

Enterprise Brand Building Empowered by Chinese Culture

-- Taking Moutai as an Example

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Abstract: Chinese culture has a profound impact on enterprise brand construction, enterprises in the brand construction to establish a good reputation and image, which is consistent with the principle of advocating integrity in Chinese culture, enterprises in the brand construction of the Chinese traditional cultural elements into the product design and marketing activities, enhance the brand uniqueness and attractiveness. Chinese culture emphasizes drinking culture, and Moutai is a traditional high-end liquor based on Chinese culture. Its unique brewing process and long history perfectly reflect the pursuit and unique insight of Chinese culture for wine making. As a traditional brand, Moutai inherits and carries forward traditional Chinese values and family culture through the production skills and drinking ceremony passed down from generation to generation. With its noble temperament and exquisite packaging, Moutai wine shows the elegance and charm of Chinese culture, and has become a good product for domestic and foreign feasts and ceremonial occasions. When Moutai was negatively affected by the macro environment, Moutai still relied on cross-border co-branding, cultural integration and digital integration of Chinese culture to get out of the dilemma.

Keywords: Moutai, economic plight, Chinese culture, cultural marketing

1. Introduction

Chinese culture refers to the unique culture of the Chinese region, encompassing the overall inheritance of morality, cultural ideology, and spiritual concepts throughout the history of the Chinese nation. Chinese culture embodies the deepest spiritual pursuits of the Chinese people and is our most profound cultural soft power. Chinese culture emphasizes the spirits of progress, harmony, morality, and practicality [1]. The cultivation of the most profound foundation for Chinese corporate culture lies in traditional Chinese culture. For example, our modern enterprises in China keep advancing with the times and constantly improve, reflecting the spirit of self-improvement and progress of the Chinese people. The unity and cooperation among employees in modern enterprises exemplify the spirit of harmony. The fair dedication of employees in enterprises reflects the moral sentiment of Chinese culture. Enterprise employees are down-to-earth and work diligently, applying theoretical knowledge to practical work, embodying the spirit of Chinese practice. There are many benefits to incorporating Chinese culture into the corporate brand, including enhancing the cultural heritage of the enterprise, increasing the value and competitiveness of the brand, gaining recognition from

Chinese people, and meeting consumers' demand for unique and culturally meaningful products[2]. Therefore, many enterprises incorporate Chinese culture into their corporate brands, such as national liquor Moutai.

During the epidemic, the economy has been in a slump and businesses have faced difficulties. However, the cultural market has shown a counter-trend rise. Some enterprises that use Chinese culture as their carrier, such as Moutai, have broken the downturn and created cultural and creative business opportunities. During times of economic downturn, companies need to focus more on cost savings, improving efficiency, and innovative development. Enterprises that possess these traditional Chinese values are more likely to gain a competitive advantage. Furthermore, during periods of economic downturn, people restrain their material consumption while expanding their spiritual consumption. They pay more attention to the background stories and cultural connotations of brands. Enterprises that serve as carriers of Chinese culture are endowed with profound historical heritage and cultural connotations, which gives them a more unique brand value in the market. They meet the demand of people seeking to alleviate mental stress through culture and attract a more stable and loyal consumer group.

This article will use Moutai as an example to explain the enterprise brand construction that is empowered by Chinese culture. These companies incorporate Chinese culture into their product design and packaging, turning them into symbols of Chinese culture and creating a distinctive brand culture. They combine with traditional Chinese festivals and customs, establishing a strong emotional connection with consumers.

2. Method

This article uses the PEST model to analyze the macro environment of Moutai, and explores the reasons for Moutai's economic difficulties and its competitive advantages from political, economic, social, and technological factors. Then, it analyzes how Moutai can use Chinese culture to cross-border collaborations, cultural integration, and digital integration to emerge from the economic downturn in the post-pandemic era. This article will innovatively combine the current digital background to analyze the reasons why Moutai has emerged from its low point in recent stages and its stock price has risen against the trend.

