Abstract

Aim: With a view to finding a method for Spanish wine to open up a wider market in China, this paper analyses the opportunities and threats that Spanish wine faces in the Chinese market in order to understand the Chinese and Spanish wine market, and analyses how Spanish wine exporters export wine to China.

Methodology: Data analysis, bibliographical search and case study. The main source of data on the wine market in China and Spain was the International Organization of Vine and Wine (OIV). For the information on the case, the company Torres, this was obtained mainly from the content published on their official website.

Results: The study revealed that the main competitors of Spanish wine in the Chinese wine market are France, Chile and Australia. Economic relations and trade policies between countries have a major impact on the wine trade. In addition, Spanish wine exporters need to pay attention to consumer characteristics in the Chinese market, so that Spanish wine can create a clear image for Chinese consumers, combining multiple online and offline distribution channels to improve their performance in the Chinese market.

Limitations: The study identifies different factors that influence the export of Spanish wine to the Chinese market, but lacks more specific figures, coupled with information to be able to analyse in depth the different degrees of importance of these factors.

Keywords: Wine sector; wine; export; wine tourism; Torres China.

JEL codes: F14, F23.

文章摘要

研究目的：以寻找有助于西班牙葡萄酒在中国市场扩大之方法为由，本研究分析
西班牙葡萄酒在中国市场的机遇和所面临的威胁，从而了解中国和西班牙的葡萄
酒市场，并且分析西班牙葡萄酒出口商如何向中国出口葡萄酒。

分析方法：方法包括数据分析、书目搜索和案例研究。有关中国和西班牙葡萄酒
市场的数据主要是来自国际葡萄与葡萄酒组织（OIV），而本案例：Torres企业
之信息，主要是通过其官方网站所发布的内容而获得的。

研究结论：研究显示，西班牙葡萄酒在中国葡萄酒市场上的主要竞争对手为法
国、智利及澳大利亚。国家之间的经济关系以及贸易政策对葡萄酒贸易影响甚
大。此外，西班牙葡萄酒出口商应关注中国市场的消费者特征，以便西班牙葡
萄酒在中国消费者心目中建立一个清晰的形象，同时更要结合多种在线和离线
分销渠道，从而提高在中国市场的销售业绩。

研究局限：本研究报告指出了影响西班牙葡萄酒出口到中国市场的不同因素，
可是，研究还是缺乏更仔细的数据以便对那些因素之重要性的不同程度进行更
深入的分析。

关键词：葡萄酒行业、葡萄酒、出口、葡萄酒旅游业、TORRES CHINA。

JEL 分类号: F14、F23。
Introduction

Wine has a long tradition of bringing people together socially. In fact, in countless cultures and civilizations throughout history, people got together around wine (Riera Palmero, 2014). In China the history of winemaking dates back to 206 BC., before the Han dynasty (Chen, 2004). In 1892, Zhang Bishi set up the first Chinese wine seller, Changyu, which marked the beginning of the modern Chinese wine industry (Mitry et al., 2009).

In recent years, the increase in economic development in China has been associated with the increase in the consumption of wine and other quality products (Odai Falah Mohammad AL-Ghaswyneh, 2019) and the wine sector has become a fast-growing sub-sector in the food and beverage industry over the same period (Jia, 2018). Wine is related to agriculture and light industry; and to transport, tourism and other industries, a fact which unites China’s first, second and third industries (Li & Li, 2018).

The objective of this study is to explore the positioning of Spanish wine in China through an analysis of the Chinese wine consumption market, combined with the cultural background and living habits in China. The study is structured in three parts: the first describes and analyses the wine industry in China and Spain from a theoretical point of view, based on the data. The second, taking the case of Miguel Torres, analyses exports of Spanish wine to China from a practical standpoint. Finally, the strategic positioning of this project is analysed using a SWOT analysis to describe internal factors, weaknesses and strengths, and also external ones: Threats and opportunities.

