

KEMI-TORNIO UNIVERSITY OF APPLIED SCIENCES

French Red Wine Sales in Southern China

Case: Frere International Trade Limited Company

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ABSTRACT

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The Objective of this thesis is finding out sales strategy of the French red wine business to southern China market, and the thesis discusses business environment in southern China. We expect that sales strategy can help the case company extend their business.

This thesis employs a research method of a combination of qualitative and quantitative research in addition, the focus on qualitative research. The interview and secondary data analysis are the main data collection techniques in the thesis.

First, I by the network data and secondary data collection and processing, and find out the current market situation, the whole Chinese sales situation and the characteristics of red wine. After that, I designed the interview questions, and chose 20 people in southern China for interview. From this interview, the author sums up the practical experience of how to sale red wine in China. Next, I by sorting out the data obtained, and combining the results of the SWOT analysis, found out the difficulties Frere International Trade Limited Company will face and the advantages of the case company in red wine sales.

The result of this thesis is a feasible strategic sales plan for the case company. The author named it Separate Sales Strategy. The new strategic sales plan is based on internal and external situations analysis and SWOT analysis. The strategic sales plan puts forward new suggestions for extending the case company's business.

Key Words: strategic sales plan, internal and external analysis, situation analysis, SWOT analysis, Separate sales strategy

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1 INTRODUCTION

1.1 Background

Frere International Trade Limited Company is a trade company in southern China and it exports its product French red wine to China from France; its product is French red wine. This company was founded on 2011; the location of this company is Xiangtan city, Hunan province, China. It founded by Chenjian and Zhouyou. In my thesis, I focus on researching southern Chinese wine market in order to make a sales strategy for the case company. The thesis includes an overview of the Chinese market and my future plan of developing my business in China. In the study time I have got a very nice chance in the practical training, I had an opportunity to do my company in France, then I learned to know the product after consideration I got an idea to start my own company

As I said before, this company is a new and small company in China. It has a lot of limits on scale and funds. How to make it grow and help the case company make its first step is what I care most. I hope through this thesis I can find answer to these questions.

Before this company was opened, one of the managers of the case company worked in a red wine company in France. In that company his responsibility was to import and export wine between France and China. He understands the way of supply chain. Therefore, I do not need to worry about supply, and therefore my focus in on sales in the case company. It means that I need to find out how I can get customers and what I can do for them. Before the traineeship in France, I did not have any experience or business relationship in the wine industry, in addition, I do not know how to find my customer and how to keep them. However fortunately I have two partners working with me. One of them is from the French traineeship company, and he knows how to select wine and launch red wine into Chinese market, the other friend also has the same knowledge.

The main business of my company is about importing and sales trade. In my thesis I focus on the sales, and my objective is to prove that French red wine can make a success in Chinese market; another objective is to find feasible strategies to sell that product.

Starting up a business is challenging. A feasible strategy for winning customers is crucial for a successful business. Once the company is on the track of smooth running, everything will be easier. Therefore, in the beginning I am planning to open only one shop.

1.2 Objective and Research Question

The research deals with how to sell the French red wine business to southern China market and the thesis discusses business environment in southern China. In the thesis I has separate the objective to be two research questions: one is what is the sales strategy of French red wine in southern China; the other one is what is the best way to design the southern China market. Through the two questions we can achieve the red wine sales strategy in southern China. And we can achieve the knowledge of the business environment in southern China, at last use the knowledge to help this case company to be success.

The research questions are as follow:

1. What is the sales strategy of French red wine in southern China?

The case company is a small company in China; therefore, it has so many limits on sales. This question is aimed to find out one sales strategy plan for this case company. China is a very big market for every industry. Red wine is a new industry for China, and it has a huge developing potential. Therefore, more and an increasing number of red wine shops have been founded in China. Because the competition in wine industry is very strong, making a feasible sales strategy is very important for the case company. This case

company, as a new company in China, did not have any experience that is why making a sales strategy plan on time is very necessary and urgent. In my thesis I have considered the real situation in Chinese market in order to find out a suitable sales strategy plan for the case company.

2. What is the best way to design the southern China market?

In order to help this case company get more market share, I have to design a good sales plan for wine sales. That company is a trade company, therefore when I design the sales plan, I have divided it into three parts. Then I pay attention to the communication with consumers. Here I have sorted the customers into two parts: one part of is the ordinary buyer and the other part is wholesaler in China. Therefore, I have divided this question into three sub-questions.

What is the best way to design the supply product from France?

As I said, the main business of this company is trade. Almost all of its products are from French, which means supply should rely on import. That is a big risk for the case company. Therefore, import supply is an important part.

What is the best way to design wholesaler plan in southern China?

The model of this company is business to business model. In my thesis the business to business is from this case company to wholesaler. That is a very important customer segment for us. I want to make this company as a mediator between French and Chinese market. Through the answers to this question, I can analyze the wholesale demand, through analysis to design a business to business sales plan.

What is the best way to design ordinary buyer sales plan?

In order to reduce the sales risk of case company, I have considered other customer groups. From an economic perspective, the business to business model is not the only sales model. For this reason, the case company should have more ways to sell; business

to customer model also can be used the case company.

Red wine customers almost are around person or group. Therefore for all of wholesale business, the last target group is individual customers. It is the same of case company; therefore we should have a plan for business to customers. In the thesis I base on the wine price separate the customer into three levels: Low price level, Mid-range level and High Price level.

1.3 Methodology

My study is a descriptive research on the problem of exploring wine market in China and develops the business in the future.

In the thesis I use qualitative research and quantitative research. The quantitative research is all about quantifying relationships between variables. Variables are such as performance, time, and treatment (Hopkins 2008, 23). The quantitative research technique includes survey. China is a developing country, its economy and almost every industry are grown very fast, and the red wine industry is also developed very fast. In the thesis I used this case company quantitative data and other sales quantitative data to make the analysis.

Qualitative research is a vast and complex area of methodology. Qualitative research technique includes group discussions and interviews. (Plymouth 2006, 2.) An interview is a very important research technique in my thesis; I designed an interview for the qualitative research, and collected more qualitative data from the literature. At last, I compared the literature and interview to make qualitative analysis.

In order to achieve my objective, I used concept and sales theories to guide my research. It increased the reasonable for my research. On the basis of experiment I can get more detail experience to support the theory. At last, I combined the current marketing situation and sales theory to create a whole new guideline of doing business for the case

company.

1.4 Structure of the study

Literature review is provided in Chapter 2 through a comprehensive review of the current literature, such as books and papers about sales theories. Research Methodology and data Collection are discussed in Chapter 3. Chapter 4 focuses on Empirical Analysis Chapter 5 provides the Conclusions of this research, including the discussion of some limitations and suggestions for further research.

2 LITERATURE REVIEW

In this chapter, I have given a comprehensive review of about the literatures regarding sales theories and try to find a theoretical approach which suits red wine market most. This theoretical approach should include factors such as sales strategy and pre-market investment.