3. Case Study

3.1. Introduction to Moutai

Moutai is a famous traditional Chinese liquor and is the leader in the Chinese liquor industry. Moutai belongs to the sauce fragrance type and is produced in Guizhou Province, China. Moutai is one of the three famous liquors in China, along with Scottish whisky and French Cognac, known as the three famous distilled spirits in the world. Moutai is a geographical indication product certified by the State Administration for Market Regulation. Moutai's brewing techniques have been included in the first batch of national intangible cultural heritage. Moutai is not only a type of liquor but also a symbol of Chinese culture. It holds a high status and significance in Chinese culture. Moutai has a history of over 800 years and is an important part of traditional Chinese culture, as well as one of the representatives of Chinese liquor culture. At the same time, Moutai is also an important part of Chinese etiquette culture. As a high-end liquor, it is used for gift-giving and entertaining guests, expressing warmth and friendship towards relatives and friends.

3.2. Moutai Development Faces Difficulties

In the past three years, Moutai has encountered difficulties in its development. Firstly, the global market economy has been sluggish and in decline due to the impact of the pandemic. Secondly, the Chinese government is fighting corruption, and the state is strengthening the supervision of public consumption, curb the excessive consumption of luxury by some officials, forcing businesses to gradually lower prices. Furthermore, Moutai is not popular among young people due to its expensive price that exceeds their purchasing power. Additionally, young people engage in fewer business dinners, making them more inclined to choose affordable alcoholic beverages. Moreover, Moutai's brand image leans towards traditional and conservative, while young people prioritize fashion trends and prefer diverse and innovative drinks [3].

3.3. Macro-environmental Analysis Based on The PEST Model

3.3.1. Political Environment (P):

The 14th Five-Year Plan has put forward a series of policies guiding the development of the wine industry. The plan emphasizes the active development of the brewing industry, leveraging traditional Chinese culture to strengthen brand building, prioritizing quality, and expanding research and development technologies. It also aims to actively develop the wine retail and service industry, increase investment in infrastructure in cities, rural areas, and online platforms, coordinate the overall development of urban and rural areas, and cultivate professional talents. Strengthening regulatory management, improving the management system of enterprises, establishing a sound safety production management system, and enhancing the comprehensive competitiveness of enterprises are also important goals. Furthermore, promoting the wine industry, increasing efforts in consumer and industry promotion, and emphasizing cultural dissemination are key priorities. Enhance communication and cooperation with other industries for mutual development; strictly enforce environmental regulations, utilize technology to improve recycling rates, reduce harm to the environment, and create a green and beautiful environment for the development of the Chinese liquor industry[4].

In 2022, the Chinese government is fighting corruption, and the state is strengthening the supervision of public consumption, curb the excessive consumption of luxury by some officials, make generalizations based on the chaos in Moutai liquor industry and its impact on sales and market competition.

3.3.2. Economic Environment (E):

With the outbreak of the global COVID-19 pandemic, both domestic and international economies are facing severe challenges. Moutai Company is also affected, as its offline sales channels are blocked and its sales business is experiencing a significant impact. This has led to a noticeable decline in Moutai's sales revenue. With Moutai unable to sell its products, a large amount of inventory has piled up, which not only occupies Moutai's limited resources but also poses a threat to its financial chain. Furthermore, due to disruptions in logistics transportation, Moutai's supply chain has been interrupted, severely affecting its production and operations and resulting in a decrease in Moutai's prices.

3.3.3. Social Environment (S):

China has a huge population and a large market demand, with immense potential in the Baijiu market. Consumer habits have changed, emphasizing hygiene, health, smoothness, comfort, and high-quality Baijiu. Baijiu companies should pay attention to this change in consumer perception, fully focus on

the intrinsic quality of Baijiu, and combine traditional craftsmanship with modern science and technology. Alcohol has a long history in China and has formed a unique alcohol culture, with Chinese Baijiu serving as a cultural symbol that subtly influences people's consumption habits.

3.3.4. Technical Environment(T):

Innovative development of brewing techniques, in-depth study of microorganisms in Baijiu, and analysis of aromatic components. At the same time, various types of wine making techniques are creatively combined to generate new processes, such as high-temperature saccharification and fermentation in sauce-flavored liquor, medium-high temperature saccharification and double-wheel bottom fermentation in strong-flavored liquor, layer distillation, selective collection of high-quality liquor, and application of yellow water.