1. The State of the Chinese Wine Market

China has a long history of winemaking, but due to cultural and dietary habits, the wine industry is only now kicking off in China (Yin, 2016) and is deeply influenced by globalization. A large number of foreign wine sellers have entered the Chinese market, bringing with them products, capital, technology and ideas. The presence of these companies has also improved the social awareness of wine and promoted industrial development (Bai, 2016).

According to data from the International Organization of Vine and Wine [OIV], in 2017, global wine consumption in 2017 stood at 24.3 bn litres, including wine from the United States (13%), France (11%), Italy (9%), Germany (8%) and China (7%) thus consuming 50% of all the world’s wine and making China the fifth largest consumer (OIV, 2018). In terms of growth, from 2013 to 2017, total wine consumption in the Chinese market increased by 8.4%, while consumption of imported wine in the Chinese market increased by 98%, thus Chinese wine imports have almost doubled over that 5 year period (OIV, 2018). Chinese wine consumption, especially the demand for imported wines, has been increasing over these years. Although the total amount of wine consumption in China has increased rapidly, the annual per
capita consumption of wine in China is much lower than that of France and Italy (Yin, 2016), which shows that China still has a great deal of room for growth of wine consumption.

In terms of wine production in China, according to the latest figures published (OIV, 2018), China currently has a total of 13 million mu (867,000 hectares), of which only 10% are grapes for wine while table grapes take up a greater proportion (OIV, 201). Meanwhile, in recent years, national wines have been competing with imported wines and market share has been reduced (Tian and Zhou, 2016). This is a great opportunity for foreign wine exporters.

According to the latest data published by the Chinese Customs Authority (AGAC, 2018), in 2017, imports of wine from China amounted to just under US$ 2.79 bn, an annual increase of approximately 17.9%. The average price stood at approximately US$ 3.74 per litre, a year-on-year increase of 0.91% (AGAC, 2018).

Imported wines are subdivided into bottled wine and bulk wine.

Table 1 shows imported wine bottled in China, by country of origin.

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (US$)</th>
<th>Volume (litres)</th>
<th>Average Price ($/litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 France</td>
<td>1,050,783,353</td>
<td>217,859,557</td>
<td>4.82</td>
</tr>
<tr>
<td>2 Australia</td>
<td>682,405,373</td>
<td>105,777,343</td>
<td>6.45</td>
</tr>
<tr>
<td>3 Chile</td>
<td>266,972,216</td>
<td>74,374,462</td>
<td>3.59</td>
</tr>
<tr>
<td>4 Spain</td>
<td>149,910,972</td>
<td>67,932,288</td>
<td>2.21</td>
</tr>
<tr>
<td>5 Italy</td>
<td>139,140,069</td>
<td>29,453,073</td>
<td>4.72</td>
</tr>
</tbody>
</table>

The five main exporting countries of bottled wine are France, Australia, Chile, Spain and Italy. As regards the total volume of bottled wine exported, France stands in the lead with almost 40% of the total. Prestigious countries with their also prestigious brands continue to send wine, and these distances begin to shorten. Spain stands third in the ranking, with an increase in the volume of exports of more than 30% compared to 2016 figures, and a total stake of 15%.

Table 2 shows wine imported in bulk into China.

By analysing and calculating the data shown in Table 2, we can see that, in 2017, the largest source of wines exported in bulk to China was Chile, which represented approximately 37.84% of the total amount of bulk wines. Although Spain ranked third, behind Chile and Australia, it had the lowest import price among the top five (AGAC, 2018).
Table 2. Wine imported in bulk by China (AGAC, 2018)

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (US)</th>
<th>Volume (litres)</th>
<th>Price Average ($/litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Chile</td>
<td>60,118,393</td>
<td>65,061,757</td>
<td>1.07</td>
</tr>
<tr>
<td>2 Australia</td>
<td>41,562,069</td>
<td>37,446,624</td>
<td>1.11</td>
</tr>
<tr>
<td>3 Spain</td>
<td>36,709,450</td>
<td>63,347,733</td>
<td>0.58</td>
</tr>
<tr>
<td>4 France</td>
<td>11,058,266</td>
<td>11,296,197</td>
<td>0.98</td>
</tr>
<tr>
<td>5 S. Africa</td>
<td>4,627,775</td>
<td>7,959,770</td>
<td>0.58</td>
</tr>
</tbody>
</table>

2. The wine industry in Spain

Spain has 967 wineries throughout the country, occupying first place in terms of surface area and number in the world (OIV, 2018). From the point of view of volume of production, with around 32.5 million hectolitres obtained in 2017 (13% of world production), Spain stood in third place after Italy and France (OIV, 2018).

