

# A Study on Baijiu Culture Promotion by Geographical Indication Utilization

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**Abstract:** Chinese geographical indication is a recognition to product's strong connection with natural and human factors and conditions of the place of origin. Nowadays, it has covered a wide range of Baijiu products and has successfully boosted the development of Baijiu industry as well as its culture. However, current exploration of geographical indication still has some defects like fail to explore local story fully and lack of modern standards. This essay first analyzes the status quo of Chinese Baijiu industry as well as Western alcoholic beverage industry, and points out some deficiencies of Chinese Baijiu industry. Then it shows the importance of fully exploring geographical indication like building good brand image and promoting rural revitalization. Last, it gives some practical suggestions.

## 1. The Status quo of Geographical Indication Utilization

### 1.1 Chinese Baijiu Industry

According to the Measures for the Protection of Geographical Indication Products issued by China National Intellectual Property Administration, product of geographical indication refers to products originating from a specific geographical area, and the quality, reputation or other characteristics of such product are essentially dependent on the natural and human factors of the place of origin. It includes both products from this region and products which gain their raw materials all from this region or partially from other regions, and produced and processed in this region according to specific techniques[1].

In China, research and protection on geographical indications started in 1980s. In 2001, the Trademark Law was amended with reference to international experience, and in 2005, the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) issued the Regulation on the Protection of Geographical Indications Products, which marked new progress in the protection of geographical indications in China[2].

Currently, China has a total of 104 geographically indicated Baijiu products scattered in 28 provinces and autonomous regions. Due to geographical and historical factors, distribution of those products is uneven. Sichuan occupies the largest proportion with 21 kinds of Baijiu products, following by Anhui and Hebei[3].

As for the utilization of geographical indication, previous studies have proved the efficiency in Baijiu industry with entrepreneurial and governmental participation. Zhu (2011) revealed that in Jiangsu, Yanggou Baijiu company had strengthened its market competitiveness of geographically indicated Baijiu product by successfully implementing marketing and brand building strategies [4]. And Tong (2023) proved that governments' support in policies and financial investment in Sichuan and Guizhou has promote the protection of baijiu geographical indication products and the development of the local baijiu industry [5]. Still, in comparison with other countries, the current methods still have some defects, which will be illustrated in details in the following chapters.

### 1.2 Western Alcoholic Beverage Industry

The definition of geographical indication in Western countries is similar to China. According to European Commission, a geographical indication (GI) is a distinctive sign used to identify a product whose quality, reputation or other such characteristics relate to its geographical origin[6]. One

noticeable difference between Chinese Geographical Indication and the Western counterpart is that the concept of geographical indication is introduced to Western society in an earlier age. In France, the Appellation d'Origine Contrôlée (Controlled Designation of Origin) passed in 1935 justified the conception of *terroir*-a natural conception of wine delineated by a specific area of production[7]. And in Spain, the DO (Denominación de Origen, which in English means Designation of Origin) system was introduced in 1932, revised in 1970, and adjusted in 2003 to meet the demand of European rules. All the wines in Spain now belong to one of six regulated categories: *Vino de Mesa*, *Vinos de la Tierra*, *Vino de Calidad Producido en Región Determinada*, *Denominación de Origen* (DO), *Denominación de Origen Calificada* (DOCa or DOQ) which rewards regions with a consistent record of high quality for at least ten years ,and *Denominación de Pago* that was introduced in 2003 for vineyards or estates with high international reputation. Each DO region has its own Consejo Regulador which enforces the rules regarding the type of grapes allowed, maximum yields, minimum time a wine must age, labelling, and other aspects of wine-making. It is overseen by the Instituto Nacional de Denominaciones de Origen (INDO) in Madrid [8].

Many Western studies on the utilization of geographical indication in beverage industry focus on specific approach. Gonzalo and Maica (2023) study how tourists experience the wine trip route in terms of physical sensations [9]; while Francisco's research (2020) focused on the effects of social media on wine trip [10].

### 1.3 Comparison

In comparison with China and the Western world, it is clear that two aspects of Chinese geographical indication need to be improved.

One is the use of Geographical Indication. Although many Chinese Baijiu products with local characteristics have been recognized as geographical indication products, and government as well as companies have made remarkable achievements in promoting those Baijiu products, they still have not fully explore the potential value of geographical indication. To be more specific, the use of geographical indication is largely confined on solely mentioning titles or background stories instead of product's concrete connection with surrounding environment. While in Western countries, their narration as well as practice have become sophisticated and exact. Taking the wine industry in Canada's South Okanagan Valley as an instance, people there has successfully incorporate idyllic experience with wine so as to provide a mixed landscape and memorable experience. In South Okanagan Valley, visitors can not only enjoy local wine but also participate in activities like picking and tasting fruits and walking barefoot in the dirt [11].

