



THE ROLE OF STAKEHOLDERS IN BAIJIU TOURISM IN CHINA: A STAKEHOLDER THEORY PERSPECTIVE

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Article Info:

Article history:

Received date: 20.05.2025
Revised date: 02.06.2025
Accepted date: 30.07.2025
Published date: 07.09.2025

To cite this document:

Han, X., Tangit, T. M., Mogindol, S. H., Suffian, M. F., & Chong, P. K. (2025). The Role of Stakeholders in Baijiu Tourism in China: A Stakeholder Theory Perspective. *Journal of Tourism Hospitality and Environment Management*, 10 (41), 169-187.

DOI: 10.35631/JTHEM.1041012

Abstract:

Baijiu tourism is an emerging niche sector that serves as a catalyst for regional economic development by integrating local industries, tourism, and cultural heritage that provide dynamic experiences of modern tourism. This study sets the stage for examining Baijiu tourism in the city of Bozhou in Anhui region of China that centred on stakeholder theory which posits that various groups such as local government, Baijiu liquor enterprises, tourism operators, local communities and tourists play pivotal roles in the developing Bozhou as Baijiu tourism hub. Through the identification of their roles and their interactions in promoting Baijiu tourism in Bozhou, value is co-created which emphasizes the active participation of all stakeholders. Another aim to provide insights into the challenges and opportunities inherent in developing a sustainable and culturally rich Baijiu tourism industry in Bozhou. This qualitative exploratory study employs semi-structured interviews to gather in-depth insights from a diverse group of stakeholders through purposive and snowball sampling of 20 participants, comprising 8 females and 12 males volunteers. The data collected is analyzed using thematic analysis, allowing for the identification of patterns, key themes, and underlying narratives within stakeholder perspectives. Findings revealed that stakeholder value matrix mapping is a strategic tool that

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categorizes stakeholders based on their roles and interactions with one another in the context of developing Baijiu tourism in Bozhou, China. By identifying stakeholders' roles and understanding their interactions, the matrix provides a clear overview of stakeholder dynamics to foster a collaborative environment. A thorough examination of the challenges and benefits provides a balanced perspective, guiding the development of Baijiu tourism in Bozhou in order for stakeholders to make informed decisions. Balancing the benefits of promoting Baijiu tourism with an awareness of challenges allows the promotion of cultural and economic growth without compromising local heritage or environment.

Keywords:

Baijiu Tourism, Cultural Heritage, Stakeholder Theory, Value Co-Creation

Introduction

Within cultural tourism, alcohol or liquor tourism research has greatly attracted the attentions of global industry participants as well as researchers as a special category of travel routes (Byrd et al., 2016). Extensive research over two decades has examined the liquor tourism experience for consumers and industry stakeholders. However, there has been little focus on the emerging liquor tourism industry in China on Chinese liquor known as 'Baijiu' (Bauman et al., 2020). Baijiu tourism with local cultural features is a promising research area, considering the Baijiu drinking population in China is huge. It can increase a Baijiu tourism destination's tourist arrivals and spending while promoting the emergence of culture tourism. Baijiu, a unique traditional product, holds a special place in Chinese culture. Many Baijiu brands boast a rich cultural heritage, forming the backdrop for this study on Baijiu's cultural heritage tourism in China.

Since Baijiu has been an important representative of the Chinese liquor culture (Xia, 2023), findings from researches showed that there is a connection between liquor culture with tourism industry (Wei & Xu, 2021). Some Baijiu industries have realised the importance of culture and are actively seeking new ways of development, including exploring the tourism potential of culture. Baijiu tourism is considered a new form of tourism in China (Bu et al., 2024) which has entered the development period through internal and external driving forces where the internal driving force was produced by the adjustment and upgrading of Baijiu tourism development while the external driving force was produced by overall upgrading of the consumer market, as well as the continuous evolution of marketing strategies by Baijiu companies and the guidance of government policies (Bu & Qie, 2023).

The level of community participation in cultural tourism development and sustainability activities is largely informed by the perceived local environmental impacts (Olya et al., 2018). Similarly, the perceived benefits by other stakeholders have significant implications on their inputs in the due process. Most importantly, the proper application of empowerment dimensions to the local cultural tourism stakeholders establishes the effective ground for their participation (Khalid et al., 2019). Ribeiro et al. (2023) examine value co-creation in tourism and hospitality field by looking at methodological, thematic and theoretical relationships and present a conceptual and integrative framework that provides different perspectives of value co-creation in tourism and hospitality industry.

In cultural tourism, the tourists and local communities especially the local authority interactions contribute to quality improvement in the tourism experience. In addition, the level of stakeholder participation in Baijiu tourism is fast growing, amidst the need for multi-stakeholder cooperation for value co-creation. It has been noted in the study of Khalid et al. (2019) where local community could positively influence and support tourism and its sustainability. Tourism in China has shifted from mainstream to remote known towns due to cultural tourism growth and development, however, the benefits emanating from this change are little known (He, 2023).