According to OIV figures (OIV, 2018), Spain has been the largest wine exporting country in the world since 2013. Not only that, compared to other large wine exporters, such as France, Italy, Chile and Australia, this quantity has been growing year after year (Hernando, 2018). However, in 2017, Spanish wine exports only amounted to €2.8 bn, a figure which is lower than that of France and Italy in terms of the value of exported wine; i.e. the average value of Spanish exports was much lower than its competitors. Figure 1 shows Spanish exports to the main 10 markets over the last 18 years.

Markets have behaved unevenly (Fig. 1): Germany, France, the UK and the US are the 4 main markets for Spanish wines in the international market. Chinese imports of Spanish wine have increased considerably in the last decade; since 2016, China has become the largest importer of Spanish wine, in addition to the EU countries and the US. It is easy to see that the main export market during some time for Spanish red wine has been several EU countries. In comparison, the Chinese market is still relatively fresh for Spanish wines. It therefore presents a challenge for Spanish wines.
3. Chinese consumers

Li (2012) indicated that an increase in the level of per capita income in China has led to an increase in the consumption of quality products. According to data from the World Bank (The World Bank, 2019), China’s GDP increased from US$ 4.6 bn over the period from 2008 to 2018. The middle and upper classes have been expanding rapidly and consumer’s levels of consumption have continued to rise (Tang, 2019).

In recent years, there has been a trend to improve consumption in many consumer sectors in China, and Chinese concepts and patterns of consumption have become increasingly diversified (Hernando, 2018). In addition, the demand from domestic consumers has also changed the way of searching for basic consumer goods to the search for more convenient, easy and respectable enjoyment (Chao, 2018; Odai Falah Mohammad AL-Ghaswyneh 2019). The quality of consumption has continuously improved through consumer demand: from low quality to a demand from medium to high level consumers (Research Team of China Business Think Tank, Chinese Ministry of Commerce, 2018).

Wine contributes to meeting the social needs of people; in terms of both esteem and self-realization (Chen, 2014). Due to the large differences in national and regional GDP between different regions and cities in China, the levels of consumption of populations in different regions are very uneven (Wang et al., 2018).

In China, cities are classified by levels of development, depending on the agglomeration of commercial resources, into urban centres, business, diversity of lifestyles
and future plasticity. It is believed that, among the 338 cities in China, there are 4 more highly developed cities: Beijing, Shanghai, Guangzhou and Shenzhen. Fifteen cities are new first level and thirty are second level; the remainder fit in between levels 3 to 5.

The distribution of Chinese wine consumers has become increasingly widespread over different cities and geographical areas. Among wine consumers, citizens in the first and second level cities represent almost 90% (Zhang and Liu, 2016).

The current consumption situation in the Chinese wine market is as follows: The first level cities have greater purchasing power to consume, and the market in these cities is relatively mature. The second level cities have intermediate purchasing power and third-tier cities have weaker purchasing power (Li and Jia and He, 2010). However, in the meantime, wine consumption in third tier cities has also reached a certain degree of popularity. With economic growth, the potential development for the wine market in the second and third level cities has been stimulated, and the market size of the second and third level cities will continue to expand further in the future (Wang et al., 2018).

Alcohol consumption in China is deeply rooted in tradition, which includes drinking at social dinners and business meetings (Liu and Murphy, 2007). At the same time, companies will buy a large quantity of imported bottled wine to give to their own employees and other companies (Ruenes Pérez, 2015), showing respect and generosity towards their guests, as well as pointing to their own wealth and social status (Balestrini and Gamble, 2006).

