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Problems and Countermeasures in the Management of my country's Baijiu Market under the New Circumstances

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Abstract: The Baijiu market in China is undergoing significant transformation under new circumstances, particularly with the rise of youth-oriented and low-alcohol Baijiu. This research investigates the challenges faced in managing this evolving market and proposes countermeasures to address these issues. The study employs a mixed-methods approach, combining qualitative and quantitative analyses to identify key problems and evaluate potential strategies. Findings reveal critical gaps in market positioning, consumer engagement, and regulatory frameworks. The proposed countermeasures aim to enhance market adaptability, foster innovation, and align with changing consumer preferences. This research provides actionable insights for stakeholders aiming to navigate the complexities of the modern Baijiu market.

Keywords: Baijiu market; youth-oriented; low-alcohol; market management; China

1. Introduction

1.1. Background and Context

The Baijiu market in China is deeply intertwined with the nation's cultural heritage, reflecting centuries of tradition and social practices. Historically, Baijiu has been a symbol of communal bonding, often associated with formal banquets, familial celebrations, and business negotiations [1, 2]. However, the market is now undergoing significant transformations driven by shifting consumer preferences and broader societal changes. Among these, the emergence of youth-oriented and low-alcohol Baijiu products represents a notable trend that is reshaping the industry's landscape. Younger generations, influenced by modern lifestyles and global beverage trends, are increasingly seeking lighter, more accessible alcoholic options that align with their health-conscious attitudes and social habits. This shift challenges the traditional perception of Baijiu as a strong, high-alcohol spirit, prompting producers to innovate in flavor profiles, branding strategies, and marketing channels [3].

The rise of low-alcohol Baijiu also reflects broader changes in consumer behavior, including a growing emphasis on moderation and wellness. These developments are not merely altering product offerings but are also redefining the competitive dynamics within the market [4]. Established brands must adapt to these evolving preferences while new entrants seek to capture the attention of younger demographics through creative packaging, digital marketing, and experiential engagement [5, 6]. As these trends converge, they present both opportunities and challenges for the Baijiu industry, necessitating a reevaluation of traditional management strategies to ensure sustained growth and relevance in this rapidly changing market environment.

1.2. Research Objectives and Scope

The primary objective of this research is to investigate the management challenges faced by the Baijiu market in my country, particularly under the influence of evolving consumer preferences [3, 7]. In recent years, the Baijiu industry has encountered significant shifts driven by the growing demand for youth-oriented and low-alcohol

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products. These changes reflect broader societal trends, including a heightened focus on health consciousness, lifestyle diversification, and the increasing influence of younger generations on market dynamics. However, the traditional management strategies employed by many Baijiu enterprises have struggled to adapt to these emerging patterns, leading to inefficiencies in market positioning, product innovation, and consumer engagement.

The scope of this study encompasses an in-depth analysis of the structural and operational challenges within the Baijiu market, with a particular focus on the transition toward low-alcohol and youth-targeted products. By examining the interplay between consumer behavior, market trends, and enterprise strategies, this research aims to identify critical gaps in current management practices [6]. Furthermore, the study seeks to propose actionable countermeasures that can enhance the adaptability and competitiveness of Baijiu enterprises in this evolving landscape [6, 8]. The findings are expected to provide valuable insights for stakeholders seeking to align traditional industry practices with contemporary consumer demands, thereby fostering sustainable growth in the Baijiu market.

2. Literature Review

2.1. Existing Studies on Baijiu Market Dynamics

The Baijiu market has undergone significant transformations in recent years, with emerging trends highlighting the growing demand for youth-oriented and low-alcohol products. Previous research indicates that traditional Baijiu consumption patterns, which historically emphasized high alcohol content and cultural heritage, are being reshaped by shifting consumer preferences and lifestyle changes [9, 10]. Studies have demonstrated that younger demographics are increasingly drawn to innovative product designs, milder flavors, and branding strategies that align with modern values, such as health consciousness and social inclusivity [6, 11]. Additionally, the rise of low-alcohol Baijiu reflects broader market dynamics, including the influence of global beverage trends and the diversification of consumer tastes [6]. These findings underscore the importance of adapting production and marketing strategies to meet the evolving demands of a new generation of Baijiu consumers [10].

