

Ballast Stone Estate Wines Business Expansion--Outbound Wine Tourism in China

Shuai Dai

Jiangsu Vocational and Technical College of Agriculture and Forestry, Jiangsu, China

Abstract

Recently, The rapid growing outbound tourism market of China, there might be a considerable opportunity for the company to diversify wine tourism products to the Chinese market, as a new business growth point of international expansion. this paper took Ballast stone Estate as a example to analysis outbound wine tourism in China. outbound wine tourism will become a new profitable exporting product for Ballast Stone Estate Wines for its international business expansion. As being the related product for the initial exporting category, the profitability would not be increase only at the tourism sector, but also contribute to the wine production and sales. All the benefits expected will rely on the effective implementation of the international marketing strategy and mix for the business, with appropriate adjustment during practice process.

Keywords

Wine Tourism; Outbound Tourism; Chinese Wine Market; PESTL Analysis.

1. Company Background & Introduction

Ballast Stone Estate Wines is a wine maker from South Australia, owned by the Shaw family. It started the business as grape growing and established its own winery located at the famous wine regions McLaren Vale and Currency Creek, which are the geographic indicators for the quality wine products among the domestic and international markets (Ballast Stone website 2018).

As one of the earliest entrants of Chinese market, Ballast Stone Estate Wines has expended its international business by wine exporting from 2005. Benefiting from the quick increasing demand of wine consumption in Chinese market, over 20% of total sales are generated through the wine exporting to the particular large market with high profitability (Appendix 1). However, the profitability of wine exporting would be limited in the future, as the consequence of the competitive situation of global wine market as well as the influences like the decreasing demand and surplus of the wine industry over the world (Bartlett 2009). In other words, as a small wine business in Australia, Ballast Stone Estate Wines must confront more challenges from various aspects with the international market for the direct wine exporting activity. On the other hand, the rapid growing outbound tourism market of China, there might be a considerable opportunity for the company to diversify wine tourism products to the Chinese market, as a new business growth point of international expansion.

1.1. Limitation

This project can be determined as the general plan for business expansion. The limitation will exist because wine tourism is a relatively new product to Chinese outbound tourism market, which has not been developed. The lack of sufficient and detailed information on industry and practice reality might lead to some weaknesses and drawbacks in planning. The profitability would be hard to estimate with precious sales or limited information. In other words, the prediction might only be made based on the resource from the analysis of outbound tourism and wine consumption markets in China as a whole industry. Although it will leave the risks

and challenges for Ballast Stone Estate Wines to operate such kind of new business with uncertainty to some extent, the potential profitability is still considerable and attractive for company's growth and development in the global market from a long-term perspective.

1.2. Market Objectives

Due to the limitation, the objective can only be set with the emphasis on marketing aspect as product and brand awareness generation with certain level of profit growing, rather than the focus on financial achievement (Wood 2010). Besides, the growing ratio should not be expected too high, which is unrealistic for a new business to reach at the introduction phase of the Product Life Cycle. Therefore, the statement for the business objective is to achieve the brand awareness by 10% in Chinese market and increase 3%-5% of the total sales by the tourism sector in the next 3-5 years.

2. Business Environment Analysis

2.1. PESTL Analysis

(1) Political factor

The stable political environment of Australia and China offers the strong support in the steady supply and demand. Since the trades and interactions among the countries getting frequent increasingly for the trend of globalization, economic activities would be sensitive and influenced by the political elements to a large extent, such as the relationship between the governments of different nations, the openness of market and attitude towards to the international business activities (Hill 2011). Particularly for the tourism industry, positive regulations and policies are important to facilitate the inbound and outbound tourism actions between Australia and China. For instance, as the encouragement for Chinese tourist visiting Australia, there was a new visa application center established in Beijing in 2016. As the matter of geographic factor, it would be much more convenient for the visitors from North parts of China to arrange visa formalities or other affairs relevant with better efficiency, which may be the opportunity to boost the number of outbound tourists from the inland regions.