The second is Standard. For promoting Baijiu culture, it's not enough to only better the utilization of geographical indication; instead, the standard system should also conform to international standard so as to provide legal protection to the overseas marking of Baijiu. Indeed, currently China's Baijiu quality assurance system has covered every process of Baijiu industry from raw material to packaging[12], but this quality assurance system does not meet the need of international counterpart in terms of package and food additive [13]. Thus, there's strong need to uplevel current standard system.

## 2. Importance of Geographical Indication

### 2.1 Building Brand Image

As geographical indication serves as a recognition of product's profound relationship with its natural and cultural environment, Baijiu industry can utilize this concept in production and marketing so as to show the superior quality of their products and distinct themselves from competitors. Experience can be learned from the concept of "*terroir*" proposed by French wine industry: In Cambridge Dictionary, "*terroir*" is defined as "the particular environment in which the grapes for a wine were grown, which give the wine a special character"[14]. Over the past century, not only French government validates this concept by issuing relevant laws and regulations, winegrowers also actively use this concept to distinguish themselves from competitors and to

inculcate consumers that the unique favor of their wine is the result of geographical feature and traditional technique.

Furthermore, “terroir” in France is not merely a conception used in promotion but also a guide principle for wine production. In Meursault, farmers continue the traditional practice of stirring white wines by hand using an iron bar during their maturation in oak barrels so as to enable wine to be oxygenated while it matures in the cellar. And Domaine de la Romanée Conti, a quasi-monopolistic enterprise, considered by some to produce the best wines in the world, argues strongly for the use of traditional techniques and the reduction of intervention as a means of preserving the quality of the soil and favor. Their vineyards are managed using organic and traditional agriculture, with tractors recently being replaced by horses to reduce the compaction of soil. Yields are very low, at around 25 hl/hectare, and they harvest the grapes later than most vineyards in Burgundy. As the result, by practicing the philosophy of “terroir” and create rarity, they managed to gain a competitive advantage in international wine market.

Although other western countries do not develop a sophisticated idea like “terroir” to show the connection with surrounding environment, they still manage to combine the culture in that region with wine to develop relevant business forms like wine trip. In South Okanagan Valley, tourists can learn about indigenous culture, history, and politics over the course of food and wine tours hosted by indigenous guides. And in Gran Canaria, tourists can not only enjoy the local wine but also participate in relational cultural activities like wine festival and wine tasting. By combining local culture with product, they manage to create a distinctive and glamorous image for visitors to experience.

## **2.2 Promoting Rural Revitalization**

The Comprehensive Rural Revitalization Plan (2024-2027) issued by the State Council of the People's Republic of China points out methods to promote high-quality development of rural industries and increase farmers' income: “Building a modern rural industrial system. We must cultivate modern rural industries. We must do a good job in ‘local specialties’, and develop rural farming, transportation, leisure tourism and services industry; while focusing on the main production areas of agricultural products and the advantageous areas of special agricultural products, creating “modern rural industrial corridors” and implementing the agricultural brand boutique cultivation program. We must optimize the organization of the industrial chain, cultivate leading enterprises of agricultural industrialization, and support enterprises to collaborate in building the industrial chain supply chain; and also build strong industrial development carriers, support the construction of rural industrial integration development projects in counties, and develop advantageous characteristic industrial clusters.” [15]. Since many kinds of Baijiu have already been recognized as geographical indication product, it is feasible to develop related industries, prefect the industrial chain, and ultimately establish industrial clusters based on current Baijiu product. In this way, people, community and enterprises will all benefit from it.

In some countries, people have successfully boosted the development of rural area by fully exploring the potential value of geographical indication. Take the South Okanagan Valley in Canada as an instance, study has revealed remarkable benefits brought by combining local wine product with tourism: For one, direct sales of wine and fruit brings mutual benefits to farmers because they can make a better profit, and to tourists because they can buy fresher food at lower price. Second, the increased job opportunity brought by the development of tourism not only create more jobs to local people but also attract people from other areas to come and settle down. Third, the flourish of wine industry also attracts new investment. Last, tourism incentivizes this region to protect food sources and protect the environment and agricultural landscape where these foods are grown.

### 3. Countermeasures

#### 3.1 Local Story exploration

For China's Baijiu industry, owing to its long history and profound cultural accumulation, there are many local stories that can be discovered and recounted. Take Maotai Baijiu as an instance, from the perspective of natural environment, its unique taste is the result of unique terrain which serves as a natural water filter and microbial community [16], so it is possible for practitioners in Baijiu industry to learn from France's experience, pay attention on geographical features in promotion and develop activities for visitors to personally experience such an environment.