In addition, as a link to build relationships, gifts are important and generally have a positive symbolic meaning. In China, the colour red represents good luck, joy and vitality. Due to its colour, among other factors, red wine is preferred by Chinese consumers, as opposed to other types of wines (Yu et al., 2009, Luppe et al., 2009). In contrast, since white wine has often been associated with bad luck in China, the growth of white wine consumption in China is slower (Liu and Murphy, 2007).

Besides, in terms of personal intention to consume, consumers are beginning to be interested in the health benefits of wine and consider it a healthy food (Bruwer and Li, 2007). Female consumers represent 45% of Chinese wine consumers, and 68% of them are buying wine because it is considered healthier (Yu, 2017).

4. Case Analysis: Torres China

Miguel Torres S. A (Torres wineries), is a family winery located in Vilafranca del Penedès, Catalonia, Spain. Founded in 1870 by the brothers, Jaime and Miguel Torres, it started its wine export business on the Chinese market in 1997. In September 1999, the Torres China company was set up in Shanghai. Its business scope is very broad, including international trade, import and export trading, alcoholic products, non-alcoholic beverages and food, business consulting etc. (Luppe et al., 2009). Over the course of many years, the company has been activating its internationalization
strategy in many countries around the world to run its commercial business. As a result of the differences in the economic and sociocultural sphere, national policies and market development stages, etc., Miguel Torres has undertaken several expansion policies in different countries.

Taking the development strategy in Chile as an example, in addition to the company’s own sales network, and the fact that they are distributors to hotels, restaurants and cafes (HORECA) as they are in Spain, the company has set up several of its own vineyards in Chile, growing local grape varieties there, and have developed their own new wine products with Chilean characteristics, such as pisco.

Due to the uniqueness of the culture and complexity of the market, in China, Miguel Torres has developed its own commercial strategy as a distributor and importer of wines from all over the world; such as French, Italian and Australian markets.

The area of business of Torres China is broad-based. Torres China set up its subsidiary in China with the intention of selling its own wines. Now it also represents 500 wines from almost 50 different brands, of which shareholdings not associated to Torres wineries account for approximately half of the sales.

At the same time, the company also offers wine tourism projects, so that customers can travel to foreign countries and visit wineries. Through these wine tourism trips, the company shares their knowledge of wine and spreads the wine culture to fit in with the different needs of customers, while doing business at the same time (Zhu, 2017).

4.1. Torres China distribution channels

Torres China is attempting to develop a quality strategy in China. Taking the figures for the distribution between sales channels up to 2017, the HORECA channels represented 35%, retail sales 25%, wholesale 20%, personal retail sales 15% and 5% for wine sold to airlines, embassies and consulates (Ji, 2017), where the risk was also distributed evenly.

Operations are structured in two parts: online and offline operations, depending on their distribution channels.

4.1.1. Offline operations

HORECA represents 35% of the total distribution channels for Torres China, according to its official website (http://chinese.torreschina.com/everwines, 2019), collaborating with hotels, restaurants and bars, among these, mainly luxury hotels across the world, and as a wine supplier to a number of high-end restaurants.

Apart from this, the second largest sales channel for the China Towers is minority sales, which covers 25% of the share-out. For Torres China, this distribution channel is divided into two different parts: Firstly, the company sells its wines through supermarket distribution channels, specifically with Carrefour supermarket (Zhang,
2017), so Carrefour consumers throughout the country can buy wines from this company. Secondly, Torres China founded a brand with the name of Everwines in China. And according to the information they put on their official website (http://chinese.torreschina.com/everwines, 2019), they have opened several specialized stores on behalf of Everwines in different cities in China.

Due to the relatively high standard of living in China’s first and second level cities, the wine consumption market is relatively mature, thus the majority of Chinese wine consumers are concentrated in first and second level cities (Wang et al., 2018). Now Torres China has opened a series of specialized stores in different first and second level cities in China (official company website: http://chinese.torreschina.com/everwines, 2019).

