



Master's Thesis Title: Exporting Chilean wine to China from small and medium-sized enterprises (SMEs): Strategies, challenges and prospection

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Date and location of the oral examination (if known):

Confidential: Yes No

Abstract (max 300 words):

Topic position and objectives:

This study aims to analyze how Chilean SME wine exporters can export wine to China successfully, especially under the current market environment.

Methods:

Besides a descriptive analysis of export data from Wines of Chile, two questionnaire surveys were respectively conducted with 136 Chilean SME wine exporters and 54 China-based wine businesses to collect primary data. 11 of these SME exporters were interviewed face to face.

Results:

- More than half Chilean SME wine exporters suffered losing market in China between 2010 and 2014.
- Chilean SME wine exporters adopting premium positioning (especially mid premium and ultra premium) enjoyed faster export growth in China.
- The exports' of respondents targeting second-tier cities increased faster than those targeting first-tier cities.
- For direct export, respondents setting sales branches in China had faster export growth than those only having Chile-based market departments. For indirect export, cross-broader e-commerce platforms more tended to contribute to fast export growth, comparing with traditionally relying on agents and merchants.
- Hard to understanding Chinese market, unstable cooperation with Chinese partners were the main challenges faced by Chilean SME wine exporters. Disagreement in packaging, pricing and marketing was the major challenge for China-based wine firms. Communication was the common difficulty for both sides.
- Regarding the prospection of business in China for the future five years, both Chilean SME wine exporters and China-based wine businesses held positive attitude but Chinese side was more optimistic.

Main conclusions:

Under the current market environment in China, Chilean SME exporters in premium segments could obtain more market space in second-tier cities thanks to the increasing demand of imported wine there. Considering the huge difference in terms of culture, language and so on, setting a sale branch in China will largely overcome these difficulties. If exporting indirectly, cooperating with cross-broader e-commerce platforms seems a good choice for Chilean SME wine exporters.

Keywords: Chile, China, SMEs, wine export, strategy