

# The more you drink, the younger you get -- Investigation and research report on liquor brand cognition and liquor youth

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**Abstract.** In recent years, with the development of China's economy and the recovery of residents' purchasing power, China's liquor industry is undergoing changes such as industrial capacity adjustment, the evolution of consumer groups, brand strategy innovation, and making efforts towards the direction of youth, innovation and high-end. However, in contrast, the current generation Z young people lack the willingness to consume liquor, and the purchase level is backward, so it is difficult for China's young groups to effectively transform into the main force of liquor consumption. Therefore, how to cater to the preference of the young generation in the liquor industry, that is, young liquor, has become an important proposition for major liquor enterprises to overcome.

**Keywords:** STP strategy; Python data mining; Word cloud analysis; Cluster analysis; User profiling; 4P marketing theory; Hypothesis testing; Principal component analysis; Liquor rejuvenation; Yanghe Shares.

## 1. Introduction

This paper carries out market research from the perspective of Yanghe Stock, focusing on the following contents:

(1) Current situation of liquor industry and market analysis of Yanghe Stock: Based on STP strategy analysis, this paper describes the market segmentation characteristics of today's liquor industry from the perspectives of market division, demographic characteristics analysis and urbanization level; Based on the literature survey, it is found that the main target market of today's baijiu industry is mainly male aged 30-50 in the first and second tier cities; Through the analysis of the main products, brand positioning and sales strategy, it is concluded that the overall market positioning of Yanghe is: while creating high-end concepts and attracting high-end people to buy, at the same time, taking into account more young groups. In addition, by using Python data mining and word cloud visualization, this paper analyzes the high-end liquor image of Yanghe in the minds of consumers. At the same time, through the comparison of competitive products and the visit of offline physical stores, this paper elaborated the dilemma of Yanghe in the background of youth, that is, the dislocation of high-end positioning and young people's preferences.

(2) Consumer portrait and developable customer portrait: In order to explore consumer portrait and developable customer portrait, this paper distributes questionnaires among 18-30 year old groups in Shanghai area. The reliability and validity test of the questionnaire is good. Then, based on the effective recovery of the questionnaire, this paper describes the demographic characteristics of consumers and young consumers' drinking preferences in depth. Further, this paper constructs RFM model and carries out cluster analysis to conclude that the most important development customers of Yanghe Stock are students and middle and low income office workers. The characteristics of this group are: low consumption level, large base, rapid development of the number of consumers, high brand loyalty, and high social demand.

(3) Comparative analysis of existing cognition and youth expectation, as well as strategic suggestions: This paper conducts a two-sample T-hypothesis test based on the five-level scale of young people's cognition of Yanghe brand and the five-level scale of young people's expectation of liquor's youth. In the framework of 4P marketing model, 11 aspects of Yanghe Stock need to be improved are



obtained. Then, with the help of principal component analysis to reduce dimension, it is concluded that in the promotion of Yanghe Stock, the product improvement should avoid the spicy taste of traditional liquor; Secondly, we should pay attention to product packaging, and give priority to the use of star effect in the promotion of new products. Finally, considering all the above analysis, this paper puts forward specific suggestions for Yanghe Stock in the promotion of young people from the four dimensions of product, price, promotion and channel, and expects Yanghe Stock to inject new vitality and momentum into China's liquor industry and lead the sustainable development of the industry.

## **2. A restatement of the problem**

As the representative of traditional liquor in China, with the changes of The Times, traditional liquor is less attractive to the young generation of consumer groups, and it is difficult to obtain the consumer market of young consumer groups. Therefore, how to introduce products that meet the aesthetic and taste of young people and attract more young consumer groups to enter the liquor consumer market has become an important issue for liquor enterprises.

According to 418 valid samples out of 485 questionnaires we collected targeting young people aged 18-30 in Shanghai, we try to use the following data model to calculate the most important factors in the promotion of Yanghe liquor rejuvenation, and put forward feasible suggestions for the rejuvenation of Yanghe and liquor.