Problem Statement

Baijiu tourism is considered a new form of cultural tourism in China (Bu et.al, 2024). According to Bauman et al. (2020), although wine tourism has been part of academic research for more than two decades, it has always referred to Western wine tourists as research subjects and most research focused on winery visitation which leads to purchasing of wine. Although China has more than a thousand wineries, not all have been utilised or optimised as a wine tourist destination (Gu et.al, 2024). Not only that, profiles on these wineries as tourist destinations could hardly been seen on websites on networks (Bauman et al., 2020). Research carried out by Bauman et al. (2023) only covered three of the six Baijiu producing regions; Shandong, Ningxia and Hebei. Prospects for value creation in Baijiu to be among the tourism products remain highly undefined, as well as the standard guide to Baijiu tourism in the region. Therefore, such gap still exists in Anhui region. The emergence of such specific form of niche market tourism is worthy to be investigated so Bozhou city which is located in the Anhui region and home to the regional brand, Gujing Gong liquor produced by Anhui Gujing Distillery Company Ltd which is selected as the research site (Image 1).

In this research, destination stakeholders play an important role in providing useful responses and feedbacks for their experience in Baijiu cultural tourism in Bozhou. For example, in this research, the tourist feedback, and engagement during their visits positively contribute to the improvement in their consecutive tourism experiences. Other stakeholders like Baijiu liquor enterprises can share their experience on the challenges faced and the potential benefits in growing tourism industry within Baijiu culture since it is relatively new. Based on the theory of value co-creation, the value creation focus in an organization is purely embedded in the quality of interactions between the customers and the business or its representatives (John & Supramaniam, 2024; Werner, Griese, & Faatz, 2020). The general impression is that value creation is a joint endeavor between the customers and the company.

Research Objective

In this study, the research objective is to examine the roles and interactions of various stakeholders in the development of Baijiu tourism in Bozhou. It is pertinent to identify the important stakeholders in the Baijiu tourism and the role they play in shaping the development of the tourism industry. Besides that, this study has the aim to identify the benefits stakeholders gain and the challenges they face in order to promote Baijiu tourism in Bozhou.

Literature Review

An Overview on Baijiu Tourism in China

China is the main producer of Baijiu in the world, with a long history of baijiu brewing and a profound cultural heritage. Chinese liquor has attracted more and more attention from people

from all walks of life, including liquor consumers and tourist consumers, thus inspiring more and more people to go to the major liquor producing areas to explore. The Baijiu drink has rich standard connotations with the people of China, among them is it being given as a present to individuals during important functions and events. While it is difficult to state the exact date when the drink was invented, there is certainty about its deep roots in the culture and history of the people of China. Fang and Xu (2023) reported that Sichuan, Anhui, Shandong, and Jiangsu are the main strong aroma Baijiu producing provinces in China. Baijiu and tourism are closely linked in China. The government promotes Baijiu tourism in regions like Maotai, offering tourists the opportunity to learn about its production (Serenitie, 2017). Popular rivers like Chishu River which is the major source of water used in Baijiu processing have become tourist attractions in the learning process of Baijiu-making. Baijiu is not used as just a drink, but also a tool of historical and cultural experience of the people of China. In this context, while Baijiu tourism is a relatively new concept, it has desirably gained traction in China (Baijiu Brands, 2023).

Alcohol is the fourth greatest tax contributor by proportion and rating in China. In 2006, a uniform tax rate of 20% was implemented on Baijiu brands. In recent decades, China's Baijiu market has developed rapidly, supported by government policies to guide and regulate its production and sales. At the executive meeting of the State Council of China in 2009, at that time the impacts of global financial crisis still existed. An important task of China's light industry is to promote market production, increase employment, and provide impetus for the development of agriculture, rural areas, and farmers. In 2011, The State Council of China in order to promote industrial reform, issued the "Interim Provisions on Promoting Industrial Structure Adjustment", which Baijiu projects, according to the requirements of the national authorities, local competent departments in accordance with the provisions, within a certain period of time to the local Baijiu production classification guidance, so that Baijiu enterprises toward modernization, large-scale rectification, and reasonable upgrading and transformation. In 2021, the China Alcoholic Drinks Association issued the "14th Five-Year Plan" development guidance for China's Baijiu industry, outlining 13 main goals, summarizing achievements from the "13th Five-Year Plan," and addressing current challenges. This plan sets strategic objectives and tasks for the next five years, providing specific safeguard measures and policy suggestions. According to the "Several Opinions on Promoting the High-Quality Development of Anhui Baijiu Industry" issued by Anhui Provincial Market Supervision Administration on March 17, 2020, it is pointed out that the development system of Anhui Baijiu industry with "strong brand, excellent quality, variety and clustering" is encouraged to enhance the brand influence of Anhui Baijiu in the country. It is clearly stated in the 14th Five-Year Plan for Bozhou's National Economic and Social Development and the Outline of 2035 Vision Goals that the liquor industry is the leading industry in Bozhou and plays a leading and leading role in the development of Bozhou's real economy. (Jiang & Xu, 2023).