2.1 Sales strategy plan perspective

The sales strategy plan perspective should be a controllable factor that covers customers' demand. Some American experts point out that there should be 12 factors (Ahonen & Kasper 2005,35). Richards (2006, 23) divides these factors into 4 categories, which are products, prices, promotion and channel. In 1960, McCarthy rephrased them as Product, Price, Place and Promotion, which is the famous '4P' theory (Naglieri & Harrison 1982,155).

In the sales strategy plan, product usually refers to a set of commodity and services that enterprise offer, which does not only include the quality, brand, package and standard of the product, but also include factors such as service and warranty, (Gorchels 2001). Price refers to the economic return after the product has been sold, which includes price, discount, ways of payment, time of payment and credit condition, (Baker & Marn 2010). Place usually means distribution channel, which stands for all kinds of location, warehouse, transportation and so on. Promotion refers to that enterprise takes advantage of the mass media and technology to communicate with the market, which includes advertisement, promotion, sale and public relation. (Gorchels 2001).

2.1.1 Product Strategy

As Philip Kotler (1999) points out “Product is what has been provided to the market that can arouse people’s attention, usage and consumption” (cited in Walsh & Fletcher 2008, 23-26). He divided product into five levels: Core product. Core product is the basic interest and the actual product that customers is looking for; Iconic product. Iconic product is the outlook of the product that enterprise offers to the market; Expectation product a series of features and conditions that customers are expecting; Extended product, Extended product is an interest sum of the product and the other value comes along with this product; Potential product. Potential product refers to those products that represent the future direction and tendency of consumption (Walsh & Fletcher 2008, 55-56).

Product combination strategy and product line strategy (Dutta & Zbaracki 2003,630). Product combination strategy refers to a combination of the product that enterprise has offered to the market. Product combination of an enterprise usually possesses some sort of wideness, depth, length and relationship with one another. Enterprise could use following ways to make their product combination: (A) Create new product pipeline to increase the wideness of production; (B) Delete an existing pipeline to decrease the wideness of production; (C) Adjust the length of production; (D) Adjust the depth of production; (E) Strengthen the relationship among existing products; (F) Weaken the relationship among existing products.

Brand strategy. Brand is the core of this strategy (Crittenden 2010,7). It can be defined as that “Brand is a name, an item, a sign, a symbol, a design or a combination of them. Its main function is to distinguish your product or service from all the others. ”The most long lasting essence of a brand should be its value, culture and characteristic which are the basic factors of a brand. A certain brand usually last much longer than any actual product. To some extends a brand is a long time capital of a company. Actually, every good brand stands for a group of customers of loyalty. Therefore we should see the brand

management as a main sales tool.

Package strategy: There are three levels of package: internal package, middle package and external package. The core factor of package strategy is the ideology of packing, which is the guideline of product packing. Then we decide the size, shape, texture, color and the word expression of the package. A good package should have its own originality and can help creating a brand image, it should also be very easy for customers to remember and accept, and besides, it should comply with environmental requirements (Spink & Singh 2011,24-28).

New product development strategy. New product can be divided into four categories: Brand new product, which refers to new invention or creation; New production line, which refers to the production line that a enterprise use for the first time; Enterprise-market new product, which refers to those products that are both new for either manufacturer or market (Spink & Singh 2011,40-46).

2.1.2 Pricing Strategy

In the process of modern sales, the strategy of pricing is a very important factor. The process of pricing is affected by both internal and external factors. The price of a product is also varied along with its life circle, demand, and competition environment (Dutta & Zbaracki 2003, 44-45).

Considering the all the factors that can affect pricing, we should take different strategies as follow:

New product pricing

A. Over pricing, which means giving a new product a price tag as high as possible, in order to get as much profits as possible. It also helps to retrieve investment as quickly as

possible.

B. Under pricing, which refers to giving a new product a price tag as low as possible, in order to attract customers as quickly as possible. It also helps to take as much market share as possible.

Product combination pricing strategy. The pricing strategy will need to make a change if a product belongs to a certain product combination. Enterprise set a group of prices for a series of products to achieve maximum profit (Venkatesh 2010,35). As you can see in Table No. 1

Table 1: product combination pricing strategy

Pricing strategy	Content of pricing
Product series pricing	Set price difference among product series
Alternative product pricing	Set price for alternative product
Auxiliary product pricing	Set price for Auxiliary product pricing
By product pricing	Set price for Byproduct
Group product pricing	Set price for a group of products

(1) The strategy of price adjustment. In order to suit different situations in every levels of market, enterprise should make a price adjustment (Venkatesh 2010,50).

- a) Discount pricing, which refers to attract customers by giving them all sorts of discounts such as cash back, quantity discount, season discount or function discount, etc..
- b) Price discrimination, which means that enterprise adjust the basic price of a commodity in order to cater to different customers, sales locations or sales timing.
- c) Price expectation, which means that enterprise set a price through psychological method.

- d) Promotion pricing, which refers to that enterprise temporarily set a promotion price that are lower than its standard price, sometimes even lower than the actual cost of this product.
- e) International pricing, which refers to that enterprise adjusts their price to suit the requirements of different markets from around the world.

Because that the internal and the external environment that an enterprise is facing is changing all the time, sometimes enterprise have to make changes of its product price. However, no matter how they adjust the price, the reaction of their customers and their business rivals are very important for this price adjustment (Venkatesh 2010,74-80).

2.1.3 Channel strategy

The channel strategy refers to that in the process of product transportation from manufacturer to customers, the enterprise or the individuals who are able to acquire the ownership of those product can be called as a Channel (Anderson 2003,76). Therefore, the distribution channel contains a middleman and all kinds of agent middlemen and also the manufacturer and the customers. The distribution channel can be sorted as direct channel and indirect channel (Wallace & Johnson 2009,46).

When we are making channel strategy, there are some factors that have to be taken into account: A) Product factor, which includes the size, weight and some special features of the product. B) Market factor, which mainly consider the characters of customers, the scale of retail shops and the type of your rival's channel. C) Production factor, which includes the productivity, product combination and the competence of a channel. D) Environment factor (Anderson 2003).

2.1.4 Promotion strategy

The combination of sales promotions includes advertising, personnel promotion, sales

promotion and public relations, etc.

- a) Personnel promotion strategy. Personnel promotion strategy refers to that salesman helps and persuade customers to buy some certain commodities or service (Cron& Cravens. 2010,88).
- b) Sales service. The satisfaction of customers is of great importance. Therefore, we should satisfy our old or new customers all the time (Cron& Cravens. 2010,65).
- c) Advertising strategy. Advertising strategy includes the selection of advertising media and advertising design. Advertising media usually includes mass media such as news paper, publications, broadcasting advertisement and TV advertisement. Promotion media which includes outdoor advertisement, sports advertisement, transport advertisement and so on (Scott & Walker 2010,13).
- d) Sales promotion. Sales promotion refers to those temporary sales promotion in order to stimulate and arouse customers' purchase desire (Scott & Walker 2010,65).
- e) Public relations. Public relation is one of the very important promotion tools, which focuses on establish a good relation with the public and erect a good social image and social reputation of a enterprise (Grunig 1993,164-173).