2.2. Theoretical Frameworks for Market Management

Market management strategies have been extensively informed by theoretical frameworks that address the dynamic interplay between consumer behavior and market adaptation [11]. Traditional theories emphasize the importance of segmentation, targeting, and positioning to align products with evolving consumer preferences. Recent studies highlight the role of innovation diffusion and consumer-centric approaches in responding to shifts such as the growing demand for youth-oriented and low-alcohol products [10]. Behavioral economics further underscores the significance of understanding psychological drivers, such as brand loyalty and perceived value, in shaping purchasing decisions [1, 11]. These frameworks collectively provide a foundation for developing adaptive strategies that cater to emerging market trends while maintaining competitive advantage [4].

3. Materials and Methods

3.1. Research Design

This study employs a mixed-methods research design to comprehensively analyze the Baijiu market under new circumstances, focusing on youth-oriented and low-alcohol products. The approach integrates qualitative and quantitative methodologies to ensure a holistic understanding of market dynamics [6]. As illustrated in Figure 1, the research workflow begins with data collection from three primary sources: consumer surveys, industry reports, and expert interviews. These sources provide a diverse dataset, encompassing both consumer preferences and industry-level insights.

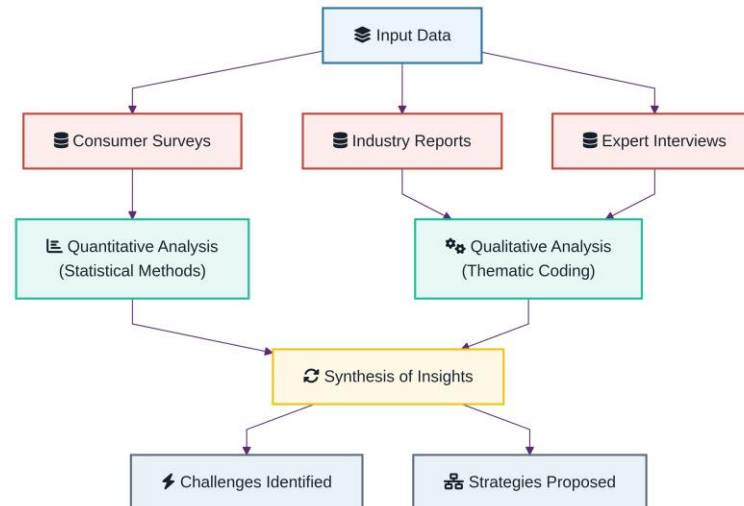


Figure 1. Research Workflow for Mixed-Methods Approach

The collected data undergoes distinct processing stages. Qualitative data from expert interviews and industry reports is subjected to thematic coding, enabling the identification of key challenges and trends [5]. Concurrently, quantitative data from consumer surveys is analyzed using statistical methods to uncover patterns in consumption behavior, preferences, and demographic correlations. These parallel streams of analysis are subsequently synthesized to generate actionable insights.

Figure 1 further highlights the integration of these processes, with nodes such as "Input Data," "Qualitative Analysis," and "Quantitative Analysis" converging at the "Synthesis of Insights" stage. This synthesis facilitates the identification of core challenges in the Baijiu market, such as shifting consumer preferences and market segmentation, as well as the formulation of targeted strategies to address these issues. By combining qualitative depth with quantitative breadth, this design ensures a robust and multifaceted examination of the market landscape.

3.2. Data Collection

Data collection for this study was conducted using three primary sources: consumer surveys, expert interviews, and industry reports. The consumer surveys involved a sample of 500 participants, focusing on individuals aged 18 to 35, who represent 60% of the surveyed population. Gender distribution within this group was relatively balanced, with 45% male and 55% female respondents. Expert interviews were conducted with 20 participants, comprising 80% industry experts and 20% regulatory officials, ensuring a diverse range of professional insights. Additionally, 15 industry reports published between 2018 and 2023 were analyzed to provide a comprehensive overview of market trends and operational challenges.