### **2.1. Market and brand analysis**

Based on Python data mining and TF-IDF algorithm, the subject keywords of Chinese content are extracted for word frequency statistics by using PyMySQL database and jieba thesaurus, and the word cloud analysis chart of market evaluation of Yanghe products is obtained; Through offline field investigation and visits, the market status of Yanghe and the main liquor brand products, such as distribution channels, shelf position, average market unit price, etc. were obtained, and the advantages and disadvantages of Yanghe were proposed by horizontal comparison; Based on STP strategy, Yanghe Stock was studied, which was divided into three parts: Segmenting, Targeting and Positioning. Market segmentation conclusions were drawn from three aspects: market division, demographic analysis and urbanization level. And through the conclusion of market segmentation to further launch the target market of Yanghe shares, and then according to the main products of Yanghe and the current sales strategy to get the current market positioning of Yanghe; Finally, according to the issue of liquor promotion for young people, the paper analyzes the competitive products of Yanghe Stock and analyzes the difficulties that Yanghe is facing in promoting young people.

### **2.2. Consumer portrait**

According to the collected questionnaires, a composite index was constructed to describe the market value of the group based on the RFM model, and a user value optimization model was established. Cluster analysis was carried out on the young group of customers. Factors with significant differences were selected as clustering factors, and hierarchical clustering analysis was carried out. Important development customers, major customers, potential customers, ordinary customers and low-value customers, and the target consumer groups and consumption characteristics and preferences that need to be developed for the promotion of liquor rejuvenation in Zhongyanghe Stock are obtained.

### **2.3. Expected comparison and marketing strategy**

Through the double-sample T-test method, comparing the existing cognition of Yanghe and the expectation of young people for the rejuvenation of liquor, it was proposed that Yanghe should be improved in 11 aspects, such as taste/taste, degree, packaging, price, purchase channels and promotion methods. According to the 4P marketing theory, the valid data collected by the questionnaire is classified into Product, Price, Place and Promotion, and the part suitable for Principal

Component Analysis (PCA) is selected. The SPSSAU application software was used to analyze the product and promotion data, and the most important elements in the liquor rejuvenation promotion under the model were obtained. Based on this, feasible strategy suggestions for the rejuvenation of Yanghe liquor were put forward.

## **2.4. Innovation points**

By investigating the drinking habits and preferences of young people aged 18-30 in Shanghai, the paper innovatively uses STP strategy, Python data mining, field research, cluster analysis and user value optimization model (based on RFM), 4P marketing theory model and principal component analysis and other analysis methods and model combinations. Multi-dimensional and multi-faceted exploration and comparative analysis of the existing problems of Yanghe and the expectations of the young consumer market, to obtain an effective way to promote Yanghe liquor's youth, to provide visual data and analysis results for Yanghe Stock's youth product strategy, and to find the most influential factors and improvement directions in the promotion of baijiu's youth. Help Yanghe Stock to develop the most reasonable and efficient product strategy for young consumer groups.

## **3. Background investigation of liquor industry**

Baijiu, as the representative of Chinese traditional wine culture, has experienced thousands of years of precipitation and accumulation, and now it is facing unprecedented market changes. From the adjustment of industry capacity, to the evolution of consumer groups, and then to the innovation of brand strategy, the liquor industry is developing under the three major trends of youth, innovation and high-end.

### **3.1. The development status of the liquor industry**

China's economy has maintained steady development in the past few years, and this trend has led to a significant increase in residents' purchasing power. According to the data, the per capita disposable income of Chinese residents has risen steadily from 28,228.05 yuan in 2018 to 35,128.00 yuan in 2022, with a compound annual growth rate of 5.62 percent. The increase not only reflects China's economic prosperity, but also reflects the improvement of residents' living standards.

This increased purchasing power has given a positive boost to China's liquor industry. According to the China Liquor Association, the revenue of enterprises above designated size in the liquor industry has also increased from 536.4 billion yuan in 2018 to 662.6 billion yuan in 2022, with a compound annual growth rate of 5.64 percent. Despite the impact of the global epidemic on various industries in recent years, China's liquor industry still showed strong resilience, with the total profit reaching 220.2 billion yuan in 2022, up 29.36 percent year-on-year, and the average gross profit rate as high as 50.21 percent.

In addition, the price per ton of the baijiu industry is also rising year by year. Behind this, the major liquor enterprises in order to enhance the brand influence and increase the marketing costs of the result. According to statistics, from 2019 to 2022, the industry's ton price jumped from 71,500 yuan/ton to 98,700 yuan/ton, an increase of 38.11%. Among them, the price of high-grade liquor (priced at 1,000 yuan) rose from 1,044 yuan to 1,283 yuan, and the price of mid-to-low grade liquor (priced at 100 yuan) rose from 157 yuan to 179 yuan, an increase of 13.71 percent.