The stores consist of the following sections, which include a VIP room, a wine tasting room, a wine office with temperature control, and a bar counter. This provides customers with a relatively comfortable and professional business environment.

4.1.2. Online operations

During recent years, China has grown rapidly, e-commerce purchasing is not limited to computer-based purchasing and mobile terminals because the Smartphone’s (Deng, 2017). The favourite channel for buying wine for Chinese consumers is through e-commerce platforms (Wang et al., 2015). With the rapid growth of China’s online market, Torres China identified the importance of investing in this channel. Thus, the company runs its online operation in two different ways:

- Torres China set up a new B2C channel: everwines.com and committed itself to developing the wine market in China.
- It opened the company’s social network account at WeChat, to share information about their products and activities, and spread their influence through the network.

The B2C Everwines platform (https://www.everwines.com/, 2019) on the company’s website shows the Torres China products, with wines, spirits and mineral water from Spain, ham and wine accessories (glasses and bottle openers). There is also information such as wine tasting sessions, promotional information, and the location of their stores etc. If a consumer wants to choose a bottle of wine on this website, it can be selected by exporting countries, wineries, types of wine, etc. By selecting Spain as the country of origin of the wines at everwines.com, customers can see that the website offers a total of 58 different wines from five Spanish wineries, including red, white and rosé wine.

Among them, the cheapest is a red wine by the name of ‘altos ibéricos’ from the Torres winery, at a price of 115 yuanes (€14.73) and, the most expensive is a red wine indicated as ‘único 2007’ from one of the most prestigious wineries, Vega Sicilia, at a price of 11,876 yuanes (€1,521). The price range of wines most frequently
purchased by Chinese consumers ranges between 100 and 300 yuan (Zhang and Liu, 2016). It can be seen that the Spanish wines they sell are mainly for groups of consumers in the medium to high income range.

JD.com, also known as Jingdong, is an e-commerce company with its head office in Beijing and is one of the most successful B2C platforms in China. In addition to operating its own online store, Torres China has also cooperated with JD.com to sell its products on its platform. Thus, the company has expanded its distribution channels for online business.

By analysing the distribution channels of Torres China, we can see that they are very diverse both online or offline. A variety of distribution channels not only meet the needs of different groups of consumers but also help spread the risk, thus reducing the overall risk for the company (Ji, 2017). At the same time, another important part of Torres China’s online operations, as mentioned above, is the use of China’s famous social media platforms, WeChat.

Over the last 10 years, smart terminal devices - smart phones - have become a daily communication tool that people can barely do without (Fu and Lai, 2016). Social media, as one of the typical representatives of the new media, has provided more opportunities and challenges to companies, due to their social attributes and the convenience of mobile Internet. Therefore, many companies have tried to provide marketing communication through social media to provide consumers with more value (Lai, 2017).

According to Tencent’s first quarter performance report for 2019, among the many instant chat tools in China, WeChat is the most used and has the largest user base. In the first quarter of 2019, WeChat’s active accounts totalled over 1.11 bn worldwide (Tencent, 2019).

Almost all consumers and businesses in China now have their WeChat accounts. WeChat platform marketing has become a major way of doing business in China. With this mobile application, they are able to collect customer data more effectively to understand customer needs, while promoting their business and improving customer interaction.

4.2. Wine tourism in Torres China

Wine tourism is a concept that is often mentioned in the wine business. In the various definitions of this phenomenon, there is an idea that wine tourism is both an act of consumption and a strategy for the company to develop geographical regions and wine markets, while allowing wineries to sell products directly to consumers, which gives them more opportunities (Getz and Brown, 2006).

Looking at the choice of travel destination, between the two routes, the first tourist route is a visit to the Miguel Torres winery, which is the founding company of Torres China. The second tourist route offers the opportunity to visit the Australian vineyards and winery that is working with Torres China. In the comparison of these 2 routes, Spain is a representative of the “old world” in the wine sector, and
Australia is a representative country of the “new world”. Australian wines ranked second in terms of bulk wine imports into China in 2018, becoming popular in China in recent years.

