views on Jiang Xiao Bai’s product packaging. The results show that Jiang Xiao Bai’s personalized packaging style is different from traditional liquor. However, most consumers are familiar with Jiang Xiao Bai’s product packaging. They have similar product packaging in their impression. This is the case of Jiang Xiao Bai. This reflects that there are many other liquor brands in the market imitating Jiang Xiao Bai, which invisibly adds obstacles to future brand communication and easily confuses consumers’ purchase decisions.

3.3. Slow development of new products

In the past five years, Jiang Xiao Bai has introduced eight series of new products to the market. In fact, the best-selling products are the expression bottles of the first 100 ml and 40% vol, followed by 500 ml, 40% vol's Jiang Xiao Bai Youth Edition and 700 ml, 40% vol's innate freedom. The other five series products are not very different from other series products. Their market share is not high. Jiang Xiao Bai’s new product development is slow, and now it still depends on the initial 100 ml liquor to stabilize its market share. However, Jiang Xiao Bai’s products are easy to imitate, and its 100 ml main products are squeezed by similar products of large and small in the market. Slow development of new products will lead to the loss of potential market, and it is not conducive to enhancing the competitiveness of enterprises in the market of similar products.

3.4. Internet brand communication

Although Jiang Xiao Bai can often trigger a heated discussion on the internet, it is not the liquor itself but the cartoon characters and "Xiao Bai" on the product packaging that arouse the attention. Behind the heated discussion lies the problem of internet brand communication. Figure 3 shows consumers’ familiarity with liquor brands. Obviously, Maotai and Wuliangye, as high-end brands, enjoy high brand awareness among consumers. Mid-end brand relying on effective brand communication and unique liquor culture and brand concept, has become familiar to consumers. Although Red Star Erguotou and Niulanshan are low-end brands, they have gathered a lot of consumers in the long-term
development. Jiang Xiao Bai has made many innovations in the industry, but its brand awareness is not high. Figure 4 is a survey on whether consumers can say Jiang Xiao Bai’s brand concept. The results show that most consumers do not know Jiang Xiao Bai’s brand concept, which seems to be inconsistent with the Internet boom. In fact, it shows the insufficiency of its brand communication. Although Jiang Xiao Bai also organizes activities offline, they are limited to some regions. In addition, brand personalization is not strong during the activities. Brand communication has not reached the goal of establishing a long-term and effective relationship between brands and consumers, and lacks brand guidance to consumers. Without in-depth brand communication, consumers’ enthusiasm for new things will not continue because of product packaging. As more imitators enter the market, consumers are likely to forget Jiang Xiao Bai’s quotations, and then forget the brand. Jiang Xiao Bai needs to tap the brand depth, distinguish other similar products, let the product brand go deep into the hearts of the people, and gradually establish consumer brand loyalty.

4. Countermeasure of Problems in Jiang Xiao Bai’s Product Strategy

4.1. Improving product mix structure
In view of the single product mix of Jiang Xiao Bai, this paper suggests that the company should subdivide the target consumer groups and increase the product items according to the social experience of consumers and the different needs of consumers for liquor taste.

According to consumers’ experience of liquor, we can divide consumers into two categories. For newcomers who have just come into contact with liquor, low alcohol and refreshing liquor can be introduced; for struggling young people who have several years of social experience, moderate soft liquor with a little spicy stimulation can be introduced. This paper suggests that Jiang Xiaobai can launch 1-3 series of liquor products for middle-aged consumers without deviating from the target market, which can pack liquor with lower price.

4.2. Promoting Product Innovation
In order to solve the problem that Jiang Xiaobai is easy to imitate, the company needs to improve the core competitiveness of products through continuous innovation. First of all, liquor taste needs innovation, young consumers pursue product diversification, fashion, novelty and other elements. Liquor taste needs to be further subdivided on the basis of complete market research, target masses’ requirements on liquor taste, and innovative upgrade for young consumers’ taste preferences. Secondly, Jiang Xiao Bai needs to strengthen the development of wine-making technology. Although the liquor industry is mixed with fishes and dragons, the brands such as Maotai, Wuliangye and LuZhouLaoJiao have always been the evergreen trees of the industry. Advanced and powerful technology is its main guarantee. Finally, companies can make innovations in product packaging.

4.3. Accelerate the development of new products
In order to better understand the different needs of consumers, enterprises can invite consumers to participate in part of the development process of new products. Consumers will actively provide
enterprises with much useful information, and more directly express their expectations for new products. This process of two-way discussion between enterprises and consumers can give new products a more real value, so as to develop marketable new products, invisibly closing the distance between brands and consumers.

4.4. Deepening brand communication

Today, the Internet is one of the most important ways of brand communication. Companies can make full use of the Internet platform to enhance brand influence. For example, Jiang Xiaobai's image and users are discussed on hot social topics, Jiang Xiaobai's product-centered short video contest, Jiang Xiaobai's classroom (narrating enterprise spirit, brand culture, brand concept, brewing technology, product story, liquor culture), and Jiang Xiaobai's APP are established, through some meaningful ways. Meaningful and interesting activities can attract users to participate in, deepen the brand image and spirit. Through deepening brand communication, let the brand penetrate into consumer life, build emotional connections, and gradually cultivate customer loyalty to the brand.

5. Conclusion

At present, the academia has made a detailed study on the current situation and trend of liquor development in China, the significance of brand communication to the development of liquor industry, and the new development forms and directions of liquor industry in the Internet era. However, there are few studies on the development status and product strategies of individual liquor brands, and the characteristics of liquor brand development and specific product strategies in the Internet era. This paper supplements these aspects, taking Jiang Xiao Bai as the research object, specifically analyzes the current situation, problems and corresponding suggestions of Jiang Xiao Bai’s product strategy in the development process in the Internet era. The formulation of product strategy is one of the important factors for the success of an enterprise. Therefore, it is of great significance to study Jiang Xiao Bai’s product strategy, which will provide reference or suggestions for other liquor-making enterprises.

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