3.4. Moutai Broke Through the Predicament Based on Chinese Culture

3.4.1. Moutai Culture Marketing

Moutai combines Chinese culture for cultural marketing, such as the carnival held in Dunhuang on September 16, 2023, where Moutai is combined with Dunhuang culture. Many Moutai fans gather in Dunhuang to build a cultural bridge spanning thousands of miles. The trademark design of the 1958 exported Moutai liquor, which features the flying goddess pattern from the Mogao Grottoes, corresponds to this event, representing the pursuit of beauty by the Chinese people.

For example, the Moutai Liquor Summer Series, combines Moutai with China's twenty-four solar terms to create cultural products, achieving a clever integration of the twenty-four solar terms with Moutai craftsmanship, culture, and technology. The Moutai Factory's Light and Shadow Moutai, the Xunfeng Digital World, and the Beijing Twenty-Four Solar Terms Park are synchronously held online and offline.

3.4.2. Cross-border Collaboration to Inherit the Innovative Spirit of the Chinese Nation

Moutai inherits the innovative spirit of the Chinese nation and collaborates with different industries to continuously innovate and target a younger audience. On July 29, 2023, Moutai launched "a small size packaging" in collaboration with Zhongjie Ice Cream. On September 4, the Moutai and Luckin Coffee collaboration launched the Sauce Fragrant Latte, which completely ignited the market with sales exceeding 100 million yuan on the same day. On September 16, the Moutai and Ferrero Rocher collaborated on the "MaoXiaoling" Liquor Filled Chocolate, which quickly sold out on multiple platforms upon its release.

Moutai's urgency in cross-border marketing in the summer of 2023 is for a reason. Firstly, as a luxury item in short supply, Moutai's consumer base is gradually aging, while young people are the future main consumer market. This poses a crisis for Moutai, which is losing young consumers. Therefore, Moutai needs to take measures to attract young consumers, giving them the opportunity to experience Moutai and not be deterred by its high price. As a result, a series of cross-border collaborations are being launched to lower the price threshold and bridge the gap with young people [5].

3.4.3. Grasping The Essence of Chinese Culture in the Digital Era

Moutai deeply grasps the contemporary connotation of Chinese culture and integrates it with digital technology. iMoutai utilizes advanced technologies such as cloud computing, big data, blockchain, and the Internet of Things, while adopting a modular and microservices-based open architecture design. This creates a brand-new digital Moutai liquor museum experience, allowing users to

appreciate the beauty of Moutai's digital integration. For example, Moutai launched the digital collection of 24 solar terms wines in the Xunfeng digital world and initiated the Spring Festival brewing competition. The application of digital twinning technology allows the origin of Moutai in the Xunfeng world to experience four seasons just like in real scenes, with the historical Guangchang site shining in the real world, cobblestone corridors, and users can feel the hard work and joy of brewing in the digital world, the glaring sunlight at noon, and the pleasure of interacting with brewing masters, as well as the convenience of cross-platform.

4. Discussion and Conclusion

However, Moutai's cross-border collaborations in the past two months have not been successful. While the Moutai and Luckin Coffee joint promotion of the "Sauce Fragrance Latte" had a significant impact, it has now been taken off the shelves. The collaboration with Ferrero Rocher for the "MaoXiaoling" Liquor-Filled Chocolate has sparked controversy, as it is priced 10 times higher than regular Ferrero Rocher chocolates and does not have any distinct taste compared to other liquor-filled chocolates. While it is commendable to utilize the innovative spirit of the Chinese nation, it is important to strike a balance and not overdo it[6]. Constantly partnering with affordable products dilutes the value of Moutai as a luxury brand and goes against its brand positioning. Although the collaboration with other brands allows the younger generation to buy affordable Moutai products, it does not mean that they will buy Moutai at a higher price in the future. The reason why young people do not buy Moutai is because they cannot afford it, and the cross-border collaborations of Moutai do not solve this fundamental problem. However, Moutai's cultural marketing, combined with a digital background, is indeed the trend, and it will bring long-term benefits to Moutai.

The three major measures taken by Moutai to overcome difficulties provide us with great enlightenment. Cross-border collaborations should be conducted reasonably based on their own brand positioning, while emphasizing the exploration of the cultural connotations of products and cleverly integrating them with local culture. It is also important to keep up with the times, grasp the essence of the era, and open up new pathways in the digital economy.

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