It is worth noting that since the number of liquor enterprises above designated size reached its peak in 2017, the competition in the liquor industry has become increasingly fierce. According to the China Liquor Association, from 2017 to 2022, the number of baijiu enterprises above designated size has decreased from 1,593 to 963. Despite the decrease in the number of enterprises, the revenue of the baijiu industry has maintained a trend of growth, which is further evidence of the industry's increasing market concentration.

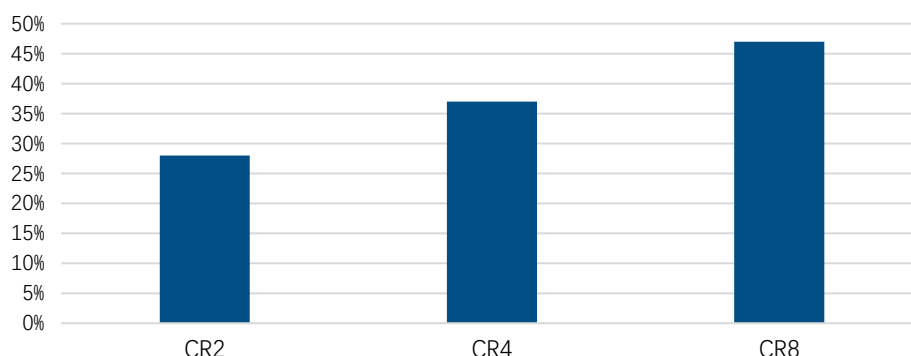
To sum up, the steady development of China's economy and the increasing purchasing power of residents have provided a strong driving force for the development of China's baijiu industry. Despite external challenges such as the epidemic, the baijiu industry still shows strong market potential and development resilience. At the same time, the intensification of competition and the improvement of market concentration within the industry have also laid a solid foundation for the future development of the industry. Looking ahead, China's liquor industry is expected to continue to maintain a steady growth trend and make greater contributions to the sustained prosperity of the economy.

### 3.2. Competition pattern of liquor industry

In recent years, China's liquor industry has undergone significant structural changes. The market share of liquor enterprises above designated size has continued to rise, while the overall number of enterprises has shown a steady trend of decline. This change reflects the continuous improvement of industry concentration and the gradual optimization of market competition pattern.

#### 3.2.1. The rise of leading enterprises.

The head enterprises, represented by Kweichow Moutai Co., LTD., Yibin Wuliangye Co., LTD., and Jiangsu Yanghe Daqu Co., LTD., have gradually stood out in the industry through years of brand accumulation, quality improvement and market expansion. According to statistics, the total revenue of these six liquor giants in 2022 reached 299.679 billion yuan, accounting for nearly 45 percent of the total revenue of the entire liquor enterprises above designated size. These enterprises not only have a strong performance in revenue, but also occupy an important position in market share, brand influence and consumers' minds , as shown in Figure 1.



**Figure 1.** the total revenue of these six liquor

#### 3.2.2. Increasing market concentration.

With the improvement of industry concentration, the advantageous production capacity is gradually concentrated to the advantageous production areas, and the advantageous resources are also gathered to the leading enterprises. In 2022, the combined market share of the top 2 enterprises in China's liquor industry will be 28.87 percent, the combined market share of the top 4 enterprises will be 37.23 percent and the combined market share of the top 8 enterprises will be 45.82 percent. This change in market structure shows that the competitive landscape of the baijiu industry is evolving into an oligarchic market, with leading enterprises gradually increasing their influence on the market.

#### 3.2.3. The supply of raw materials is stable.

The supply of raw materials for China's liquor industry is relatively stable, mainly thanks to the participation of many small and medium-sized enterprises and farmers. These suppliers provide stable and high-quality raw materials for baijiu production, which provides a strong guarantee for the sustainable development of the industry. At the same time, the progress of modern agricultural technology has also improved the quality and output of grain, providing a strong support for the supply of raw materials for the baijiu industry.

### **3.3. The trend of liquor industry: young, innovative and high-end**

#### **3.3.1. Young people.**

(1) Younger consumer groups: As the post-90s and post-00s gradually become the main force of liquor consumption, liquor enterprises need to carry out product innovation and brand building according to the tastes, culture and values of young consumers. For example, Jiang Xiaobai has successfully attracted a large number of young consumers by creating a youthful and fashionable brand image and launching low-alcohol and refreshing baijiu products. Statistics show that Jiang Xiaobai's share of the young consumer market has increased year by year, and it has become a representative of the younger generation of the liquor industry.