Traditional Baijiu production techniques are used in Bozhou. Locally sourced grains are used in the Baijiu production in Bozhou, comprising sorghum, barley, and wheat. The process of Baijiu production entails three main steps fermentation, distillation, and aging (Liu & Sun, 2018). Bozhou is the home of some of the popular Baijiu brands in China, comprising the Gujing Gongjiu, and Bozhou Jiugui (Liu & Sun, 2018). Bozhou Baijiu has international recognition. A case in point, in 2024, Cognac in France sought partnership with Bozhou in Baijiu production and sale in France (CGTN, 2024). Gao et al., (2022) reported, key flavor

compounds on Baijiu made in Bozhou have been improved in the production of strong aroma Baijiu fermentation.

The unique cultural heritage of Bozhou is leveraged by the region to promote Baijiu tourism (Ying et al., 2020). Notably, the intertwined relationship between the Baijiu drink and the culture of the Bozhou people creates both opportunities and challenges in the Baijiu tourism growth and development. One such opportunity is the rich cultural heritage and history of Bozhou. Bozhou is too rich in Chinese culture and customs as well as history dating back to the dynasty period, over 3,500 years ago (Jiang et al., 2018). The rich cultural heritage and history of Bozhou, thus promote the growth of Baijiu tourism which is intertwined with the culture and customs of the Chinese, not a mere alcohol based on its consumption norms.

On the same note, cultural tourism integrates Baijiu tourism with traditional Chinese medicine and their cultural heritage, in addition to the historical tours that attract local and international tourists to Bozhou. Overall, the rich cultural heritage and history of the Chinese in Bozhou is a pivotal opportunity for growth and development, akin to the sustainability of Baijiu tourism.

Baijiu tourism presents an opportunity for Bozhou's economic development. The Baijiu tourism boosts the Bozhou local economy with the increased influx of international tourists, as well as vibrant Baijiu business benefiting many stakeholders like farmers, and the distillers (Xia, 2023). By attracting both local and international tourists, Baijiu tourism contributes to an overall regional higher contribution to the Chinese gross domestic product (GDP) in addition to the vibrancy of the local economy.



Image 1: Brewing Process in Anhui Gujing Distillery Co Ltd and Gujing Gong Jiu Liquor Series

Source: Author's Own Compilation and Gujing website (2025)

Stakeholder Theory

Stakeholder theory, originally proposed by Freeman (1984), emphasizes that organizations and initiatives do not operate in isolation, but are deeply influenced by a range of stakeholders—individuals or groups who can affect or are affected by the organization's objectives. When applied to Baijiu tourism, stakeholder theory provides a valuable lens to analyze the complex web of relationships among key players involved in developing and sustaining this niche cultural tourism sector.

The term 'stakeholder' was defined by Freeman as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 1984, p. 49). Various definitions were proposed in literature since then but there is still no universal definition of this

term yet. Savage et al. (1991) posited that a stakeholder have an interest in the actions of an organisation and the ability to influence it. Gibson (2000) on the other hand, proposed that stakeholders refer to “those groups or individuals with whom the organization interacts or has interdependencies and any individual or group who can affect or is affected by the actions, decisions, policies, practices, or goals of the organization.”

The stakeholder theory, as outlined by Mainardes et.al. (2011), is based on six fundamental principles. It focuses on how business decisions, market trends, profitability, and related factors affect all parties connected to the business. Multi stakeholders—such as investors, government bodies, shareholders, employees, customers, and suppliers—are influenced in different ways depending on their relationship to the organization (Sharma & Vaisya, 2023). The theory incorporates aspects of market behavior, resource management, and socio-political considerations, highlighting the necessity for business leaders to prioritize stakeholder interests above all else to achieve long-term success. This approach is especially applicable to Baijiu tourism, where cultural heritage, economic activity, and local community identity are closely linked.

In the context of Baijiu tourism in Bozhou, stakeholders may include Baijiu producers who preserve traditional brewing craftsmanship and promote brand heritage, local government who create policies, provide funds and infrastructure, community residents who contribute cultural knowledge and hospitality, tourism operators who develop and design immersive experiences for tourists and tourists who co-create cultural value through participatory experiences.

Value co-creation

Scholarly engagement with Baijiu tourism increasingly utilizes value co-creation frameworks to analyze stakeholder interactions. Zhang et al. (2013) identify three foundational elements—people, promotion, and place—that shape the development of cultural tourism. The stakeholder analysis theory will be instrumental in this study to clarify the role of stakeholders in the Baijiu industry concerning shared prosperity through tourism and value co-creation.

Using stakeholder theory helps identify both roles and interaction of each stakeholder group co-create values. Baijiu tourism thrives on the collaboration between various stakeholders, each contributing to the co-creation of value in unique ways. The synergy among these stakeholders ensures that Baijiu tourism is not just about consumption but also about cultural preservation, economic growth, and sustainable development. Ultimately, stakeholder theory suggests that the long-term success of Baijiu tourism depends on meaningful cooperation among all involved parties, with shared responsibility in addressing heritage protection, economic benefits, and tourist satisfaction.

Methodology

Qualitative methods in an exploratory study focus on understanding complex phenomena through in-depth examination rather than numerical measurement. This approach is designed to explore new or understudied topics by gathering rich, descriptive data from participants. Exploratory studies are particularly valuable for generating new insights, refining research questions, and identifying themes that can shape future investigations. By embracing flexibility and deep engagement, qualitative methods allow researchers to capture the nuances of human experiences and social dynamics in a meaningful way.