(2) Economic factor

The rapid development of economy over years has labeled China as the largest market for all the international business. It kept a stable growth rate even during the period of global economic downturn as the impact of financial crisis. In details, the increase of disposable income and middle class in Chinese society become two main supports for the growing demand for imported wine consumption and outbound tourism (Batwin & Sun 2009). This situation offers direct benefits and opportunities for the business within those industries, also the complementarities mediately.

(3) Legal factor

According to the laws and regulations, Chinese tourists can only visit the oversea destinations with Approved Destination Status (ADS) from Chinese government. Australia received ADS in 1999 as one of the first western counties (Tourism Australia 2018). It enables Chinese travelers to take the outbound tourism activities in Australia in organized groups legally. Besides, international tours can be booked through the approved outbound travel sellers as the distributor for tourism products.

(4) Social & Cultural factor

Regarding to the social factor, as the impact of globalization, the adoption of foreign cultures for people in China is increasing with the imported products and intensive communication through massive opening media. Outbound tourism as a fast-developing industry, has met the growing demands of Chinese consumers from different aspects, from the basic levels of sightseeing, shopping to the higher levels as culture experiencing and special interests (Stear

1995). Specifically, the imported wines are normally considered as the typical product representing the western lifestyle, historical and cultural elements in consumers' mind. As being knowledgeable, customers are not be satisfied only with the direct consumption of the physical products at home, but attracted by the vineyards and wineries and the process of wine making in the original countries as the tourism destination. It would be the potential opportunity for Ballast Stone Estate Wines to introduce the wine tourism to Chinese wine consumers for the cultural attraction.

(5) Technological factor

The applications of technology on internet and transportation have encouraged Chinese tourists travel to Australia. Abundant of tourism information are available online or through other media so that the potential consumers can find the useful stuff immediately for their trip. It is also the efficient promotional channels for the tourism product providers and tour operators in Australia. The aviation growth makes more destinations in Australia accessible for Chinese visitors by new airlines and routes than before (Tourism Australia 2018).

2.2. Market and Consumer Analysis

2.2.1. Market

Theoretically, wine tourism is considered as the special interest tourism usually, which means it will present more traits related to tourism industry, rather than the normal consumer-goods industry for wine product. In addition, as being a relatively new subject to Chinese visitors, it is difficult to find the enough information and market researches for the particular sector of wine tourism. However, as being a part of outbound tourism industry, the details tend to be the same as the macro international tourism situation for Chinese market.

1	Macau
2	Hong Kong
3	South Korea
4	Japan
5	Malaysia
6	Singapore
7	Thailand
8	USA
9	Vietnam
10	Australia

Figure 1. Top destinations for Chinese visitors (2014) (Source: Euromonitor International, "Tourism Flows Outbound-China", July 2014)

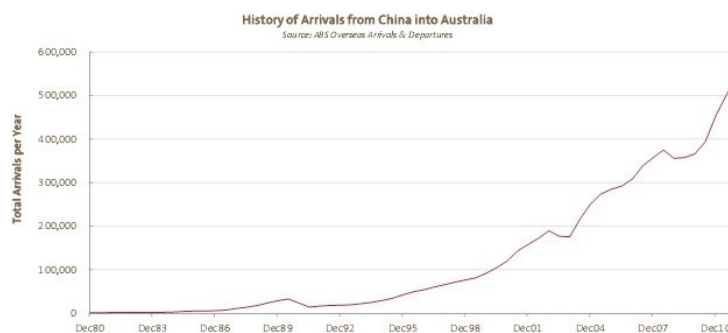


Figure 2. History of Arrivals from China into Australia (Source: Tourism Australia, "China Market Profile", May 2014)

It could be seen from the Figure 1. that ranking number of Australia among all the outbound destinations for Chinese travelers is 10, following most destinations in Asia for short geographic distance such like Hong Kong, South Korea and Japan. Figure 2. illustrates the fast growth for the Arrivals from China into Australia from a historic point of view. The number of Chinese visitors increased rapidly, especially from the year of 1995 with the annual growth rate of 13.1 percent in average. According to the report of ABS Overseas Arrivals and Departures of Australia, there were 542,000 Chinese visitors arrived in 2010 with 19.4% actual increase compared with the figure of 2016. Although it was impacted by the global financial crisis as well as the economic variables like the high exchange of Australian Dollar, China would still be the leading source for outbound tourism referring in market size and growth. As the third Largest inbound market for Australia after New Zealand and the UK, Chinese market has reflected the huge growth potential (Tourism Australia 2018). \$7.4-\$9.0 billion tourism income generated by the China market is expected as the contribution for Australian economy by 2020, which indicates the considerable profitability.