2.2 Sales starting point analysis

2.2.1 Internal analysis

Strategic analysis of any business enterprise involves the following two stages: Internal and External analysis (van Wijngaarden & Scholten 2010,89). Internal analysis is the systematic evaluation of the key internal features of an organization (van Wijngaarden & Scholten 2010,92).

Four broad areas need to be considered for internal analysis:

- a) The organization's resources, capabilities
- b) The way in which the organization configures and co-ordinates its key value-adding activities
- c) The structure of the organization and the characteristics of its culture

- d) The performance of the organization as measured by the strength of its products

2.2.2 Customer and target group analysis

In the fields of marketing and advertisement, target group can be defined as a population which is targeted by any certain sales activity. Sales activity mainly refers to promotion activity and also refers to a political election campaign. Target group could be a demographic group such as an age group, sex group or marital status, etc... Usually one target group could include several demographic groups, such as groups from 20 to 30 years old. The process of sales could also cover those groups that are not one of your targets. How to locate a proper target group of your commodity is of great importance (Karwowski & Salvendy 2010,177-206).

In the process of sales, we should also take the existence of “potential customers” into account. The so called “potential customers” are those who are very likely to become actual customers. These potential customers possess interest, demand and ability of purchasing but have not yet established any actual business relation with the dealers (Kaul & Ali 2008,101-161). Potential customers can be divided into two parts as conventional customers and customers from rivals. Conventional customers refer to those who are just thinking of buying a certain commodity but have not yet actually become any dealer’s real customers and those who have already bought something from a dealer but are still very likely to buy the same kind of commodity from any other dealers (Andersson 2006). Customers from rivals refer to those customers from your business rivals or contender. In modern market, except for those big monopoly enterprise, the chance that a certain commodity or service is provided only by one supplier is very small. Therefore in a circumstance of competition, the list of potential customers of one enterprise would possibly become the gain of customers of the other enterprise. As a result, the main target that every enterprise is focusing on is the “Potential customers”.

There are three conditions to define Potential customers (Andersson & Freeman 2006). (1)Those who can benefit from the purchase of a certain commodity.(2)Those who can really afford to make the purchase regardless of how much they desire to buy the commodity.(3)Those who are eligible or have been authorized to make a purchase or to make a selection of any brands as they wish.

Imported red wine is still an emerging industry in China, which contains huge market potentials. Information from Internet could be very useful if the wine has been sold in that big metropolis as Beijing and Shanghai, however the information on the other hand could be utterly and completely useless if it's been sold in those less developed cities. The problem has now become obvious and urgent, we can see a huge market potential without a door to get in. How could we locate the Potential customers for those imported red wine from France? Or what are the places where the Potential customers of imported red wine are gathering? As far as I am concerned:

1. As a symbol of exquisite taste and healthy life style, red wine shows only in those occasions when luxury goods are present. For instance you can easily tell whether the economic environment and the consumption concept of a certain area is good or not just by walking into a department store and checking out the arrangement of those luxury goods. The more often the luxury goods show the better their economy is. Therefore when it comes to the selection of selling location, those imported red wine has to go to a high-end business circle.

2. It would be ideal if we could do a brand sale in a big famous department store, in addition, that could cost you a big fortune to cover the rent as well. Moreover, dealers could have a bigger maneuverability to do their promotion campaign without unified regulations from the department store. Therefore it would be better to arrange our sales site around a big department store instead of inside it. Some of the imported wine dealers have already followed this path and this is also my own practice.

3. In terms of the actual situation in China, most of the red wine consumption comes from those reception feasts conducting by government and enterprise. Therefore I think how to get in to this potential market is crucial for the promotion of imported red wine.

2.2.3 Market analysis

Market analysis is an economic analysis of the scale, location, capacity and features of market, which refers to analyse and decide whether or not a certain commodity would achieve success within a period of time, according to market research and supply-demand relation (Ahonen & Kasper 2005,12-15).

Market analysis can be divided into three kinds(Gorchels 2001):

- (1) The anticipation analysis of market demand. It includes assessment and anticipation of market requirement capacity and competitiveness of certain commodity, which is usually through statistic analysis and relation analysis.
- (2) The analysis of demand level and regional market demand capacity analysis. It refers to find out demand capacity and cost of sale of different consumers in different regions, which is usually through the analysis of the production and distribution distinguishing, the market distinguishing and the market occupation.
- (3) The assessment of life cycle. It refers to the anticipation time span of market demand, which allow those activities of production and distribution cooperate smoothly with each other. Through market analysis, we can find out the future demand capacity, the life cycle of certain commodity, the distribution path, the competitiveness and the product standard of certain commodity. In the researches of industry development and distribution, market analysis helps to locate the regional industry sectors or the development level and scale of an enterprise, which are very helpful for an enterprise to adjust its production structure and improve

competitiveness. And also it helps to get an optimized production distribution for the sake of minimized transport and production cost.

2.2.4 Demand analysis

The sudden variation of product or service demands is what brings an enterprise the most risks. Therefore there are two main goals of demand analysis, which are as follows: (1) it offers a foundation for efficient demand management and it helps to anticipate sales and profits. From economic perspective, commodity demand (including consumables and service) are the will which contains affordability and buying intention (Kurowski & Sussman 2011). Demand always focuses on a certain period of time, a range and even prize. One usually start demand analysis from the following aspects: (1) the amount of consumers; (2) the features of commodity; (3) The life cycle of commodity consumption; (4) Demand dependency and The lasting time of demand (Fogarty 2010,30).

Demand can be divided into two kinds:

1. Spontaneous Demand: The demand of certain commodity generated independently from other commodities.
2. Derived Demand: The demand of certain commodity is related to others. Some of these derived demand act as final products whereas others act as middle products.

Two important factors of demand analysis:

1. Individual demand curve: By holding other conditions instant, Individual demand curve is the maximum amount of commodity that consumers are will to buy.
2. The law of demand: We suppose in a short period of time, the other factor can hardly change, when price is declining, demand is increasing; when price is climbing, demand is declining.

2.2.5 Competitor analysis

The main goal of Competitor analysis is to judge one competitor's strategies and development direction. The analysis of competitor is a very important way of determine the strategic position of an organization in a certain industry (Bergen & Peteraf 2002, 157-169).

Competitor analysis includes five following steps.

1. Competitor recognition.
2. Strategy recognition of competitor
3. Target determination of competitor
4. Advantage and disadvantage assessment
5. Reaction mode of competitor

2.2.6 SWOT analysis

Competitor theory analyzes and demonstrates the "could do" aspects of your competitor beginning with industry structure (van Wijngaarden & Scholten 2010,55-60). However, experts from ability management, on the other hand, use value chain to demonstrate the process of enterprise's value creation. The SWOT analysis is a synthesis of both approaches (Srinivasan, S. 2010, 50).