(2) Younger marketing strategies: In order to establish emotional connection with young consumers, liquor enterprises have adopted younger marketing strategies. For example, Shanghai Gujiu has successfully built a young and fashionable brand image by cooperating with fashion brands and holding music festivals. Luzhou Laojiao, for its part, has attracted the attention of a large number of young consumers by cooperating with entertainment industries such as movies and games to launch co-branded products.

#### **3.3.2. Innovate.**

(1) Product innovation: In order to meet the increasingly diversified needs of consumers, liquor enterprises continue to carry out product innovation. For example, Moutai has launched a number of new products, including low-alcohol wine and fruity wine, to meet the needs of different consumers' tastes. Meanwhile, Moutai has also improved the quality and taste of its products through technological innovation, further enhancing its brand image.

(2) Marketing innovation: In terms of marketing, liquor enterprises are also actively exploring new models and methods. For example, Jiang Xiaobai builds closer ties with consumers through new marketing methods such as social media marketing and live streaming of goods. Shanghai GUI Wine has improved its marketing efficiency and effectiveness by means of big data analysis and precision marketing.

#### **3.3.3. High-end.**

(1) Consumption upgrading to promote high-end: With the development of the economy and the improvement of consumer income, consumption upgrading has become an important trend in the liquor industry. Consumers have higher and higher requirements for the quality, taste and brand image of baijiu, which has promoted the development of the baijiu market to the high-end direction. For example, as a representative brand of Chinese baijiu, Moutai's high-end products have been in short supply and the market price has been climbing.

(2) Brand high-end: In order to cope with the market's high-end demand, liquor enterprises have carried out brand high-end strategy. For example, Luzhou Laojiao has promoted its brand image and market position by launching high-end series of products and improving product quality and service level. Meanwhile, by cooperating with internationally renowned wineries, Luzhou Laojiao has also introduced advanced winemaking technology and management experience to further enhance the brand's international influence.

To sum up, the liquor industry is facing three major trends of youth, innovation and high-end. In this context, liquor enterprises need to continuously carry out product innovation, marketing innovation and brand high-end strategy to adapt to market changes and meet the needs of consumers. At the same time, the government and all sectors of society should also strengthen their support and guidance for the baijiu industry to promote the healthy development of the industry and the inheritance of social culture.

### **3.4. The significance of investigation**

#### **3.4.1. Necessity.**

As an important part of Chinese traditional culture, liquor has a long history and deep cultural deposits. However, with the changing times and changing trends, traditional liquor is difficult to integrate into the young people's consumption market. As the post-90s and post-00s gradually become the main consumer force in the market, their preferences for baijiu begin to directly affect the rise and fall of the baijiu industry. Therefore, exploring how the traditional liquor drink can better adapt to the needs of contemporary young consumer groups, that is, the young liquor, has become an important research topic for major baijiu enterprises. Based on the position of Yanghe Stock, this paper studies the way of liquor rejuvenation, which is not only to revitalize the liquor industry, but also to protect and continue the excellent traditional culture of China through innovation.

#### **3.4.2. Importance.**

1. Through the investigation of young people's drinking preferences, we have a deeper understanding of 18-30 years old young people's drinking habits and taste preferences, so as to find a suitable product strategy adjustment plan for Yanghe Stock;
2. According to the survey results, Yanghe Stock can attract more young people to enter the liquor consumption market through innovative marketing methods and launching new products that meet the tastes and aesthetics of young people.
3. According to the preferences of young people, Yanghe Stock can develop new liquor products and implement the strategy of youth, which can achieve product innovation at the same time, shape the brand image of the enterprise, and show the new image of young people in the public vision. This will help to change the stereotype of Yanghe in the minds of young consumers, thus attracting more young people to enter the liquor consumption market;
4. Traditional liquor enterprises carry out the strategy of youth, which can inject modern elements and innovative thinking on the basis of maintaining the essence of traditional culture of liquor, so as to realize the organic combination of cultural inheritance and innovation;
5. To investigate the preference of young consumer groups for liquor and study the youth of liquor is in line with the current trend of promoting supply-side reform in various industries of the country, which will help Yanghe Stock to achieve stable sales growth and stabilize its proportion in the liquor market, and promote the sustainable development of the industry.