On the other hand, Australia is competitive as the destination for Chinese emerging market due to the different geographic location from the close Asia Destinations (Williams 2014). Cultural and natural differences from China make it more attractive for the long-haul travel tourists, who are the increasing middle-class segment in Chinese society with high income and well-educated (Batwin & Sun 2009). The distinctive attributes of Australia tourism products such as landscapes, cultural exchange have built a unique image in consumer's mind. As the result, those inherent competitive advantages are hard to be imitated or replaced, while contributing to the favorable position in the global destination competition.

Regarding to the wine tourism, it would benefit from the position of market leader of the "new world" for wine production as well as the effect of country of origin (Chaos 1993). There is no denying that South Australia is one of the most well-known wine regions around the world, having strong appeal for the oversea travelers especially the existing and potential wine consumers. However, few promotions of Australian wine tourism products could be found in Chinese market. The huge gap between supply and demand might leave a remarkable opportunity to Ballast Stone Estate wines to entry such a profitable market. As the only supplier in the China market, Ballast Stone would face less threats from competitors and lower bargaining power of consumers among the industry based on the Porter's five force model (Ormanidhi & Stringa 2008). Meanwhile, the business expansion will enjoy the first mover advantage to take over the superiority on preemption factors, perceptual space and distribution channels (Lieberman & Montgomery 1988).

In a word, Chinese outbound tourism is attractive for Ballast Stone Estate to expand wine tourism business for the large population, fast development in demand with impressive profitability.

2.2.2. Consumer

Wine tourism is a newly developing tourism category for Chinese outbound tourists in general for recent years, which cause the lack of academic study and market research for consumer profile of the particular segmentation. However, for the interrelationship with the products as wine and outbound tourism, it could be possible to understand the characteristics of Chinese consumer from both outbound tourism and wine consumption perspectives.

The chart (Figure 3) above illustrates the main types of outbound traveling for Chinese tourists. The most typical form of oversea visit is organized tour group with the largest percentage about 25% among total. Convenience is the most essential issue for Chinese travelers to concern when traveling abroad. Organized tour group will arrange all the components during the trip, such like visa application, food, accommodation, transportation and guide service, and also avoid the language barrier in foreign countries (Huang & Hsu 2005). The tourists to Australia have

demonstrate the same pattern as well. Additionally, the consumer preference of mass tourist from China regarding to outbound tourism activities could be traditional and basic, such as sightseeing, food tasting and shopping, with few cultural content and less interaction and participation with local environment.

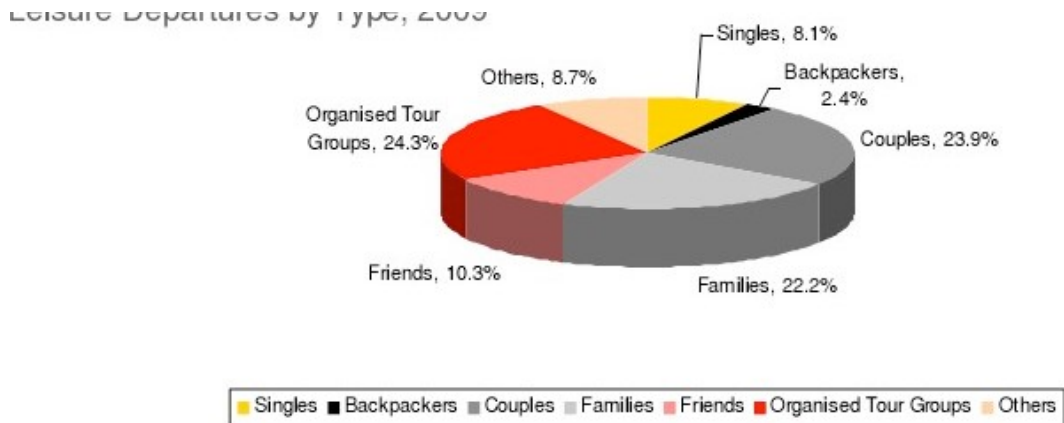


Figure 3. Types of Chinese outbound travelers (Source: Euromonitor International, Tourism Flows Outbound-China', July 2017)