This exploratory study employs semi-structured interviews to gather rich, qualitative insights from diverse stakeholders, ensuring flexibility in questioning while maintaining a structured approach. The data collected is analyzed using thematic analysis, which allows for identifying patterns, key themes, and underlying narratives within stakeholder perspectives. This method ensures a systematic yet interpretive understanding of the complex dynamics in the study. In this study, 20 participants i.e. 8 females and 12 males of professional and social background volunteered to provide their insights.

Purposive and snowball sampling are effective strategies for gathering data through semi-structured interviews, ensuring a targeted yet adaptable approach to participant selection. Purposive sampling is used to identify and recruit individuals who possess specific knowledge or experience relevant to the research topic, allowing for rich, insightful data collection. Once initial participants are engaged, snowball sampling enables the researcher to expand the pool by relying on existing respondents to recommend other potential participants within their network. This method is particularly useful for accessing hard-to-reach or specialized groups, fostering a deeper exploration of perspectives. By combining these techniques, the study ensures a well-informed, contextually relevant sample that enhances the depth and reliability of the qualitative findings. For the purpose of this study, Table 1 lists the participants with their profile information.

Table 1: Participant's Demographic Profile

Participant code	Age	Gender	Occupation	Role
BL01	27	Female	Media Professional	Local resident
BL02	38	Female	Teacher Trainer	Local resident
BL03	42	Male	Lawyer	Local resident
BL06	40	Female	Pharmaceutical Company Director	Local business owner
BL07	32	Female	Bank Clerk	Local resident
BL08	38	Male	Independent Liquor Distributor	Baijiu enterprise
BL09	32	Female	Reporter	Local resident
BL11	28	Male	Software Engineer	Local resident
BL12	45	Male	Local Officer	Local government
CO01	50	Male	Cultural Organisation Representative	Local government
GC01	36	Male	Gujing Cultural Director	Baijiu enterprise
BD01	42	Male	Baijiu Distributor	Baijiu enterprise
BD02	44	Male	Baijiu Distributor	Baijiu enterprise
BL05	28	Female	Tour Agency Owner	Tourism operator
TA01	30	Male	Tour Agent	Tourism operator
TF01	29	Female	School Teacher	Tourist
TF02	34	Female	Tour Guide	Tourist
TF03	26	Female	Postgraduate Student	Tourist
TM01	27	Male	Network Engineer	Tourist
TM02	32	Male	Public Functionary	Tourist

Source: Author's Own Compilation (2024)

Additionally, stakeholder mapping is used to visually represent relationships, influence, and interactions among various stakeholders, helping to categorize their roles and significance in the context of the research. By integrating these methodologies, the study provides a comprehensive exploration of stakeholder engagement, uncovering nuanced perspectives while maintaining analytical rigor.

Thematic analysis which is widely used in qualitative research was conducted to explore identified themes deeply in the data obtained from the semi-structured interviews. This allows the researcher to interpret the underlying meanings and contexts of Baijiu tourism and culture through destination stakeholders' opinions and experiences. Thematic analysis is useful as it is a systematic and flexible method for the identification and interpretation of themes (Humble & Mozellus, 2022). This method will allow the researcher to identify and trace similar patterns in the opinions and responses of the participants, which will allow an understanding of the culture and tourism of the city.

The general steps for thematic data analysis using NVivo are outlined in the Table 2 below:

Table 2: Steps In Data Analysis Using NVivo

Data Collection Stage	Data Analysis Stage
Data Import	Importing interview transcripts, observation field notes, text files and other forms of qualitative data
Data Cleaning and Transcoding	Performing necessary data cleaning and transcoding such as removing extraneous information, scaling and transcoding special characters
Code Creation	Tags and keywords are used to organise data on codes. NVivo's automatic code function will be used to suggest possible codes
Data Coding	Collected data is associated with created code by looking at data and code repeatedly to ensure accuracy and consistency
Relationship Building	Relationships, matrices or networks are created to understand the connection and patterns between different codes identified
Data Visualisation	Presentation of data analysis results using visualisation tools such as trees, networks and matrices
Report Writing	Analysis report is generated and data results can be exported in different formats for different editing and sharing

Source: Author's Own Compilation (2024)

Results

Key Stakeholders Identified in Baijiu Tourism

Through the interpretation of data collected from various participants, five key stakeholders have been identified to play a crucial role in the Baijiu tourism in Bozhou i.e. local government, local resident, tourism operator, Baijiu liquor enterprise and tourist. Table 3 is the Stakeholder Value Matrix Mapping that highlights the roles and interactions between stakeholders.

Local Government

The local government of the People's Republic of China is one of the most influential stakeholders in the Baijiu industry in Bozhou. The first crucial role of government is to formulate appropriate laws and policies that can support the Baijiu industry which is important for the healthy development of the industry. The government plays an important role in enacting laws related to Baijiu industry as well as various supporting industries. For the past few decades, the government has introduced a series of Baijiu supporting policies to guide and regulate the production and sales of the Chinese Baijiu brands. This also includes tax policies which provide a strong support to development of the Baijiu industry. The local authority ensures the parties involved in the Baijiu industry comply with pertinent rules and regulations on quality and consumption (Jiang et al., 2018). Similarly, the safety and quality standards of Baijiu are checked into by the local administration. The central government formulates policies that guide the Baijiu industry in China (Wang et al., 2023).