SWOT analysis is actually an internal analysis of a certain enterprise, which is an analysis of internal conditions, in order to locate the advantages, disadvantages and the core competitiveness of an enterprise (Srinivasan 2010). Among its name, S stands for strength, W refers to weakness, O represents opportunity and I means threat. S and W are internal factors and O and T are external factors. According to the complete concept of competition strategy, strategy should be a mix of "can do" as well as "could do" of an enterprise. Comparing with other analytic methods, SWOT possesses obvious structural and systematic features from very beginning. When it comes to structural feature, first of all, SWOT appears as a structure matrix. Secondly, the main theory foundation of

SWOT emphasizes structural analysis of enterprise's internal and external resources. Besides, Before 1960s when SWOT has not been invented, there were analysis regarding the factors of internal advantages, weakness, external opportunities and risk of an enterprise respectively, in addition most of those analyses were rather independent to one another. Therefore, the very important contribution of SWOT analysis is that it is a integrated analysis of those factors which were once separated from each other through a systematic way of thinking (Srinivasan 2010).

2.2.7 Sales objective

The sales objective refers to the objective that an enterprise is planning to achieve. It is also the core of a sales strategy, which directs the whole sales strategy and action plan (Cron & Cravens 2010 77-80). The establishment of sales objective is based on the analysis of current situation and the anticipation of future opportunities and risks, which usually contains financial objective and sales objective (Williamson 1992,35).

The types of sale objective:

1. "Cost and profit oriented": This is a very popular way in many small enterprise, which is set up according to the cost and the profit anticipation of your company. It is inappropriate to say that this way of objective set up is wrong because that during the starting period of a small company, to survive is in an urgent need. In addition, this will definitely become a kind of limitation if companies always make their sale objective through this way.
2. Simple analogy: This is also a way that's been using by many companies, which refers to that after considering the resources that are important for company's operation, we make a simple analogy concerning the average growth with our counterparts in the same business, and according to which to set our future objectives.

1. Analyze and deduce: This is the most scientific way of setting business objective. After making an assessment of company's the performance and its own resource in the past a few years, we analyze these figures with a well- established theoretical model. Through a model calculating we deduce a reasonable range of sales objective.

3 RESEARCH METHODOLOGIES AND DATA COLLECTION

After the discussion of a sales strategy, this chapter discusses the methodology and data collection. The research objective of this thesis is the market exploration and the brand promotion of wine in southern part of China.

3.1 Research essentiality and design of the work

This research is a practical study rather than a theoretical one, the main objective of this thesis is to collect the real data of wine market in China.

The key points of this research are as follows: Firstly, find out the real market situation of French imported wine in southern China, which includes the factors of market size, consumer group, and enterprise movement. Secondly, to provide information to my own company to explore the wine market in southern China, which includes sales strategy, market positioning and sales objective.

In order to achieve the goals that we set in this thesis, I list the research steps as follow:

1. Through literature review, which covers data from mass media, Internet and relevant news coverage, we are expecting an insight of wine consumption in china.

2. I design the outline of interview in reference to both my personal life experience and pre-market research. Pre-market research refers to those market researches which have been done to discover the whole situation of some certain industries. Our pre-market research was conducted during March to April 2010, this research was held in the cities of Hunan and Changsha in Hunan province with the help of staff in my company. The research objects include customers from supermarket, individual vendors and wine wholesaler. Through a face to face interview of entrepreneurs in Chinese which includes 20 interviewees wine industry, we are expecting to get a further insight of the opportunities and the challenges that we are facing in the southern China wine market.

3. Through the analysis of the data from interview, we are finding out a feasible plan of

the French imported wine sales in southern China.

3.2 Data and data collection

The main data resources of social research come from two aspects: literature review and social investigation (Cook 2010, 70). Statistic data analysis is more difficult comparing to literature review. The quality of data decides the destiny of a research (Turner 2008,12). The most typical way is statistical investigation, which means that in accordance with the principles of statistics, through collection and analysis of the statistic data, to find out the common character and the laws of variation. On the other hand, field research is also a very important method of social research and investigation (Turner 2008,15).

Here, I put my emphasis on the methods of interview and literature of social research. The method of interview refers to that interviewer directly give some questions to the interviewee, and record the answer from interviewee on site. Interview is a special way of interpersonal communication which is employed to investigate issues that are too complex to be addressed by questionnaire. Individual interview refers to those interviews that only have individual object. Group interview means the object could be several (Turner 2008,55-60).

The advantage of interview can be concluded as follow:

- 1) It is very easy to implement, the information that come from deep conversation could be very reliable.
- 2) It could be applied in many occasions.
- 3) The rate of reply could be very high.

The disadvantage of interview is that:

- 1)The sample size is usually small.
- 2)It could take a lot of time, fund and manpower to implement.

3) The interviewers can hardly control the influence that interviewers have exerted to the interviewees.

Therefore, the method of interview is usually employed to the occasions that the amount of research object is rather small and also, this method is usually used in combination with interview and some other measuring methods

Here are some very important matters that I have to address:

- 1) The content of conversation has to follow some standard procedures. Before the conversation begins, we have to prepare some talking guidelines which include explanations of some very important questions and the sorting categories of answers that come from interviewees (Turner 2008,23).
- 2) Collect as much information about the life experience, personality, and social.
- 3) The questions in an interview should be brief, concise and also easy to answer. The way of asking question should be in the range of interviewee's knowledge level. The content of the conversation should be recorded immediately (Turner 2008,26).

The so called method of literature refers to those word, symbol, and voice literatures (Kurowski & Sussman 2011,9). The ways of collecting literature are various. We can purchase some of the publications, books, magazines, CD and so on. For those literatures which have already been out of market, we could find the way to borrow them from the authors or some collecting departments. For those statistic data, research reports or regulations of a certain social group, we could contact those agents and either borrow or copy these literatures with permission. For those private letters and diaries, we could only reach them with the permission of their author.

3.3 Research method and technique

Considering the special feature of the research in this thesis, I used the combination of literature review and interview as the main research method of data analysis. The advantage of interview is that it can restrict the interviewees in the wine industry, which guarantees the data quality. Comparing to questions, an interview allows getting deep

insights of the thoughts of the interviewees, which increases the reliability and validity of the data collected. The advantages of literature review are that the literature is easy to acquire and allows making comparative research, historical research and systematic research from current literatures in this field.

In terms of data analysis, I mainly did some frequency analysis and tried to find the feeling and the core suggestion to the 26 questions. In the mean time, I also did a specialized data collection in order to discover the real situation of red wine sale in Chinese market through the existing literature that I collected.

4 EMPIRICAL ANALYSIS AND RESULTS

This chapter begins with the result of the data; it has combined my interview and this case company experience. After that is the analysis for this case company situation. Finally, the chapter come to an end with the sales strategy and designed plan of sales.