To sum up, the study on liquor rejuvenation is conducive to Yanghe Stock's market expansion, product innovation, brand image enhancement, cultural inheritance and innovation as well as sustainable development of the industry, and has injected new vitality into the long-term development of the enterprise.

## **4. Yanghe market research based on STP strategy**

### **4.1. Word cloud analysis of Yanghe brand cognition based on Python data mining**

In order to further understand the public's cognition of the products of Yanghe Stock, we carried out the word cloud analysis of the user's evaluation of Yanghe. First of all, we obtained the text of the buyer's show in Yanghe's official online store "Yanghe Official Flagship Store" through software crawler. After that, we use PyMySQL library in Python and jieba thesaurus to extract subject keywords of Chinese content based on TF-IDF algorithm for word frequency statistics, and stop meaningless modal words and auxiliary words in the statistical process. All word segmentation basically conforms to Chinese semantics, where the size of the word cloud represents the relative level of word frequency.

## 4.2. Research on offline physical stores

From February to March 2024, the research team randomly selected 15 tobacco hotels, supermarkets and convenience stores in Shanghai for field research, and made a comprehensive analysis of the distribution channels, shelf positions and average market unit prices of Yanghe's products, drawing the following conclusions:

### 4.2.1. The hotel is the main sales channel, and the convenience store lacks Yanghe products.

In terms of distribution channels, Yanghe's products are mostly seen in tobacco hotels and large supermarkets (segment). However, in the convenience stores where young people often go to consume, there is no trace of Yanghe products. It can be seen that the exposure of Yanghe products faces great challenges to attract young people's offline consumption. As the main consumption channel of middle-aged male consumer groups, tobacco hotels are the main positions of old liquor brands such as Yanghe, Luzhou Laojiao and Wuliangye , as shown in Figure 2.



**Figure 2.** Offline investigation liquor product shelf examples of tobacco hotels

### 4.2.2. The shelf position has advantages, and the packaging catches the eye.

In terms of shelf position, through field research, it is found that Yanghe products in its main sales channels such as tobacco hotels, large commercial supermarkets and other shelf positions are basically in the upper middle class, and because the outer packaging of Yanghe products is blue, it can be distinguished from other liquor products with many red, brown, white and other elements as the main color, so it is more able to attract consumers to buy Yanghe products.

On the other hand, young liquor brands such as Jiang Xiaobai, Shanghai Guizhu and Most Liquor have a proper strategy in terms of younger distribution channels. In the middle shelves of convenience stores and supermarkets, that is, the shopping area with the best visual appeal, they occupy a large product display area, which enables consumers to quickly identify brand products and deepen their brand impression through a large number of repeated ways. Enlarge the circle effect of brand youth , as shown in Figure 3.



**Figure 3.** Offline investigation of convenience store alcohol shelves example

#### **4.2.3. The average price of young alcohol products in the market is low, and the capacity is small.**

In terms of average market price, within the liquor category, the average unit price of the younger brands sold in convenience stores is about 25 yuan, while the highest unit price of other products is not more than 250 yuan, which is far lower than the average selling price of Yanghe products. The average sales performance of baijiu products is about 18 ml. Therefore, Yanghe's products should be innovative design for product factors such as sales unit price and capacity.

### **4.3. Market segmentation**

Baijiu has always dominated the liquor market. From the brand value of listed companies in the wine market, the top five are liquor enterprises. The market scale of China's liquor industry has increased from 565.4 billion yuan in 2017 to 662.1 billion yuan in 2022, showing a rising trend, and Yanghe liquor is no exception.

However, in recent years, "whether young people will drink baijiu again" has become a very concerned issue for people and baijiu industry. How to make young people like to drink baijiu, how to attract young users to a greater extent by changing the taste, packaging or marketing means of baijiu, become the breakthrough point of baijiu track innovation, and gradually affect the change of baijiu industry.

Based on the background of the current baijiu market, the following conclusions on the refinement of Yanghe baijiu market are obtained:

#### **4.3.1. Market division.**

As factors such as climate, soil, water quality, local brewing process and traditional culture in different regions will affect the flavor and quality of baijiu, thus forming local baijiu with its own characteristics, people in different regions also have certain preferences for the taste of baijiu. For example, people in the north prefer to drink spicy wine and high-strength wine, so their drinking preference is mainly clear flavor and Luzhou-flavor baijiu; While southerners pay more attention to the taste of the wine, mainly to the flavor of soy sauce, rice, Luzhou-flavor and other baijiu. Therefore, Yanghe liquor needs to adjust the taste of different liquor products according to local conditions to meet consumers in different regions.