Travel will surely help to create a memory and a link with emotional resonance between these wineries and customers, which will have a positive impact on the company’s future sales.

China’s traditional wine culture prefers liquors made from grains, and for the Chinese, knowledge of wine is relatively limited. Through wine tourism travel, Chinese consumers will be able to learn more about wines, also making it easier for them to have a better understanding of the wine itself and to achieve a better grasp of the cultures of the countries that produce them.

4.3. SWOT analysis

Below is a SWOT analysis run on Torres China. With this tool, the company can identify opportunities, overcome threats, take advantage of its strengths and resolve its weaknesses.

Strengths

1. Torres China has now been present in China for over 20 years, dating back to 2017. Compared to some competitors, Torres China has gained a fair degree of understanding of the Chinese market and its consumers, and has a relatively rich experience there.

2. Miguel Torres has successfully conducted business in many parts of the world and has a significant presence internationally.

3. Torres China has multiple distribution channels both offline and online. This balanced distribution means that the risk can be spread evenly (Ji, 2017).

4. The company maintains good relations with local distributors in the Chinese market to achieve beneficial cooperation.

5. Torres China acts as a distributor and importer not only of its own products but also of other vineyard’s wines from all over the world such as French, Italian and Australian wines.

6. The scope is broad-based: regarding the types of goods sold, the company not only sells imported wines and wine accessories but also Spanish ham and imported high-grade mineral water. In addition to food and beverages, the company operates ecotourism projects at the same time. Thus, the company has adopted a diversified business strategy.

7. Miguel Torres has his own vineyards in different geographical locations around the world with strict control over the quality of its wines.

8. Fifty brands of wines are available, of different standards and from different backgrounds, to satisfy the various different tastes of customers.
9. The company focuses on product quality and scientific and technological research and development and continues to invest capital in product R&D.
10. The management team consists of experienced experts from different countries who can respond quickly to complex and ever-changing market conditions.
11. The management team is composed of both Chinese and international managers to both understand Chinese culture and ensure the Spanish philosophy of the company.

Weaknesses

1. For the Chinese market, the use of advertising and marketing is less common, and awareness of the company and its products needs to be increased. More marketing activities should thus be carried out in the light of the characteristics of the Chinese market and consumer preferences.
2. In the Chinese market, the company’s image and the Torres brand are not clear enough to be unique and differentiated, when compared to competitors.
3. There is a lack of product design for different groups of consumers. For example, it is worth studying how to attract young consumers in terms of flavour and packaging.
4. While enriching the company’s product type, wines from other countries are also competitors of Spanish wines in the Chinese market. This provides them with a sales platform that undoubtedly reduces the development space which Torres China has opened up with its own wineries.
5. A wide variety of distribution channels provides advantages for sales volume while also causing cost pressure. How to maintain the advantage while reducing costs is a problem.
6. Bearing in mind the many wines sold, there is poor promotion and a lack of introduction of wines of the highest quality.

Opportunities

1. China has a large market and a large number of consumers.
2. Recently, wine awareness among Chinese consumers has been improving.
3. As mentioned before, wine imports in China have almost doubled in the last five years and have a trend to continue growing. This means that the wine market in China is not yet fully developed and is still in the process of continuous growth.
4. With the development of the Chinese economy, the demand for quality wine by Chinese consumers is increasingly exacting.
5. In China, discos and karaoke bars have become the main venues for high-end wine consumption (Tang, 2006). Wine distribution should not only be limited to the traditional HORECA channel but also to other leisure channels, such
as karaoke, which is one of the most common types of entertainment in China (Bian, 2017).

6. In recent years, a number of Chinese television programmes have been filmed in Spain, and some celebrities have invested in and travelled around in Spain, increasing the knowledge of Chinese society about Spain.