Secondly, the government provides financial support to promote the Baijiu industry and the infrastructure as well as the promotional efforts to publicise the Baijiu brand. Baijiu industry actually contributes significantly to the economic growth of Bozhou city. The local government shoulders the responsibility to develop the city and to boost the Baijiu industry through various economic activities and plans. The local government also bears the responsibility to develop policies that ensure cultural preservation for the benefit of the local communities.

Local Residents

Local community refers to a group of people who live in the area where business is located. In this research, the stakeholders under local community are divided to local residents and local businesses.

For the local residents, it is important that they support Baijiu products through personal consumption. Baijiu products could be used personally or be bought for others as souvenirs. Local residents could also create hospitable atmosphere for tourists to experience in order to attract them to learn about Baijiu culture. Local residents become the host and enrich the visitor experience with their unique culture and traditions.

Local businesses have the long-term vision to integrate traditional Chinese medicine (TCM) industry with Baijiu industry to create health products. The cooperation between TCM industry players with tourism and Baijiu industry players will elevate Bozhou's rich history and culture. Currently, TCM industry are actively developing Baijiu related health products. The spread of Baijiu culture will in turn drive the economy of Bozhou by creating more economic opportunities and development.

Tourism Operators

For tourism operators, it is important for them to have business opportunities in order to expand their business network within the industry. Business opportunities will bring in economic benefits for travel agencies and indirectly boost the local economy. In order to promote Baijiu tourism and to attract tourists to Bozhou, tourism operators suggested integration of culture with tourism products and to encourage the participation of tourists in immersive brewing experience and festivals.

Tourist agencies or operators are responsible in managing tourists who visit Bozhou especially in travel planning, routes and in participating activities related to Baijiu culture. This is the role of tourism operators as part of support service to promote the tourism industry.

Liquor Enterprises

The Baijiu enterprise is also responsible to cooperate with support services industry, supply chain services and sales channels to promote and push products to the market. Since the enterprise is responsible for the production of the Baijiu, it has to preserve the traditional brewing technology as well as to implement modern brewing technology in the liquor-making process. Enterprise meets its tax obligation which contribute to the development of the tourism industry by improving Bozhou's places of attractions and tourist experience. The publicity of brand image and influence by Anhui Gujing Distillery Company Ltd enterprise has been the key to introduce Baijiu in the Chinese culture. This particular enterprise spends on promoting the Gujing Gongjiu products which in turn promotes the culture and the city. Through such promotion, the Gujing Gongjiu brand becomes more popular and can divert more tourists to visit the city.

Tourists

Tourists are incentivized to visit Bozhou because of the opportunity to experience Baijiu production and local traditions up close. Tourists expect authentic, enriching experiences that reflects Bozhou's history and traditions, desiring cultural immersion, storytelling, and local engagement. Tourists gain a deeper connection to the place they're visiting by participating in cultural exchange activities, such as sharing stories or experiences of their own culture, which enriches the experience for both parties. Tourists play an important role in shaping the tourism experience through feedback, reviews, and recommendations that influence the evolution of Baijiu tourism offerings. By choosing Bozhou as a destination, they support local businesses and contribute to the local economy.

Table 3: Stakeholder Value Matrix Mapping

Stakeholder	Local Government	Local Community	Tourism Operators	Baijiu Enterprise	Tourists
Local Government	Regulates Baijiu policies, provides Infrastructures, Provides funding	Benefit from policies related to cultural	Promotes tourism industry	Regulates Baijiu-related business	Creates Baijiu-related environment
Local Community	Support government policies, benefits from policies related to cultural preservation	Community engagement, economic participation	Work in tourism sector, benefit from job creation	Consume and regulate liquor businesses	Host visitors, create hospitality atmosphere
Tourism Operators	Follow regulations, Complements government policies	Impact local culture	Compete, collaborate, and offer tourism experiences	Partnership with liquor businesses for hospitality services	Interaction with tourist, enhance immersive experience, receive feedbacks
Baijiu	Adheres to laws and	Sell products,	Supports	Compete	Sharing of

Enterprise	licensing, promotion of products and brand image	Employs locals	hospitality sector	within market, creation of regional brand	cultural knowledge, raise cultural awareness
Tourists	Benefits from policies and infrastructure	Influence local economy and culture	Feedback on services shape tourism trends	Drive liquor demand, impact business growth	Engage in leisure, cultural exchange and spending

Source: Author’s Own Compilation (2024)

Challenges and Benefits Analysis

Baijiu tourism is emerging as a distinctive niche within China’s tourism industry, offering a unique blend of cultural heritage, local economies and experiential learning. This industry involves a diverse stakeholder, each with unique interests and challenges. Understanding the benefits and challenges faced by these stakeholders is crucial for fostering sustainable development and maximizing the potential of baijiu tourism. The following is the analysis involving both the challenges and benefits focuses on the economic and cultural aspects.