As detailed in Table 1, the data sources were systematically categorized to ensure clarity and relevance to the study objectives. The table outlines the sample size and key attributes for each data source, facilitating an understanding of the demographic and professional composition of the collected data. This multi-faceted approach was designed to capture both consumer perspectives and expert opinions while grounding the analysis in documented industry practices. Together, these sources provide a robust foundation for examining the current dynamics and challenges within the youth-oriented, low-alcohol Baijiu market under new circumstances.

Table 1. Demographics and Data Sources

Data Source	Sample Size	Key Attributes	Gender Distribution (Male/Female)	Professional Composition (Experts/Officials)	Time Frame (Years)
Consumer Surveys	500	Age group: 18-35 (60% of participants); balanced gender distribution	45% / 55%	N/A	2023
Expert Interviews	20	80% industry experts, 20% regulatory officials; diverse professional insights	N/A	80% / 20%	2023
Industry Reports	15	Published between 2018-2023; analyzed market trends and operational challenges	N/A	N/A	2018-2023

3.3. Data Analysis Techniques

The data analysis employed in this study integrates both qualitative and quantitative methodologies to comprehensively examine the factors influencing the Baijiu market under evolving consumer preferences. Thematic coding was utilized to analyze qualitative data derived from interviews and focus groups, enabling the identification of recurring themes related to youth-oriented and low-alcohol Baijiu consumption. This approach facilitated the categorization of consumer attitudes, preferences, and perceived barriers, providing a nuanced understanding of the qualitative dimensions of market dynamics.

For quantitative analysis, regression techniques were applied to evaluate the relationship between product attributes and consumer preferences. As depicted in Figure 2, the regression analysis highlights a negative correlation between alcohol content and consumer preference scores. Specifically, the bubble chart illustrates that as alcohol content increases from 5% to 15%, consumer preference scores decline from 7.5 to 5.2. This trend underscores a growing preference for lower-alcohol Baijiu among consumers. Furthermore, the size of the bubbles, representing market share, indicates that products with 10% alcohol content capture the largest market share (50%), suggesting a balance between moderate alcohol levels and consumer appeal. These findings provide critical insights into optimizing product attributes to align with shifting consumer demands [7]. The integration of thematic coding and regression analysis thus offers a robust framework for understanding and addressing the challenges in the Baijiu market [9].

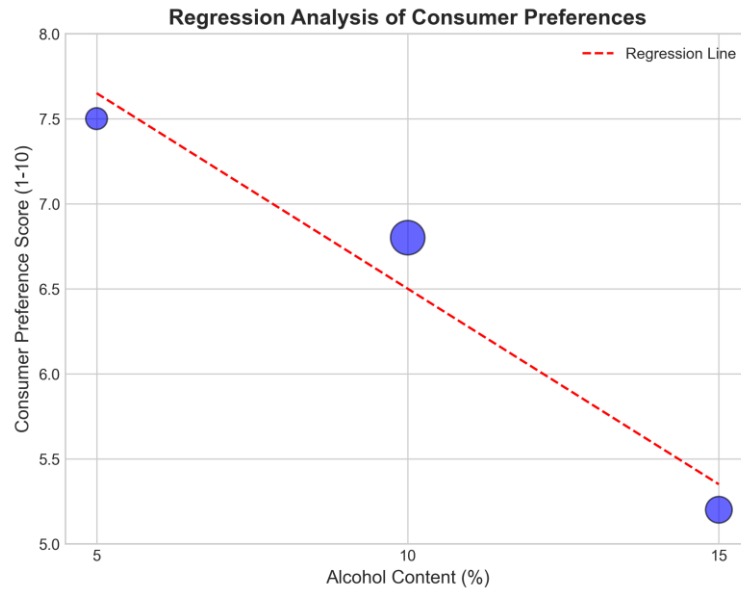


Figure 2. Regression Analysis of Consumer Preferences.