4.1 Data results

Through frequency analysis, I am expecting to find out the commonness and the individuality as follows:

1. Personal perspective:

The reason you open a wine shop: 55% of the interviewees answer that they open a wine shop because they love wine. 32% of the interviewees say that they have already seen the bright future of wine industry. 17% of the interviewees say they open a wine shop just because they have not found a better product to invest, not because of they are interested in wine shop.

Attitude towards French wine: Nearly 80% of the interviewees think that French wine stands for mysterious and romantic culture, which is also a sort of luxury item in the market.

The key factors of sale: 1.9% of the interviewees think that locating the correct consumption population is the most important factor. 2.7% of the interviewees think that the process of pricing is very important; they also advocated that we should set different prices for different wine according to the market price of wine.

Familiarity of wine: Almost all the interviewees admit that they are very competent to distinguish the quality of wine in the market.

Difficulties: 60% of all the interviewees say that the beginning one or two years is

always a hard time for many wine shop, Because this period of time is also a very important time to spread their market impact.

2. Shop configuration: I design following questions about the shop configuration.

The amount of investment: Some coastal cities as Xiamen, the amount of investment are usually around 300 thousand rmb, whereas in some inland cities such as Changsha, this figure is around 150 thousand rmb. Thus, the amount of investment in different regions is varied obviously.

The amount of employees: Most of the wine shop hires 5 to 10 employees.

Sale price in shop: We found that among those interviewees, 80% of all the wine in their shop has a price range of 150-200 rmb. We can hardly find any wine with a price either lower than 100 rmb or higher than 1,000 rmb.

Sale's volume: Those shops with a sales volume around 2,000 bottles per month account for 30%, whereas 60% of the interviewees say that their sales volume per month is around 5,000 bottles. Only 10% of the interviewees have sales volumes that are as high as 10,000 bottles per month.

3. Market situation:

The main customer structure: Almost all the interviewees admit that 80% of their sales come from enterprises and other organizations, whereas only 20% of their sales are from individual consumers. Those enterprises and the organizations compose mostly of-the government sector and the public institution. As to the individual consumers, most of them are from the middle class.

Sales season: For the question about sales season of wine, almost all the interviewees

state that there is not much of a season for wine sales. Only that on some public holidays, the sales of wine would be doubled.

The strength of market competition: 80% of the interviewees believe that the competition in wine market is not as strong as in other markets. Whereas 20% feel strong pressure and most of them come from coastal cities as Xiamen and Zhuhai. Therefore, the strength of competition is closely related to the local development of economy.

Difficulties in wine market: Almost all the interviewees believe that the biggest problem that they are facing is that there is too much adulterated wine, which jeopardize the market environment as a whole. Besides, they also think that facing the strong challenge of traditional Chinese liquor, whether or not wine can win this battle is still a big question.

4. Market potential:

Market prospect: Almost all the interviewees indicated that the market prospect of wine is very bright.

The confidence of market potential: 80% of the interviewees forecast that wine will become one of the life necessities some day, because it does not only stand for a fashionable culture, but also a healthy life style.

Attitude towards French wine: Almost all the interviewees believe that French wine is the best both on quality and taste, and they are holding a special passion for French wine.

Faith in wine industry: 90% of the interviewees say that they won't change their business in ten years, whereas 10% of them admit that they will consider changing their business if they could not get any improvement.

4.2 Frere International Trade Limited Company situation analysis

After knowing every strategic step of red wine sales, I will present a specific insight into those steps.

4.2.1 Internal analysis

Given that the case company faces such a harsh environment of market competition, it is important to find out how to improve its core competitiveness since this knowledge is what makes a successful business man. According to the theory of internal analysis, I think Frere International Trade Limited Company possesses several advantages as follow:

1. As far as commodity supply is concerned, Frere International Trade Limited Company has been purchasing wine directly from some major wine shop in France. This company has managers and business partners who have been in this business for many years and keep some very nice personal and business relationships with that wine shop. All these advantages guarantee the high quality and reliability of their commodity.
2. In terms of financial strength, this company has been found with sufficient starting fund, which secures a coherent chain of capital turnover.
3. From academic perspective, manager of this company have a long history of doing business in France, which offers a firm foundation for a smooth operation of this company.
4. In terms of market positioning, this company mainly focuses on those second tier cities in China, where red wine sale has just started, which would avoid the negative effect of monopoly and sale economy from other business contender.
5. When it comes to the quality, the current purchase channel could guarantee the originality of the wine that they purchase. Comparing to those domestic counterparts,

imported wine is better in either taste or packaging.

6. In terms of management mode, the owner of this company directly takes part in the field sales, which allows him to react to the market more quickly and make every adjustment more properly. This is also a significant advantage to avoid the market risk and to use the market resources appropriately.

4.2.2 Customer analysis

The current tide of wine import in Chinese market is closely related to the affordability of wine sales (Balestrini & Gamble 2006, 32). The main consumption group of wine has been experiencing a subtle change.

The main consumption group of red wine used to be those middle aged managers and enterprise owners with high social status. But currently, this group has been experiencing an expansion. More and more young population has now entered to the main consumption group. The major selling sites of red wine used to be those places of entertainment as fancy restaurants and KTVs (Geng Cui 2000,11).In addition, nowadays more and more wine plays a role of gift and present. People used to tend to buy imported wine with well known brand name. But now we buy wine more practically and rationally.

Here I present a table that concludes the research results of Chinese red wine association. (Huijin 2011)

Table 2. General situation of Chinese red wine consumption Group (Hongjiu 2011):

Consumption group	Group description	Consumption features	Consumption category	Percentage
Group that is well aware of wine culture	High education, high income, Highly commercial connected	Focus on wine culture and quality	Imported red wine	15%
High class consumption group	High education, High income, high career position	Focus on brand name and effect of advertisement, only buy wine of high price with well known brand name	Wine shop with long history and well known brand name	50%
Emerging group (White collar)	Young, high education, high income, highly sociable, love of fashion, enjoy quality life	Deeply affected by fashion culture, love going to high-end night club	Wine with good marketing promotion	25%
Middle aged group	Middle aged, high education, focus on healthy life	Focus on value for money, and healthy purpose	Wine with good value for money	10%

4.2.3 Competitiveness analysis

According to the Chinese wine Chamber of Commerce for Chinese wine survey report (Zhang Weibing 2011), wine consumption market is still relatively small and the per capita consumption level is very low. The huge market potential decide that the wine industry in China will keep a very fast pace of development. Meanwhile, noticed that the releasing of this potential market is a gradual process. We a change in customers' consumption behavior is needed and cooperation between wine brewing factories winemaking. Thus, I am not expecting a blow-out effect of wine selling in the near future.