### **4.3.2. Urbanization level.**

The consumption of liquor is also influenced by the level of urbanization. As for the consumption of baijiu, people in the first and second-tier cities have a more stable life and relatively high income level, so they are more willing to consume baijiu, so they become the main force of baijiu sales. At the same time, compared with third - and fourth-tier cities, the first - and second-tier cities have a broader baijiu market and more diverse products.

### **4.4. Targeting**

Through market segmentation, it can be concluded that the target market of Yanghe liquor is mainly men aged 30-50 in the first and second tier cities, and at the same time, diversified product flavors can suit the drinking preferences of consumers in different regions and different age groups. This target market determines the relevant strategy of Yanghe liquor for the younger age.

### **4.5. Market Positioning**

#### **4.5.1. Positioning of main products and brands.**

At present, Yanghe has many sub-brands, which can be divided into Blue classic series, Yanghe Daqu series and Suigaoyao series. Among them, the blue Classic series products include Sea Blue, Sky Blue and Dream Blue, which have a good reputation in terms of popularity and taste. This series of products covers the high-end, sub-high-end and mid-end of the concept and price of baijiu. The Yanghe Daqu series, on the other hand, is aimed at low-end baijiu products with relatively affordable prices. Suigaoyao series is a product between the Blue Classic series and Yanghe Daqu series, covering the brand's innovative fragrance of soft white spirits.

According to the sales of Yanghe Liquor in the first three quarters, Yanghe liquor is still positioned as a medium and high-end liquor brand, so as to stabilize Yanghe's position in the medium and high-end liquor market. At the same time, it opens up different medium and low-end liquor series and adds a relatively suitable for young people, and strives to attract young people by creating liquor flavors that young people like.

#### **4.5.2. Sales strategy at this stage.**

Yanghe liquor products cover every price level of liquor products.

First, the high-end liquor products of more than 1,000 yuan. Yanghe takes Dream Blue M9 and other high-end products priced at 1,000 yuan as the sales head and center, leading the sales volume. By strengthening the product image of fine liquor and high-end liquor, Yanghe improves the price expectation of high-end liquor in the minds of customers and the acceptance of high-end liquor price by customers.

Second, the sub-high-end products within 1,000 yuan. In recent years, Yanghe has continuously consolidated the main position of secondary high-end products such as Dream Blue M6+, and tried to gradually replace high-end products with secondary high-end products as the main driving force for growth.

Third, middle-end products. Yanghe will HaiZhilan, Tianzhilan and other relatively low price of mid-end products as potential development products, to achieve sustainable sales development.

Therefore, from the sales strategy of Yanghe, it can be seen that while building a high-end and mature liquor as the leading brand image and product positioning, the focus of Yanghe has gradually moved closer to the second-end products in recent years.

#### **4.5.3. Yanghe market positioning.**

The sales strategy of Yanghe Liquor focusing on the sales volume of middle and high-end products determines the positioning of its products in terms of liquor products, brand concept and main customers.

In terms of brand concept positioning, Yanghe takes "middle and high-end" and "mature" as the key words of its products. The current way of publicity combines the high-end wine with the image of a successful man, so as to create a sense of elite and advanced concept.

In terms of main customers, the main customers of Yanghe are the mature people in the middle and high-end, and the middle-aged people such as the post-70 to post-90 are the main customers.

From the perspective of product positioning, Yanghe liquor products include middle and high-end liquor products with high price to meet the professional elite and middle-aged groups, and the liquor products represented by Tianzhilan and Haizhilan break the taste of wine that is not accepted by most young people, and launch soft innovative products to attract young people to buy with relatively mild taste, taking into account customers of all ages.

Therefore, it can be seen that the overall market positioning of Yanghe is to create a high-end concept and attract high-end people to buy while taking into account more young groups.