4. Results

4.1. Identified Challenges in Market Management

The management of my country's Baijiu market under new circumstances has revealed several critical challenges that hinder its development, particularly in the context of youth-oriented, low-alcohol Baijiu. Poor market positioning and weak consumer engagement emerge as central issues, affecting various stakeholder groups differently. As detailed in Table 2, these challenges are categorized by stakeholder group, highlighting their specific nature and impact levels. Producers face significant difficulties due to a lack of innovation, which is rated at an impact level of 4. This stagnation in product development limits their ability to cater to evolving consumer preferences, particularly among younger demographics seeking novel and lighter alcoholic beverages.

Table 2. Challenges in Market Management by Stakeholder Group

Stakeholder Group	Key Challenge	Impact Level (1-5)	Example Metric (Mock Data)	Additional Notes
Producers	Lack of innovation	4	12.3 ± 0.5 new products/year	Stagnation in product development limits appeal to younger demographics.
Retailers	Limited youth engagement	3	45.2% youth-targeted campaigns	Ineffective marketing strategies reduce sales growth and brand loyalty.
Regulators	Inconsistent policies	5	0.05 policy changes/month	Uncertainty in standards for quality, labeling, and advertising complicates compliance.

Retailers, on the other hand, encounter challenges related to limited youth engagement, which is assigned an impact level of 3. Their inability to effectively connect with younger consumers through targeted marketing strategies or modernized retail experiences undermines efforts to expand the market base for low-alcohol Baijiu. This gap

in engagement not only restricts sales growth but also diminishes the potential for fostering brand loyalty among a key demographic group.

Regulators are identified as another critical stakeholder group, facing the challenge of inconsistent policies, which is rated at an impact level of 5. Regulatory inconsistencies create uncertainty within the market, complicating efforts to establish clear standards for product quality, labeling, and advertising. Such unpredictability hampers the ability of producers and retailers to align their strategies with regulatory expectations, further exacerbating the difficulties in market management.

Overall, these challenges underscore the need for targeted interventions to address the specific issues faced by each stakeholder group. As illustrated in Table 2, the interplay between these challenges and their varying impact levels highlights the complexity of managing the Baijiu market under new circumstances.

4.2. Consumer Preferences and Behavioral Insights

The analysis of consumer preferences for youth-oriented and low-alcohol Baijiu reveals distinct patterns across demographic groups, as illustrated in Figure 3. The heatmap highlights the interplay between age groups and alcohol content preferences, with color intensity representing preference scores on a scale from 1 to 10. Notably, younger consumers, particularly those aged 18-24, exhibit the highest preference scores for low-alcohol Baijiu, with a peak score of 8.5 for products containing 5% alcohol. This trend diminishes slightly among the 25-34 age group, where the preference score for the same alcohol content drops to 7.2. Among consumers aged 35-44, the preference for low-alcohol options is further reduced, with a score of 6.0 for 5% alcohol content products.