Through market survey (Zhang Weibing 2011), we found that the wine sale in the north is much higher than the other parts of China, which I think is closely related to the economic development and the consumption level within those northern cities. For those independent dealers, the core competition focuses on price. Whereas for those big wine making enterprises, the core competition is focuses on those factors which are more in the long run. I am now going to take a leading wine brewing enterprise Zhangyu wine company for instance to present a sample analysis of core competitiveness.

Among those sales strategies of Zhangyu Company in 2000, the core parts are: market cultivation and consumer grain. For consumer grain, they emphasize communication with consumers. Through communication, they acknowledged some very important information as that on one hand, because the price of wine in China is relatively high, the main consumer group is those with high income and social status, on the other hand, those who belong to manage class is also become one of the main consumption group as well. Moreover, younger population composes the occasional consumption group of red wine.

For that stable consumption group:

Through a series of integrated and target-oriented communication strategies, Zhangyu

Company has successfully conveyed their healthy and natural product ideology to their consumers, which are exquisite taste and elegance. The main tools of those efficient communication strategies are leading magazine, popular sports TV programs, fancy hotels, etc..., which allow their products acquire consumer affinity. Those strategies could be defined as Cultural Infiltration, which is a very effective way of receiving a good brand image.

For those occasional consumption groups:

Zhangyu Company focuses on the element of fashion. They take advantage of mass media to create an atmosphere of fashionable wine consumption, which allow them to convince the consumers that wine consumption is a sort of symbol of high social status and fashion awareness. According to a market survey, many consumers begin to like red wine exactly because of the effects of this communication strategy.

Zhangyu's success has already proven us that in order to keep as many consumers as possible; enterprise should correctly target the bias of consumers' mind, and cater to their life attitude. Moreover, effective exposing of the product advantages is also very crucial as well. Finally, making our products become a very important part of consumers' life style.

Through the analysis of Zhangyu Company, It is easy to see that this company plays not only a supplier but also a leader and a creator of consumption culture and behavior. For a middleman company as Frere International Trade Limited Company, we could not target our business to the scale of the whole Chinese market. Acquiring a part of potential customers is enough for us. According to the theory of Separate of sales I divide our potential customers into two groups: 1) wholesaler, 2) ordinary buyer. We'll do a deep discussion then.

4.2.4 Market situation analysis

It's already been proven that China has a history of wine brewing factories winemaking for over 2000 years. In 1892, Yantai Zhangyu wine making company has been founded, which is an official start for the mass production of wine in China. Before the Liberation in 1949, almost all the wine products were produced by foreign companies. After the People's Republic of China (PRC), was founded, from year 1950 to 1962, a series of national wine brewing factories have been established, which has opened up a new era of wine producing industry (HongJiu,2010).

Before 1995, most of Chinese wine was sweet wine which featured of low grape juice. Through some structure adjustment of production, a production structure composed mainly (50-60%) by mid-dry and dry wine has already been established. Almost 80% of dry wine is dry red wine and dry white wine accounts for 20%. Those high-end wines which are internationally acknowledged could also be found in Chinese market as well (HongJiu, 2010).

Therefore, wine has been well known in China for some time, meanwhile we have to admit that the wine making technology of those developed country such as France is way better than ours. Through figures from data analysis, along with the growing of wine factory, the amount of high-end red wine consumption has been increasing very fast. In 2010, the percentages of consumption structure is: high-end, 50%; middle-end, 40% and low-end, 10%, and the increasing percentage of high-end red wine is 50% within 3 years, the increasing percentage of wine from wine factory is as high as 100%. Those percentages means that the consumption group of high-end wine is growing, so does the wine market, which undoubtedly is a good condition for foreign wine to get in to the Chinese market(Zhang Weibing 2011).

4.2.5 Distribution analysis

There is an obvious difference between wine and Chinese liquor, which was the separation of producing site and separation of distribution site. On the one hand, the

provinces of Hebei, Shandong, Ningxia, Gansu, and Xinjiang produce 80% of wine whereas the provinces of eastern and northern China on the other hand account for 80% of wine distribution (Ulysses 2010). This trend would still last for a very long time because of the disequilibrium of economic development in China. Thus, focusing on these main distribution areas is essential for those high-end imported red wine.

To get a further insight of this feature, I chose the cities of Shanghai, Guangzhou and Changsha for instance to do a comparative study. The local economy of center part of China is now growing very fast and meanwhile our main target sales area happens to be in this part, so it is necessary that we chose one of those cities in center part to do a comparative study (Ulysses 2010).

1 Shanghai: Quality-oriented

Market potential: The consumption of emerging young white collar class and gift consumption of old people.

Assessment: Through the experience of life in China and the company in the early period of the market research, the author thinks that: as an economic center of China, there is a ripe market of wine consumption in Shanghai because of the highly developed local economy and many foreign enterprises and foreign inhabitants. People focus on the brand and the quality of wine. Customized brand quality strategy is very helpful to take advantages of future market.

2 Guangzhou: Custom-oriented

Market potential: focus on late night consumption market, and brand wine consumption group will further expand the wine market.

Assessment: Through the experience of life in China and the company in the early period of the market research, Guangzhou is a city where western and eastern cultures have been mixed; consumers in Guangzhou always have some sort of consumption customs or tradition. In this area market distinguish is very important. Besides,

Guangzhou is the biggest commercial center in north China, middle and high end wine consumption accounts for the biggest part and age wine attract the most attention.

2. Changsha: focus on social identity

Market potential: whole sale and business activities

Assessment: Through the experience of life in China and the company in the early period of the market research, Changsha is a big culture and entertainment center in center China. People buy wine mostly to show their social identity and status. The business activities are increasing in Changsha which expands the high-end wine consumption.

According to the analysis above, we can see that there is an obvious area distinction within Chinese market. Considering the actual condition of Frere International Trade Limited Company, I think we still do not have enough competitiveness in age wine and high-end brand wine, as a result we will focus on middle class wine instead.

4.2.6 Frere International Trade Limited Company SWOT

In order to customize a suitable sales strategy for Frere International Trade Limited Company, I use SWOT as an analytic method. Table 3 below illustrates the case company's SWOT analysis.

Table 3. Frere International Trade Limited Company SWOT analysis

Internal source	S	W
	Stable purchase channel, sufficient supply	Small size of enterprise and weak competitiveness
	Plenty of marketing experience and high quality businessmen	Lack of various product position
	Acquire customers using local social resource	Lack of special marketing method
	National policy advantage	Lack of the ability to explore new potential customers
External source	O	T
	Huge population and big market potential	The trend of wine consumption has not been forged yet
	High income and increasing wine consumption	People are less likely to accept wine comparing to Chinese liquor and beer
	Pursuit of quality life and fashionable life style	We are facing more competition in the market
	Completely opened and free international market	We lost our price advantage after our country has joined WTO organization
	Standardization and organizational of wine industry	Double standards in the wine industry prevent the acceptance of international market

According to the SWOT table, Frere International Trade Limited Company should adopt SO strategy. Taking the state of the favorable policies as a solid backing and giving full rule to the company in wholesaler channels and sales advantages. Grasping the opportunity of the red wine market in China is grow and use of the company in the talents of the professional knowledge and technology of channels. At the same time it is

essential to try to overcome the insufficiency of the sales link, and by the help of further market segments accurately find the sales goal and sales strategy.