Economic Challenges

Homogeneity of Product

Baijiu tourism offerings often lack differentiation, leading to similar experiences across different regions. This saturation reduces the uniqueness of each destination. Tourists feel that once they have been to one Baijiu destination, they have been to all Baijiu destinations.

Events and attractions often replicate similar themes, such as the Baijiu festivals organised by Anhui Gujing Distillery Company Ltd for more than 10 years, without offering unique or immersive cultural experiences. This repetition diminishes the distinctiveness of Bozhou's cultural tourism and fails to attract a diverse range of visitors.

Lack of Production Innovation

Traditional production methods dominate, with limited integration of modern technologies or innovative practices, potentially hindering the appeal to contemporary tourists seeking novel experiences. Liquor enterprises have to keep innovating new products and improve product design in order to remain competitive against other Baijiu brands of other regions.

Market Competition

Anhui Gujing Distillery Company Ltd, known for its flagship Gujing Gong baijiu, holds a significant position in China's baijiu industry. As of 2024, the company commands approximately 12% of the premium baijiu market, making it one of the top players in the sector (Company Annual Report, 2024) While Gujing Gong is a leading brand in the premium segment, it faces competition from other major baijiu producers like Kweichow Moutai, Wuliangye, Yanghe Distillery and Luzhou Laojiao.

Kweichow Moutai has a reputation synonymous with luxury and is often consumed in elite social circles, dominating approximately 25% of China's premium Baijiu market. Wuliangye is a leading brand known for its complex flavour profile and has been expanding into international markets with a diverse product. Its market share is around 10% of China's overall Baijiu market. Yanghe Distillery appeals to middle-class consumers and international markets, covering approximately 6% of the Chinese Baijiu market. Finally, Luzhou Laojiao, known for its deep, savory taste and long history, has the oldest baijiu distillery, dating back to 1573. It controls about 5% of China's Baijiu market.

Intense competition from other alcoholic beverages and tourism experiences can overshadow Baijiu tourism, making it challenging to attract and retain visitors.

Cultural Challenges

Disadvantages of Bozhou City

Despite its rich history, Bozhou faces challenges such as underdeveloped infrastructure and limited international recognition, which can impede the growth of Baijiu tourism.

Bozhou is classified as a Tier 4 city in China based on factors such as economic development, infrastructure, population size, and administrative importance. Tier 4 cities are typically smaller in scale and less economically developed compared to higher-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen which are characterized by their advanced infrastructure, high GDP, and pivotal roles in China's national development.

Failure to Highlight Local Characteristics

The unique cultural and historical aspects of Bozhou are not effectively showcased, leading to missed opportunities in attracting tourists interested in authentic experiences. The city's tourism promotion efforts are primarily conducted through government websites, local newspapers, regional television channels, and official social media accounts. This approach results in a narrow reach and limited brand recognition, restricting Bozhou's visibility to potential tourists from outside the region.

Despite possessing significant cultural assets like the Cao Cao Underground Great Wall and Huaxilou (Image 2), Bozhou's methods of showcasing these sites are traditional and passive. The lack of interactive and immersive experiences fails to engage visitors meaningfully, resulting in underappreciation of the city's cultural treasures. The city's efforts to promote and globalize its medicinal culture have been insufficient. The integration of traditional medicine with tourism remains underdeveloped, limiting its potential to attract international attention and visitors.

Cultural Tourism in Infancy Stage

The cultural tourism sector in Bozhou is still developing, lacking mature strategies and offerings to fully capitalize on its potential.

The development of cultural tourism in Bozhou has been hindered by a lack of comprehensive planning and integration between cultural and tourism sectors. While the city possesses significant cultural resources, these have not been effectively integrated into tourism

development strategies. This lack of integration leads to missed opportunities in leveraging cultural assets for tourism growth.

There is a need for more effective marketing strategies to raise public awareness of Bozhou's cultural tourism offerings. Current promotional efforts are insufficient, and the city's cultural tourism lacks a strong, recognizable brand. Without targeted marketing, Bozhou struggles to position itself as a competitive cultural tourism destination.

Economic Benefits:

Revenue Generation

Baijiu industry is a lucrative liquor industry where Baijiu tourism can significantly boost local economies through increased spending in various sectors. In 2024, Anhui Gujing Distillery Company Ltd posted a net profit of 5.52 billion yuan with an increase of 20% from previous year (Company Annual Report, 2024). A growth in the Baijiu cultural tourism industry will bring in more tourists and create business opportunities for the local community.

For tourism operators, it is important for them to have business opportunities in order to expand their business network within the industry. Business opportunities will bring in economic benefits for travel agencies and indirectly boost the local economy.

Job Creation

The industry provides diverse employment opportunities, enhancing livelihood of Bozhou residents. For the local community residents, their main concern would be the source of income received by involving in the Baijiu tourism industry. In 2023, Anhui Gujing Distillery Company Ltd employed approximately 13,000 employees while other local community residents are also the employees of other Baijiu brand enterprises.