#### **4.6. Liquor rejuvenation and competitive product analysis**

##### **4.6.1. Liquor rejuvenation methods -- taking Jiang Xiaobai as an example.**

###### **(1) The brand concept is younger**

As a representative of young liquor in the liquor industry, the main reason is that Jiang Xiaobai has created a personalized brand concept and positioned the brand as a simple and pure "youth wine". The brand slogan: "I am Jiang Xiaobai, life is simple" has aroused the emotional resonance of young people to a great extent, and has become a label for young people to show their own life attitude and unique personality. This brand concept, which represents youth and individuality, makes young people willing to step out of the comfort zone of drinking wine and try baijiu.

###### **(2) Product design trend**

The second step of Jiang Xiaobai's rejuvenation strategy is to reform the taste, degree and packaging of traditional liquor. In terms of taste and alcohol, Jiang Xiaobai minimizes the unique characteristics of baijiu, and blends the characteristics of Jiangxiaobai baijiu with cocktails, mixed wines and other wines that are more acceptable and favored by young people, so as to cater to young people's drinking preferences and break the stereotype of baijiu. In terms of packaging, Jiang Xiaobai breaks the design of most high-end and serious baijiu in the market, but creates a simple and portable baijiu packaging, which is more in line with young people's drinking habits.

###### **(3) Diversification of marketing methods**

In terms of marketing strategy, Jiang Xiaobai actively cooperates with activities or programs that can represent young people's life attitude or trend preferences in both online and offline marketing. Through online brand planting, such as Chinese new rap, This is street dance and other young people's preferences, or variety shows that can reflect the spirit of young people, offline by organizing graffiti, flash mob and other activities that conform to the trend of young people, strengthen the concept of youth and trend.

Not only that, Jiang Xiaobai also broke the barrier between baijiu and other foods, and launched different product alliances, thereby gradually breaking the stereotype of consumers for the high-end positioning of baijiu from the subconscious, so that baijiu products become more life and daily, accepted by more young people.

##### **4.6.2. The dilemma of Yanghe in the background of youth.**

In recent years, Yanghe has made a lot of attempts in terms of product price stratification and product taste design, but in addition, if it wants to further realize the youth, its brand concept is not consistent with the youth is the problem Yanghe is facing.

The brand concept of Yanghe liquor has been aimed at high-end and successful people since its inception, so the brand positioning is far from the preference of young people. However, in order to break the concept of high-end brands, some customers who pursue high-grade baijiu will be lost. Therefore, under the background of young people, how to integrate more concepts that can be accepted by young people on the basis of not losing the brand characteristics of "high-end liquor" is the dilemma that Yanghe is currently facing.

## 5. Consumer portrait analysis based on cluster analysis

### 5.1. Target consumer characteristics and behavior analysis

Descriptive analysis of consumer demographic characteristics: Among the 485 questionnaires collected in this survey, there are 418 valid questionnaires, among which 380 respondents belong to the young people aged between 18 and 30 in Shanghai. The following is a description and analysis of the characteristics of young consumers in Shanghai.

### 5.2. Gender: There are slightly more male consumers among young consumers

As can be seen from the figure 4, in the valid sample, male consumers account for 53.3% of the total consumer group, and female consumers account for 46.7% of the total consumer group. The proportion of men and women is more balanced, with men slightly outnumbering women. The ratio of men to women shown in the questionnaire is quite different from that of the whole liquor industry (7:3). After optimizing the parameters of the comprehensive ratio of men to women on the questionnaire distribution platform, the ratio of women is still significantly higher than 30%. We believe that this is because more women in the young group have indeed entered the liquor consumption market.

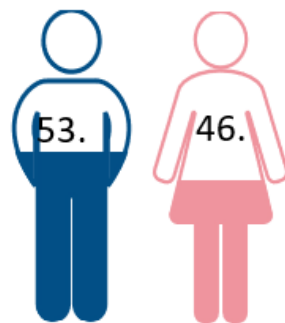


Figure 4. Proportion of male and female consumers in the valid sample (%)

## 6. Survey conclusions and feasibility suggestions

Based on the above analysis, while maintaining the product positioning of Yanghe's existing liquor series as "high-end", "atmospheric" and "high-grade" and retaining the existing target customer groups, we suggest that Yanghe Stock set up a new low-end product line "Yanghe · Young Liquor" series, which is specially designed for the young consumer market aged 18-30. The specific design suggestions for "Young Liquor" are as follows.