4.3 Frere International Trade Limited Company sales objectives

In this sub-chapter, I present a deep analysis of Frere International Trade Limited Company's sales objectives. Generally speaking, specific ways of sales towards specific commodities are to be customized, to achieve the best validity. The key factor of the sales strategy is the rationality of the sales pattern. Therefore I list the key factors as follow:

Group purchase pattern: It is an easiest way to start with and is also very easy to maximize profits. The main purchase targets lies in government and big enterprise. Most of time, we give them 20% of discount but still because of the large quantity of purchase, the profits could still be as high as 200%.

Disadvantages: It will require a large amount of financial fund, and whether or not we can get enough social resource is the most important factor.

Retail pattern: It is also very easy to start with, and requires small amount of starting fund, in addition, it takes time to execute. The main targets are friends and colleagues of our own. Expanding is the popularity of our company through face to face sale.

Whole sale pattern: It requires some extent of public relation experience in addition; the business returns could be very remarkable. The main targets are night clubs, restaurants and hotels, etc...

Disadvantages: It requires a relatively large amount of commodity preparation, which could cause stress to our fund chain. It also requires hiring sales promoters of our own who are in charge of doing public relation with those buyers. We may give them even more discount but once we get their order it will be very stable and of large quantity.

Agent pattern: It costs much but it is the best way to expose the strength of our company to the public. After we have acquired some stable business relations and enough financial strength, it is better to consider this way of marketing.

Disadvantages: It requires a large amount of fund, which is very difficult for those small new companies.

Considering those differences in sales patterns, I think as a new coming company the reasonable sales goals should be as follow:

Whole sale pattern: Conceptually, the Frere International Trade Limited Company is actually plays a role of middleman in wine business, which actually is also a kind of wholesaler. Our advantage of sales is a good connection to those consumption terminals of wine such as night clubs and pubs. Thus, the whole sale pattern should account for 80% of sale priority

Retail pattern. Considering that there would be much competition following the whole sale pattern and the other shortcomings of our company, Frere International Trade Limited Company should also establish their own retail wine shop. We are not expecting very big profits from these retail shops because the main goal of this retail shop is to get an advertisement effect of our own company. Therefore the balance of cost and profits is the basic goal of these shops.

4.4 Design sales plan

In 1970, an American futurologist Alvin Toffler suggested the concept of “separate sales”, and since then this concept has been widely spread in the field of communication, which also offers a foundation of the strategy of separate sales. Most scholars have a common acknowledgement of this concept worldwide. In this thesis, I give an explicit definition to this concept as follows (Ulysses 2010, 72): Following the path of precise sales, separate selling can help us save resource and improve efficiency. In addition, it is

important to separate all customers into several target groups and offer every group a customized way of sales.

The separate selling follows the path of precise sales and depends on modern technology to establish a completely customized consumer service system in order to achieve low cost expand of enterprise.

Separate selling dose not focus on selling commodity to all the consumers, it only targets the sort of customers who fit the features of a certain commodity best in order to get a better affinity and the satisfaction of certain customers. This method of sales could save sale cost and improve the efficiency of enterprise. Last but not least, it saves much of the social cost as well.

According to a well- known scholar, separate selling can create a unique atmosphere of sales to make every customers feel that this commodity is exactly designed for themselves.

Therefore, we conclude the advantages of separate sales as follow:

First, the feature of the customers in wine consumption market could be defined as “Fragment” and “Segment”, which means customers gather separately as several “Culture group”. To cater to these special needs of every group, separate sales is the best way.

Secondly, as that the kind of grapes is various and so is the flavor of all kinds of wine, the sales strategies of every wine should be as unique as possible. Because the production of high-end wine is limited by many factors, we do not expect to sell wine to all kind of consumers. Selecting some certain group of consumers and offering them the best service to them is a reasonable way of doing their business.

Currently, there are all kinds of brands in the wine market, which will definitely compromise the loyalty of consumers. Separate selling allows sellers to customize the best way of sales to every group of customers. Table 4 below illustrates the feature of wine market and separate sales.

Table 4. Feature of wine market and separate sales

WINE MARKET FEATURES	SEPARATE SALES FEATURES
consumer fragment and segment	precise sales ideology
amount limitation of age wine	save some product from market
plenty of brand names and distraction of consumers	target-oriented of consumption group

4.5 The sales strategies of Frere International Trade Limited Company

4.5.1 Supply

Supply can be divided into two parts: purchase channel and supply target. As can be seen from above, Frere International Trade Limited Company has its own purchase channel, since the owner of this company has been doing this business for years, which provides him with precious experience and social relations. As a result, the quality and the level of the product are guaranteed. For supply target, through a deep research of separate sales strategy (Wangyeli 2010), and the actual situation of our own company, I divide the consumption terminals into two parts as follow: wholesaler and ordinary buyer. Figure 1 below is shows the separate sales strategy.

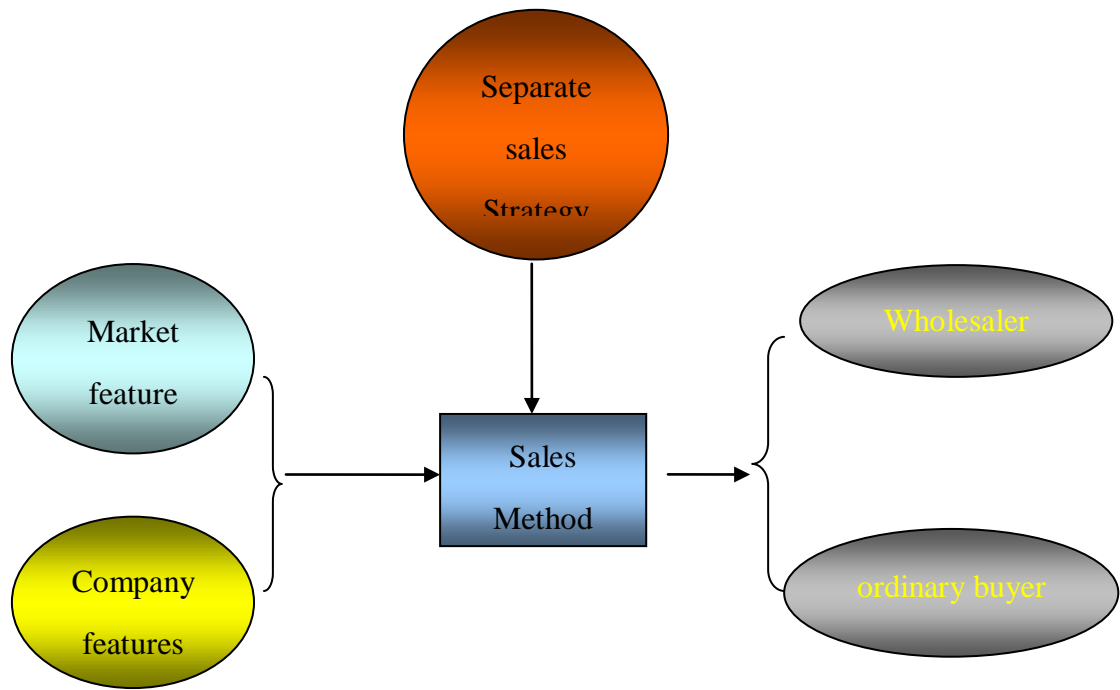


Figure 1. Separate sales strategy

4.5.2 Wholesaler

Wholesalers could be defined as those sellers who have an independent shop. These kinds of sellers distribute and are situated in every corner-and streets of every city.