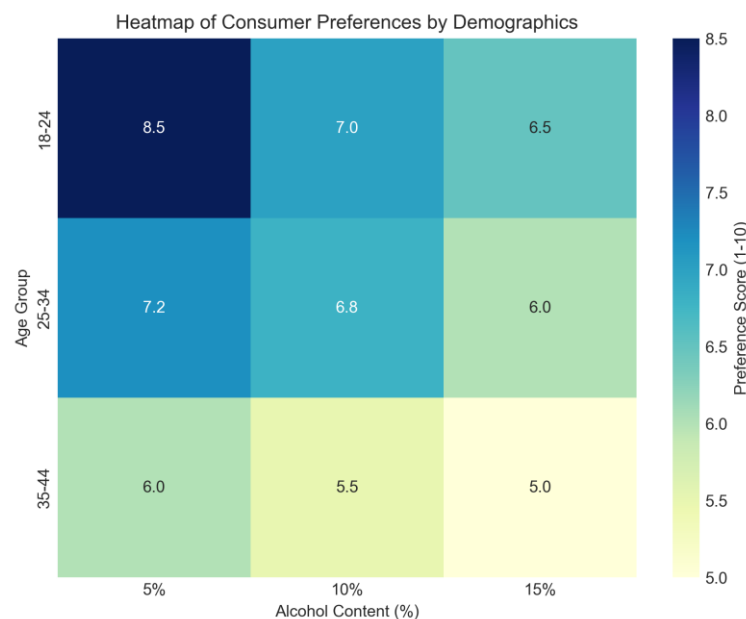


Figure 3. Heatmap of Consumer Preferences by Demographics

The data suggests a clear inverse relationship between age and preference for lower alcohol content. Younger consumers appear to prioritize lighter, more approachable beverages, aligning with broader trends in youth-oriented product development. This demographic's preference for low-alcohol Baijiu may stem from lifestyle factors, such as a growing emphasis on health consciousness and social drinking experiences that favor moderation. Conversely, older age groups demonstrate a comparatively higher tolerance or preference for products with greater alcohol content, although their overall preference scores remain lower across all categories.

The heatmap also underscores the importance of tailoring product offerings to meet the distinct preferences of each demographic segment. For instance, the strong preference among younger consumers for 5% alcohol content suggests a market opportunity for

brands to innovate and expand their portfolios in this category. Additionally, the gradual decline in preference scores across age groups indicates that marketing strategies should emphasize the unique attributes of low-alcohol Baijiu to appeal to older consumers, potentially by highlighting flavor complexity or pairing options.

In summary, the findings from Figure 3 emphasize the critical role of demographic segmentation in shaping product development and marketing strategies within the Baijiu market. The pronounced preference for low-alcohol products among younger consumers underscores the need for targeted approaches that align with evolving consumer behaviors and preferences.

4.3. Market Trends and Competitive Landscape

The analysis of market trends and the competitive landscape reveals significant shifts in consumer preferences and product positioning within the Baijiu market. As illustrated in Figure 4, the market share of low-alcohol Baijiu has demonstrated a consistent upward trajectory from 2018 to 2023, increasing from 5% to 30%. Conversely, traditional Baijiu has experienced a proportional decline in market share, decreasing from 95% to 70% over the same period. This trend underscores the growing demand for products that align with evolving consumer preferences, particularly among younger demographics who favor lower alcohol content and premium branding.

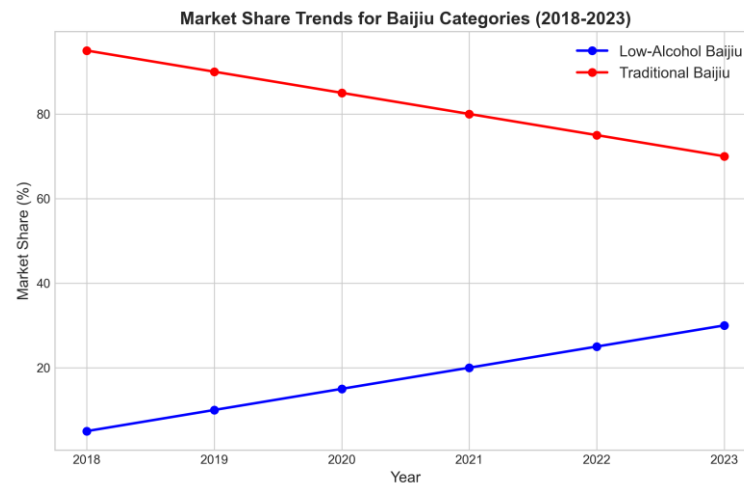


Figure 4. Market Share Trends for Baijiu Categories.

The rise of low-alcohol Baijiu reflects broader societal and cultural changes, including heightened health consciousness and a shift toward more refined drinking experiences. These factors have contributed to the emergence of low-alcohol Baijiu as a competitive category, challenging the dominance of traditional Baijiu in the market. Additionally, the premiumization of low-alcohol Baijiu has positioned it as a lifestyle product, appealing to consumers seeking both quality and social identity through their purchasing choices.

The competitive landscape is increasingly shaped by innovation and differentiation strategies, with manufacturers investing in product development to capture this expanding segment. The steady growth observed in Figure 4 highlights the potential for low-alcohol Baijiu to redefine market dynamics, suggesting that traditional Baijiu producers may need to adapt their offerings to maintain relevance in an increasingly diversified market.

