

# A summary of dissertation

[Business](#), [Marketing](#)



Summary Contents Literature review 3 Research methodology 3 Findings 4 Reference List 6 Literature review Wine can be associated with the prehistoric culture of China. As a result of increased consumer awareness and rising income, the demand for wine in China has grown over years. Top class brand of wine are being imported in high amount from markets such as France, Italy and Australia (Bobik, 2012). As a result of the changing demographics, wine marketers are shifting their target market to young, elite Chinese graduates of age group 20-35. Italy is a supplier and producer of high class wine. Increasing competition and favourable perception has helped Italian wine to get a good share of the Chinese wine market. Eradication of customs duty is another reason for the rising demand of wines, especially in corporate and government organizations (Prasad, 2009). However, various conditions have caused a derogatory situation for Italian wines in China. Rising cases of fake European wines have negatively impacted the Italian wine market. Also, rising conflicts and trade disputes between European Union and China have also negatively impacted the overall perception of Italian wines in China. In order to negate the worsening conditions of the trade market, various steps have been taken. Collaborations between Chinese wine distributors and Italian wine products have been very influential in maintaining closed relations between the two. Talking about the distribution channels, Wines Corporation and National Sugar are the major players, who monitor and control the entire distribution process of wines. However, joint ventures are making their presence felt in various Chinese territories. Talking about the entry barriers, Chinese government and retail chains are the major entry barriers for Italian wines.

High capital investments are another reason why companies are shying away from establishing plants in China. The final research question after a comprehensive literature review was to assess the current as well as future status of marketing of Italian wine in the markets of China. The research question was also extended which was to find out the perception of Chinese consumers towards Italian wine. Research methodology The main intention of this research is investigating the progress of export of the Italian wine to China. Secondary data from newspapers and journals has been used for evaluations. The major goals of this research are 1. Assessing the viability of Chinese wine industry. 2. Finding out the possibility of eradicating Chinese cultural barriers by Italian wine exporters. 3. Critical analysis of the Italian wine in China and forecasting measures for the implementation of future growth of this sector. The research has employed both quantitative and qualitative data for answering the objectives of the research. Overall the research has adopted positivist model. However, in critical discussion, partial interpretive philosophy has been adopted. Non- experimental strategies have been used for objective completion. Findings Apart from being one of the most populated countries in the world, China is also one of the emerging nations where the number of young consumers are rising at a fast pace. This has opened a host of opportunity for international markets to cater this emerging nation. A pestle analysis was done in order to analyze the macro environment of China. The pestle analysis has shown that the economy of China is rising as a result of the increasing income groups and living standards (Daft, Kendrick and Vershinina, 2010). This has increased the overall demand for international Wines. However strict regulations from the

Chinese government as well as dominant and rigged retail industry are not allowing the international wine majors to grow in Chinese market (Clarke, 2003). According to the Porter's five forces theory, bargaining power of the sellers in the wine industry is moderately low. There is steep rivalry among the sellers to gain market share. This sets the scenario of a strongly competitive market. SWOT analysis was conducted to find out the internal strengths and weaknesses and external opportunities and threats of the Italian wine industry in China (Richter and Pahl, 2009). China is one of the major emerging economies with large population base. However the rate of wine consumption among Chinese consumers is quite low compared to the overall population. Government regulations and transportation and storage facilities are other factors responsible for low growth of international wine market in China. However various opportunities lie in the Chinese market. Changes in monetary policies and encouragement from the government, declining tariffs on wine import and increasing purchasing power of consumers have provided opportunities for the overall expansion of wine industry (Knox, 2004). The biggest threat for international wine industries is the culture of China where people tend to opt for hard liquor rather than fine varieties of wine. Thus it can be said that though there is a wide scope for development in China, companies will have to have high level of awareness in terms of opportunities as well as overall perception of Chinese consumers.

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