Special features: Sufficient fund and independent shop. Wholesaler possesses experience of wine selling for years and some relatively stable consumer groups. They are competent to distinguish the real quality of red wine and usually hold a quite open view to any new brands coming to the market. They have passion to their business. Still, they usually sell all kinds of brands in their shop and most of them are domestic ones.

Advantages: Holding a relatively open view to all kinds of purchase channels to create more business opportunities. Experience of many years in the business makes them realize the true advantages of imported red wine. They have a relatively sufficient fund which helps them to purchase more high-end and expensive commodities.

Disadvantages: They are vulnerable to the market competition. They pay less attention to those new brands with less brand popularity and market competitiveness. Making money is everything in their way of doing business, which makes their purchase channel become quite unstable and very easy to have problems. Thus, wholesaler has to spend a big amount of fund to secure the stability of their wine selling.

4.5.3 Ordinary buyer

An ordinary buyer could be defined as those private and independent buyers, which is a sales terminal of wine sale.

Special features: Most of them are from middle class group, who live a quality life and hold their own view of life. They love drinking red wine and enjoy the culture behind it.

Advantages: They are the most stable consumption group. How to acquire and keep this group is crucial for the market development of our company. Once we acquire their brand infinity, there would be a big chance that we could keep them as consumers of loyalty.

Disadvantages: Because of the strong brand dependency, this group would appear to refuse to the other new brands. They care less about the information of the whole market movement, which therefore will hinder us to bring new brands to them. Moreover, they care more about the price factor and their affordability of high-end red wine is also limited.

5 CONCLUSIONS

The final chapter presents the process of this thesis research; after the process of thesis; it is the limited about my study. Finally, the chapter comes to an end with the suggestions of future research.

5.1 Conclusion

In sum, through the research of Chinese wine market, I acquired the conclusions as follows:

Wine is somehow different from any other product in the market, as an emerging industry in China, and therefore the market share of it is still relatively low comparing to the other beverages. Generally speaking, red wine possesses two main market functions: (1) It acts as a statement of social status and an exquisite taste; (2) It represents a healthy life style.

The consumption volume of wine varies in different regions. The consumption volume in coastal cities is much higher than in those inland cities. However, the reason of this difference is rather from the cultural perspective than from the economic perspective.

The quality level of wine in the whole market is uneven, and most consumers are not competent to distinguish them. The sales of middle and high-end wines are still in a starting phase, whereas the sales of those low-end domestic brands are higher.

As far as the consumption group is concerned, there are very obvious differences among all kinds of consumption groups, and each group has its own preferences and requirements.

I believe that it is still a good time for Frere International Trade Limited Company to enter the southern Chinese wine market. The reasons are as follows: Firstly, the whole

wine market in China is in a fast growing phase, which will offer the case company many good opportunities to develop its business. Secondly, the case company still has some irreplaceable advantages of its own, which are its stable purchase channels and the experienced managers who have already worked in this business for years. Moreover, the case company has made a wise choice on the target market, because the markets in those big cities in southern China are the biggest wine markets in the whole country. Finally, the separate sales strategy that chosen is a strategy that suits the Chinese consumption characters most.

After the discussions above, first of all, I have discussed some general relevant strategies and components of sales. Then I have made a particular discussion about the special characters of wine market. After that, I have presented the result of a personal interview which includes 20 interviewees and conclude the key factors and the special characters of wine sales. Finally, I decided to use separate sales strategy for the Frere International Trade Limited Company.

5.2 Limitations of the study

The limitations of this research are as follows:

The interviewees of this study do not include any real consumers, which is a very big limitation of this study. I only spent two weeks in China to do the data collection, which did not allow me to find any consumers to join this interview. Admittedly, the lack of consumers in this study definitely compromises the reliability and the validity of this study.

I am also limited by my academic background and simple research paradigm. Moreover, as an undergraduate my research ability and resources are limited too. Regarding the market behaviors, this study only focuses on those general features of the business behaviors, which covers the beginning, the process and the end of these behaviors.

However, I have to admit that this study pays less attention to the influence factors to those behaviors, which are also of the same importance of the behavior itself.

5.3 Suggestions for future research

There still are some improvements that I can be made through future research.

For a study of business behavior, the research should take both the micro and macro levels into account. In this study, I pay more attention to the macro level, which somehow makes this study seem to lack a discussion of the business behaviour on the micro individual level. Therefore, I am planning do further research into the micro level as well to take individual's reasoning into account when working for the case company in future.

For further study, I believe that to locate the consumption characters of consumers is of highest importance. According to some sociological and economic researches, the consumption desire does not necessarily equal to actual consumption behavior. In other words, the actual consumers are not necessarily those with very strong desire.

There are many commercial strategies in the market. This study chose Separate sales as the main commercial strategy, which arouses a question if there is any better strategy to direct the business of wine in southern Chinese market. This is also a question that is worth further research.

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APPENDICES

Interview questions

Appendix 1

Personal view

1. Why you have chosen this product when you start your business?
2. How the Chinese people view and use French red wine?
3. What should we attention in sales?
4. What do you feel about French red wine?
5. Do you know how to distinguish French red wine and other place red wine?
6. What do you think when you open your shop?
7. Who will help you when you have developed?

Store view

8. How much are you invest in the beginning?
9. Which place of origin in French wine is best-sale?
10. Which price level of red wine is the best sale?
11. Is there having any policy from government for French red wine?
12. How many staff is enough for one shop?
13. In the supply which part do you think is the best difficult?
14. Which one is important between supply and sales?
15. Do you feel some compete for you?

Market view

16. Which group is the biggest customer in China?
17. How much bottle of wine you can sale per mouth?

18. When is off season when is busy season?
19. Who are the biggest customer in you shop? Group or person?
20. Which is the biggest challenge for the French red wine?
21. Which is the biggest weakness for the French red wine?
22. Which is the best strength for French red wine?

Develop view

23. Compare Chinese white liquor which one has more developed potential in market?
24. How do you think the market? Do you think it have enough developed potential
25. Which is the biggest opportunity for the French red wine?
26. If there are other business can do for you do you want give up that?