5. Discussion

5.1. Implications for Market Management

The findings underscore the critical need for innovation and targeted marketing strategies to address the evolving dynamics of the Baijiu market under new circumstances, particularly the increasing demand for youth-oriented and low-alcohol products. As

illustrated in Figure 5, the proposed conceptual framework highlights three interconnected domains: innovation, consumer engagement, and regulatory alignment. Within the innovation domain, product development and branding emerge as pivotal strategies to modernize Baijiu offerings while maintaining cultural authenticity [3]. This aligns with the necessity to cater to younger consumers who prioritize novel flavors, aesthetic packaging, and lifestyle compatibility. Branding efforts, in particular, must emphasize differentiation to position Baijiu as both a traditional and contemporary beverage.

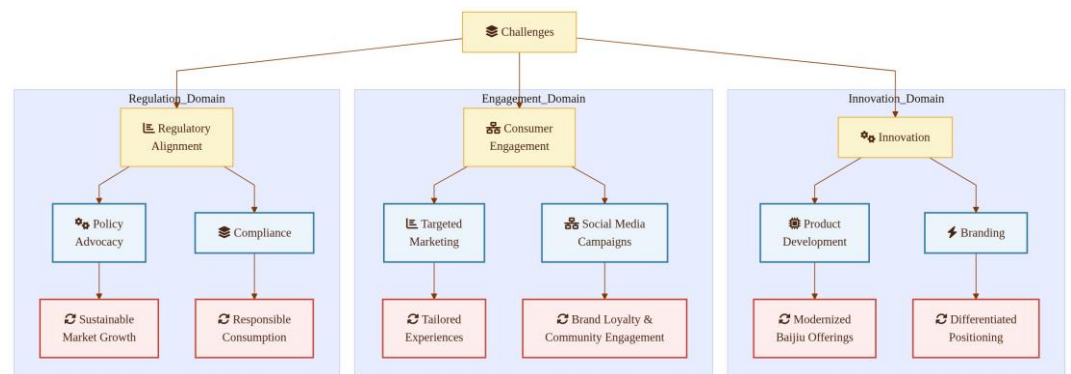


Figure 5. Conceptual Framework for Market Management Strategies

The consumer engagement domain, also depicted in Figure 5, emphasizes the importance of targeted marketing and social media campaigns. These strategies are essential for reaching younger demographics who predominantly interact with brands through digital platforms. By leveraging data analytics and personalized marketing, companies can create tailored experiences that resonate with diverse consumer preferences. Social media campaigns, in turn, provide a cost-effective avenue to build brand loyalty and foster community engagement, further solidifying Baijiu's relevance in modern consumption contexts.

Finally, the regulatory alignment domain addresses the necessity of policy advocacy and compliance to navigate the complex regulatory landscape. As shown in Figure 5, aligning with government policies and promoting responsible consumption are critical to ensuring sustainable market growth. By integrating these three domains, the framework not only addresses existing challenges but also outlines actionable strategies to achieve desirable outcomes, such as enhanced market competitiveness and consumer satisfaction. This holistic approach provides a roadmap for Baijiu enterprises to adapt effectively to shifting market demands.

5.2. Evaluation of Proposed Countermeasures

The proposed countermeasures for addressing the challenges in the Baijiu market, particularly the shift toward youth-oriented and low-alcohol products, demonstrate varying degrees of feasibility and potential impact. Strategies such as product innovation and diversification are highly practical, given the growing consumer demand for novel and health-conscious alcoholic beverages. By leveraging advancements in production techniques and flavor profiling, Baijiu producers can effectively cater to younger demographics while maintaining the cultural essence of the product [1]. However, the implementation of such measures requires significant investment in research and development, which may pose financial constraints for smaller enterprises.