7. Now China is striving to develop “the Belt and Road” Strategy. It is hoped that this link will start from China towards the countries throughout the European Union and jointly develop the economy and cooperate to revitalize the old “Silk Road”, through international cooperation. Thus, it will be possible to achieve common development between countries in the context of economic globalization (Ding, 2016).

8. In recent years, Internet in China has developed rapidly. According to a statistical report on the development of the Internet in China (JSWR, 2019), Chinese Internet users totalled more than 820 million people, among them, more than 600 million were online shopping users. Online shopping has changed people’s lifestyles and online marketing has penetrated several different industries and fields of business (Liu, 1999). Internet marketing provides new technical resources for the sale of wine, consequently wine merchants face very favourable marketing opportunities (Zhu, 2012).

9. In the Spanish wine sector, there is an important concept: the multiplication of Protected Designations of Origin (PDO). This quality certificate is valued by both producers and consumers (Resano et al., 2004).

Threats

1. China’s wine market is growing rapidly, but with some degree of complexity and turbulence.

2. Spanish wines, more classic in nature, have to compete against wines from newer geographical areas.

3. Political factors have some influence in this sector. For example, Australia and Chile are currently enjoying the benefits that come from economic and commercial cooperation with China. In 2015, the China-Australia Free Trade Agreement (CAFTA, 2015) was signed to confirm that China will gradually reduce import tariffs. Since 2016, Chilean wine companies have not paid customs duties on products exported to China, and by 2020, Australia and China will achieve free trade (Synder, 2016).

4. Due to the earlier entry into the Chinese market and appropriate marketing measures, French wines have the highest overall level of recognition among Chinese consumers, as the leader in the imported wine market in China (Agnolli, Capittelo and Begalli, 2016).

5. Among the many international competitors, Spanish wine does not have a strong, clear image in the minds of Chinese consumers.

6. Spanish wine lacks effective advertising and promotion in the Chinese market.
7. Some Spanish exporters have been selling large quantities of low-quality wines to the Chinese market, damaging the image of Spanish wines there. This problem is serious and must be seriously resolved. In recent years, Chinese consumers’ requirements for wine quality have become increasingly high, with the low-end sector of the Chinese wine market becoming increasingly smaller.

8. The tastes and spending habits of Chinese consumers differ from consumers in other countries due to cultural differences.

9. The majority of Chinese consumers still lack knowledge of wine and 75% of Chinese consumers know very little or nothing at all about wine and wine culture (Xu et al., 2019).

5. Conclusions

Spanish wines have a long history of wine making, strict quality requirements and a complete classification system, which is competitive and influential on the international market. Chinese consumers value Spanish wines very positively, although there are barriers to the penetration of Spanish products into the Chinese market. In order to overcome these difficulties, communication and cooperation require to be strengthened and some agreements that would be conducive to business development between the two countries should be adopted.

Secondly, business between the two countries should be boosted to improve understanding and mutual trust between the peoples of China and Spain and promote Spanish wines.

From the SWOT analysis run, the three key aspects requiring attention in order for Spanish exporters to sell wine to the Chinese market become clear: 1) Spanish wines need to establish a clear and strong image in the Chinese market, either through greater efforts made in advertising. 2) The main competitors of Spanish wines in the Chinese market are France, Chile and Australia, and in competing with these countries Spanish wines must define the appropriate strategies and products. 3) In order to preserve their own product characteristics and business philosophy and penetrate the Chinese consumer market and as far as it is important to understand the habits and needs of Chinese consumers, a mixed management group combining Spanish and Chinese directors could facilitate management.

It is advisable to take advantage of the rapid development of China’s electronic information technology, using more electronic tools, either in terms of marketing or distribution channel design.

The wine market in China is in a process of rapid and continuous development, and Chinese consumers, especially, increasingly demand imported wines. We believe that Spanish companies still have many opportunities in the Chinese market. In future studies it would be worth analysing the importance of different factors for the development of Spanish wineries in the Chinese market.
Declaration of conflicts of interest

The author declares that there are no conflicts of interest in relation to the research, authorship or publication of this study.

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