### 6.1. Product: lightweight and simple

In terms of taste and flavor, "Yanghe · Young Wine" should launch a series of refreshing baijiu, mainly promoting the "low" and "palpable" baijiu style of 20 degrees and below, breaking the traditional "spicy" and "top" baijiu stereotype, and catering to the taste of current generation Z young people. At the same time, it can be considered to add "lychee flavor", "pineapple flavor", "rose flavor", "citrus flavor" and other fruit drinks that are currently favored by Young people, so that "Yanghe · Young wine" is in a transition state from soft drink to hard drink, forming a unique

explosive point. Or be more bold and innovative, add a unique perfume smell, such as "freesia", "blue wind bell", etc., to play a differentiated taste characteristics.

In terms of appearance and packaging, the current young generation is a generation with personality, and they like and are willing to pay for novel and strange packaging. "Yanghe · Young wine" packaging should break the original "atmosphere", "high-end", but "heavy", "dull" image of Yanghe series, bold use of high saturation (high purity) bright colors, such as the popular "dopamine color system", "macaron color system", "cream color system" and so on. In addition, on the basis of retaining blue as the main color, the packaging color of "Young wine" can consider neighboring colors, contrasting colors and complementary colors, so as to cause visual impact and harvest the eyes of young consumers at the first time. In addition to the color, the design pattern should also be "cute", "interesting", but without losing "simple", "generous", you can consider the use of animals, plants, common items in life cartoon images, or simply use simple points, lines, surfaces minimalist design, in line with the current aesthetic preferences of young people.

In addition to the appearance design, packaging capacity and packaging materials are also important factors. The "Young wine" series should use lightweight packaging with small capacity, the capacity of a single bottle of liquor should not exceed 300 ml, and the weight of a single bottle of liquor should be less than 500 g, so as to achieve "lightweight". In terms of outer packaging, instead of the high-end but complicated bottle design of Yanghe traditional liquor series, a single bottle of liquor can only use simple metal outer packaging or glass outer packaging. For the combination of multiple bottles of baijiu, the "Young Wine" series only needs to use paper packaging and binding.

## **6.2. Price: Match the consumption level of young people**

Combined with the "lightweight" and "simple" packaging suggestions of the product, the pricing of the "Yanghe · Young wine" series should also be reduced simultaneously, to a unit price of less than 50 yuan. On the one hand, this can fit the young people who have just entered the society are not yet mature purchasing power level; On the other hand, the sales concept of "small profits and quick sales" can better fit the consumption concept of generation Z young people, so as to quickly open the market of young consumers.

## **6.3. Channels: Abandon the traditional channels, O + O innovation combination**

"Yanghe · Young Wine" series should have the courage to abandon part of the traditional purchase channels of Yanghe classic wine series, such as tobacco hotels, etc., and instead use the limited sales expenses to build new purchase channels that young people are accustomed to consuming.

At present, the specific purchase channels sought after by young people are convenience stores (such as Rosen, Family, Ten), warehouse member stores (such as Sam, Costco), high-end/boutique supermarkets (such as Oluqi, Ole', Box Ma) and so on. In addition, you can also open theme pop-up stores in the offline business circle of popular cities, inviting consumers to test drink and punch the card offline, so as to further contact and broaden the consumer group. In addition, cooperating with bars and supplying bars is also an effective sales channel to reach young people.

Of course, online consumption channels are also essential. In order to be different from the traditional high-end liquor series of Yanghe Shares and to maintain the original image and value of Yanghe high-end liquor series, Yanghe · Young Liquor can set up stores on Taobao, Tmall and Jingdong separately for the sale of Young liquor series, which is also more conducive to the management of brand image.

## **7. Conclusion**

To sum up, in the process of expanding the consumer market of young people, Yanghe Stock needs to pay attention to the comprehensive application of product strategy and positioning and marketing promotion strategies. Through continuous optimization of products and services, enhance brand

influence and visibility, break the traditional positioning stereotype, and penetrate into the daily life of young consumer groups, so as to achieve the expansion of Yanghe liquor sales market among young people and the sustainable development of the enterprise.

At present, the young market of liquor consumption is still a blue ocean, which needs to be developed and expanded by each liquor enterprise. If we can seize the opportunity and make reasonable changes, we believe that Yanghe Shares will be able to quickly occupy the market and expand its market share, so as to stand firm among the top enterprises of liquor. It is expected that Yanghe Shares can inject new vitality and momentum into China's liquor industry, and liquor culture will recover and develop!

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