Marketing strategies tailored to younger consumers, such as digital campaigns and collaborations with social media influencers, also exhibit strong potential for reshaping brand perceptions. These approaches align with the consumption habits of the target demographic and can enhance brand visibility in competitive markets. Nonetheless, the effectiveness of these strategies depends on the ability to balance modern branding with

the preservation of Baijiu's traditional identity, a challenge that could lead to mixed consumer responses.

Regulatory and industry-wide initiatives, such as standardization of low-alcohol Baijiu production and enhanced quality control, are likely to yield long-term benefits [11]. These measures can improve consumer trust and market stability but may require coordinated efforts among stakeholders, which could delay their implementation. Overall, while the proposed countermeasures offer promising pathways for market adaptation, their success hinges on careful execution and alignment with evolving consumer preferences.

5.3. Limitations and Future Research Directions

This study has several limitations that warrant acknowledgment. First, the scope of the research primarily focuses on general trends within the Baijiu market, which may overlook nuanced regional differences in consumer preferences and cultural influences [1]. Additionally, the analysis of youth-oriented, low-alcohol Baijiu remains preliminary, and further exploration is needed to understand its long-term market potential and consumer behavior dynamics [7, 9]. Future research could benefit from a more granular investigation into regional consumption patterns, incorporating demographic, economic, and cultural variables to better capture localized market characteristics. Expanding the study to include comparative analyses with other alcoholic beverages may also provide valuable insights into competitive positioning and innovation strategies.

6. Conclusion

6.1. Summary of Findings

The findings of this study highlight several critical issues and opportunities in the management of the Baijiu market under the evolving circumstances of youth-oriented and low-alcohol consumption trends. First, the shift in consumer preferences, particularly among younger demographics, underscores the growing demand for innovative products that align with modern lifestyles. This trend necessitates a strategic pivot from traditional high-alcohol Baijiu to low-alcohol alternatives that emphasize flavor diversity, health consciousness, and brand modernization. Such adaptations are essential for maintaining market relevance and expanding consumer bases.

Second, the study identifies structural inefficiencies within the Baijiu market, including fragmented supply chains and inconsistent quality control measures. These challenges hinder the industry's ability to respond effectively to shifting consumer demands and global competition. Addressing these inefficiencies through technological integration, standardization, and enhanced regulatory frameworks is imperative for fostering sustainable growth.

Lastly, the research emphasizes the importance of targeted marketing strategies that resonate with younger consumers. Branding efforts that leverage digital platforms, cultural storytelling, and experiential marketing have proven to be particularly effective in engaging this demographic. By aligning product innovation with strategic marketing, the Baijiu industry can better navigate the complexities of the modern market landscape. These findings collectively provide actionable insights for stakeholders aiming to adapt to and thrive in the evolving Baijiu market.

6.2. Recommendations for Stakeholders

To adapt to the evolving landscape of the Baijiu market, industry stakeholders must prioritize strategies that align with changing consumer preferences and market dynamics. First, producers should focus on product innovation by developing youth-oriented, low-alcohol Baijiu varieties that cater to the growing demand for lighter and more accessible beverages. This requires investment in research and development to refine production techniques and create flavor profiles that resonate with younger demographics. Second, marketing strategies should emphasize brand modernization, leveraging digital

platforms and social media to engage consumers effectively and build stronger brand loyalty. Third, distributors and retailers should optimize supply chain operations to ensure the availability of new product lines in diverse retail channels, including e-commerce platforms, which are increasingly favored by younger consumers. Finally, policymakers and industry associations should collaborate to establish supportive regulatory frameworks and promote responsible consumption, fostering sustainable growth in the Baijiu market under the new circumstances.

6.3. Final Thoughts

Proactive management in the Baijiu market is essential to address the challenges posed by evolving consumer preferences and market dynamics. As the industry adapts to the growing demand for youth-oriented and low-alcohol products, it is crucial to implement forward-thinking strategies that balance innovation with tradition. By fostering sustainable development, enhancing product differentiation, and embracing targeted marketing approaches, stakeholders can ensure the long-term vitality of the Baijiu market. Ultimately, proactive measures not only mitigate risks but also unlock opportunities for growth, enabling the industry to thrive in an increasingly competitive and dynamic environment.

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