Infrastructure Development

Tourism often leads to improved local infrastructure, benefiting residents and visitors alike. Part of the national government plan under '613 strategy' is to develop Bozhou as 'Huaxi Wine city' therefore funding support has been allocated for the improvement of transportation network, road system and urban management.

Brand Promotion

Global exposure through tourism can elevate Baijiu brands on the international stage. The image of Bozhou Baijiu brand should be reserved and to work towards sustainability of the tourism development. Brand promotion and marketing through expansion of Baijiu marketing channel, creation of digital experience, deepen interactive experience to build brand value, Baijiu products also receive upgrading or improvement support from the Baijiu producers. From Baijiu industry, it will then expand to other areas such as non-related Baijiu industries where product innovation must respond to the needs of tourists and multi-party collaboration will create brand culture marketing.

Cultural Benefits:

Cultural Preservation

Tourism helps in preserving and promoting traditional Baijiu production methods and associated rituals. Cultural sharing to promote cultural communication, participation in cultural activities and cultural exploration through visitation to traditional Chinese medicine exhibition. Baijiu culture is unique to Bozhou and Bozhou bears the duty to protect the historical and cultural elements found in the city. Cultural protection is important to all stakeholders to preserve the continuity of the Baijiu culture. For example, the Baijiu Autumn and Spring Festivals have been organised by Anhui Gujing Distillery Company Ltd for the past 18 years to preserve the ‘wine tribute ritual’ as practiced by Cao Cao in 196 AD (Image 3).

Education and Awareness

Visitors gain insights into the rich history and significance of Baijiu. There should be introduction of intangible cultural resources of Bozhou to tourists its brewing technology, TCM and local historical figures like Hua Tuo and Cao Cao. For example, Huazu Temple was built to commemorate Hua Tuo, ‘China’s first neurosurgeon’ and the temple is recognised as the key cultural relics protection unit in the Anhui region (Image 3).

Community Engagement

Local communities actively participate in and benefit from tourism activities. Local Communities can play a role in storytelling, offering tourists deeper insight into the history of Baijiu production, the rituals associated with it, and local customs. They believe that sharing their local cultures with others and loving their own traditions are meaningful.



Image 2: Bozhou Cultural Landmarks – Cao Cao Underground Great Wall and Huaxilou (Opera Tower)

Source: Author’s Own Compilation (2025)



Image 3: Cultural Festival Organised by Anhui Gujing Distillery Company Ltd and Huazu Temple

Source: Author's Own Compilation (2025)

Findings and Discussion

The Baijiu tourism industry is a dynamic and interconnected system that relies on the cooperation and coordination of multiple stakeholders in shaping Bozhou city's appeal, maintaining its infrastructure and enhancing the visitor experience. Destination stakeholders are interconnected and interdependent, meaning their actions, resources, and outcomes are mutually influenced. These multifaceted stakeholders contribute to the success of the industry through collaboration and alignment of these groups. When stakeholders work together to co-create, they can build a better ecosystem that benefits everyone involved. Figure 1 shows the matrix of relationship between destination stakeholders and the challenges and benefits faced in the Baijiu tourism industry. From Figure 1, it can be seen that the role of the government and Baijiu liquor enterprises focuses more on the economic aspect while the tourism operators, local community and tourists play the role as custodian of culture preservation.

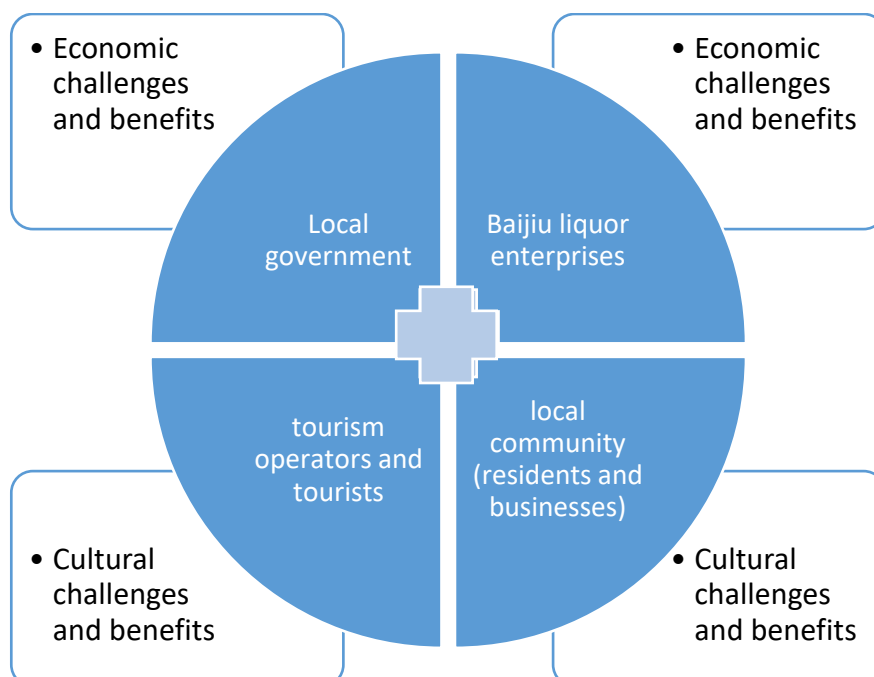


Figure 1: Matrix Showing the Interplay Between Destination Stakeholders and The Challenges and Benefits of Baijiu Tourism

Based on the perspectives of the participants of the study, all agreed that the government play the most important role in developing the Baijiu tourism in Bozhou city. The formulation of supporting policies and tax policies under the National Plan supports the Baijiu industry and the initial development of the Baijiu tourism. The local government is also responsible in providing financial support for the promotion of economic development and the promotion of the Baijiu culture in Bozhou. The government could invest in tourist facilities, such as Baijiu museums, visitor centres, and clean energy technologies in tourism infrastructure.