Today's Chinese Baijiu industry is actively exploring the possibility of integrated development of Baijiu product and other industries and business forms. During this course, Maotai has made much efforts in developing tourism with Baijiu featured culture. Currently, they have created tourist attractions like museums, monuments and sculptures for tourists. But, like it has been suggested above, superficial and general background story instead of in-depth story were told by Baijiu enterprises. As a result, there exists problems like homogenization of tourism products, lack of impressive experience and fail to fully express local culture. Facing that, many researchers start from the reform on the supply-side, and explore the path of the in-deep integration of Baijiu culture and tourism industry. Some scholars have proposed the villages where the raw materials are planted, the brewing factories and wine cellars are landscaped. This kind of landscaping can bring out the mystery of Baijiu culture and arouse the interest of tourists in experiencing this culture, while at the same time it can also enrich the unique experience of Baijiu culture-related tourism. This concept provides a concrete direction for the integrated development of Baijiu culture and tourism, and many researchers have further studied the development of specific wine culture tourism based on this concept. Some proposed strategies to optimize the supply of Baijiu culture tourism, including scenario-based production process, and visualization of local people's lifestyles. These strategies are no longer centered, on the liquor industry, but are more directed to the communities where the raw materials are produced and where the liquor is brewed [17].

#### 3.2 Modernizing Standard System

Present standard system of Baijiu still needs to be improved in many aspects, which includes:

Firstly, sensory requirements like fragrance and taste are vague, difficult to accurately evaluate, and lack practical operability. This creates deviations in the sensory evaluation of Baijiu between consumers and government regulators, and also affects the accuracy of the evaluation results. It is suggested that the sensory indexes of Baijiu should be quantified by means of computer, modern biology, fuzzy mathematics and statistics, and a scientific sensory evaluation method of Baijiu should be established to make the sensory indexes of Baijiu objective and accurate.

Secondly, according to the current Baijiu standard, the total acid is calculated based on the acetic acid content, and the total ester is calculated based on the ethyl acetate content. Research shows that this calculation method is only applicable to light flavor Baijiu, not to other flavors. Thus, there's necessity to establish and use advanced scientific means to determine the physical and chemical indicators that can truly reflect the quality of Baijiu, and build a more accurate physical and chemical indicator system.

Thirdly, with the development of Baijiu enterprises and the progress of the times, the current safety indicators can no longer truly reflect all the potential safety hazards in Baijiu. Therefore new safety standard (especially the safety standards for EC and plasticizers, the two most commonly founded hazardous substances in Baijiu products) must be issued as soon as possible, and the Baijiu quality supervision system has also to be improved.

Fourthly, at present, the market is flooded with fake vintage liquors, causing the damage of the reputation of China's Baijiu industry and the infringement upon consumers' rights and interests. If this continues to develop, the Baijiu industry may be severely damaged and even affect Baijiu's going out of China and exploring overseas market. Therefore, it is necessary to formulate and implement national standards for the production and testing of vintage Baijiu as soon as possible to standardize the market of vintage Baijiu, safeguard the legitimate rights and interests of consumers,

improve the integrity of Baijiu enterprises, and enhance the international influence and competitiveness of Baijiu.

Fifthly, Most of the current national and industrial standards related to Baijiu were formulated (revised) between 2006 and 2011; today, the variety and flavor of Baijiu products have exceeded the original standard range. Therefore, it is needed to formulate (revise) those standards<sup>[10]</sup>.

On the basis of bettering domestic standard system, it is also necessary for Baijiu companies to issue regulations to meet the standard of target market when engaging in overseas sales.

#### 4. Conclusion

In conclusion, the promotion of Baijiu culture through the utilization of geographical indications presents a significant opportunity for the Chinese Baijiu industry to enhance its global competitiveness and cultural influence. Which to a greater extent can help to build up China's cultural strength. Furthermore, the development of related industries and the establishment of industrial clusters based on geographically indicated Baijiu products can also significantly contribute to rural revitalization.

As for specific approach, lessons can be drawn from the Western alcoholic beverage industry, particularly the sophisticated use of geographical indications in wine production and marketing, it is imperative for Chinese Baijiu enterprises to explore genuine local stories and integrating them into the marketing and production processes to create a unique and compelling brand image. Additionally, modernizing the standard system for Baijiu production is crucial to meet international standards so as to provide legal protection for the overseas sales of Baijiu products.

In summary, a comprehensive utilization of geographical indications, combined with a modernized standard system, can provide powerful thrust to Chinese Baijiu industry, fostering both economic growth and cultural preservation.

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