The relationship between the government and other stakeholders is important to develop the Baijiu tourism industry. Liquor enterprises meet their tax obligation which contribute to the development of the tourism industry by improving Bozhou's places of attractions and tourist experience. Liquor enterprises contribute to the regional economic development through increased tourism revenue and brand promotion, aligning with the government's broader goals. The business interaction between Baijiu enterprise and other stakeholders shows the need for stakeholders to cooperate for the economic growth of Bozhou city. The integration of primary, secondary and tertiary industry related to Baijiu encourage the spread of the culture. The Baijiu enterprise is also responsible to cooperate with support services industry, supply chain services and sales channels to promote and push products to the market. Liquor Enterprises can provide expertise on Baijiu production, offering distillery tours, tastings, and insights into the heritage of the craft. Tourism operators, on the other hand can develop packages that incorporate these experiences, blending them with cultural visits to nearby historic sites or local markets. For example, tourism operators and liquor enterprises can collaborate on festivals or promotional events that showcase Baijiu culture, such as Baijiu festivals, where visitors can try different Baijiu brands while learning about the distilling process.

The connection between liquor enterprises and the community is the contribution to job creation, economic development, and infrastructure improvements in the community, while drawing on local traditions and expertise in Baijiu-making. Local communities can benefit from stable employment, improved infrastructure, and exposure to the global tourism market. At the same time, they gain from the recognition of their cultural heritage, which is woven into the tourism experience. Community involvement in the tourism process can lead to cultural preservation, making the experience more authentic, which in turn benefits the enterprise by attracting more tourists.

The collaboration between tourists and all stakeholders ensures that tourists' experiences are memorable and contribute to the sustainability of Baijiu tourism. Tourists play an important role in shaping the tourism experience through feedback, reviews, and recommendations. By choosing Bozhou as a destination, they support local businesses and contribute to the local economy. Tourism operators, liquor enterprises, and local communities must listen to tourist feedback to continuously improve the quality of experiences. Tourists can express what they value (e.g., authenticity, local culture, sustainability), and these insights can guide future development. Tourism operators should also encourage tourists to engage in sustainable behaviors by promoting eco-friendly practices, supporting local artisans, and respecting cultural traditions. Tourists can even participate in cultural exchange activities, such as sharing stories or experiences of their own culture, which enriches the experience for both parties. Hence, tourism operators gain by offering attractive, well-curated experiences that blend Baijiu production with local culture, providing unique value propositions to tourists.

Finally, the interplay between local resident community and tourists shows positive effect to the Baijiu tourism industry. Local residents become the host and enrich the visitor experience with their unique culture and traditions.

Conclusion

This study highlights the role of key stakeholders in developing and promoting Baijiu tourism in Bozhou, China. The research has provided valuable insights into the roles and interactions between stakeholders, value co-created by their collaboration. The challenges faced and potential benefits gained by stakeholders in developing Baijiu tourism from economic and cultural aspects are presented as well. From the analysis, it can be summarised that the role of the government and Baijiu enterprises are significant in overcoming economic and cultural challenges while tourism operators, local community and tourists are the main contributors in cultural preservation for the benefits of Bozhou city. The findings also emphasize the importance of key stakeholders such as local government which provides great support to the Baijiu tourism industry. The benefits demonstrate the potential collaboration and value co-created by stakeholders. Overall, the objectives of the study have been achieved through the research methodology adopted. This study contributes to definition of values created in Baijiu to be marketed as tourism products. Analysis of challenges and benefits in Bozhou context will be beneficial for the city where a suitable tourism framework that shows the integration of Baijiu industry and other supporting industries could be developed in order to promote Baijiu tourism more effectively for Bozhou city. Never the less, future studies on Baijiu tourism should focus on environment impacts, social effects and sustainable engagement which are equally important to expand such tourism industry in the Anhui region. It is suggested that studies on Baijiu tourism often employ qualitative methodologies with small sample sizes, which may not be representative of the broader population thus shows the limitation of this study. This limitation affects the validity and generalizability of the findings, as the perspectives gathered may not encompass the diverse views of all potential stakeholders. Therefore, it is suggested that future research on similar study to employ mixed method research or qualitative research with quantitative element such as questionnaire to be included for a more holistic approach towards the area of study.

Acknowledgement

The authors would like to acknowledge Universiti Teknologi MARA who provided opportunities for the research to be conducted and special thanks to participants who willingly contributed the pertinent data for this research.

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