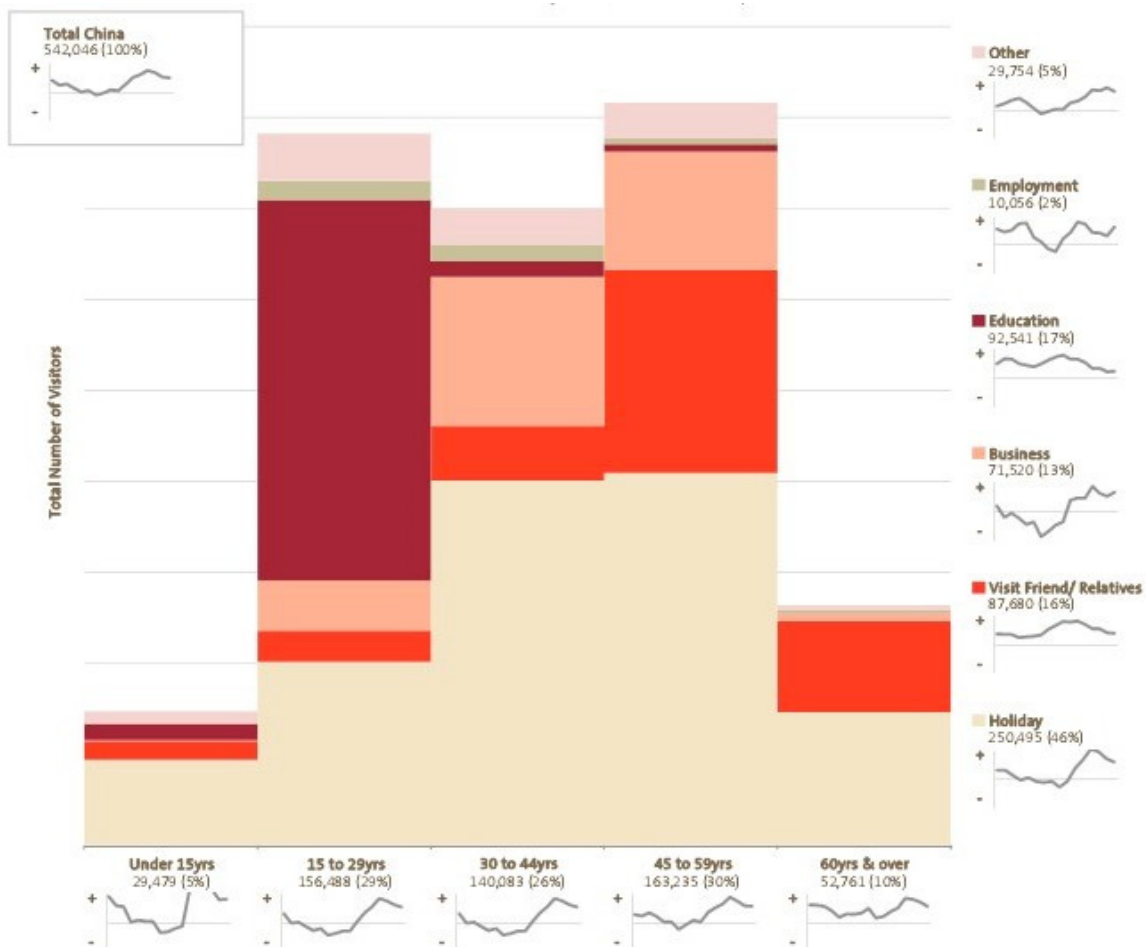


Figure 4. Visitors from China by Age and Purpose of visit for 2011 (Source: China Market Profile, Tourism Australia, 2012)

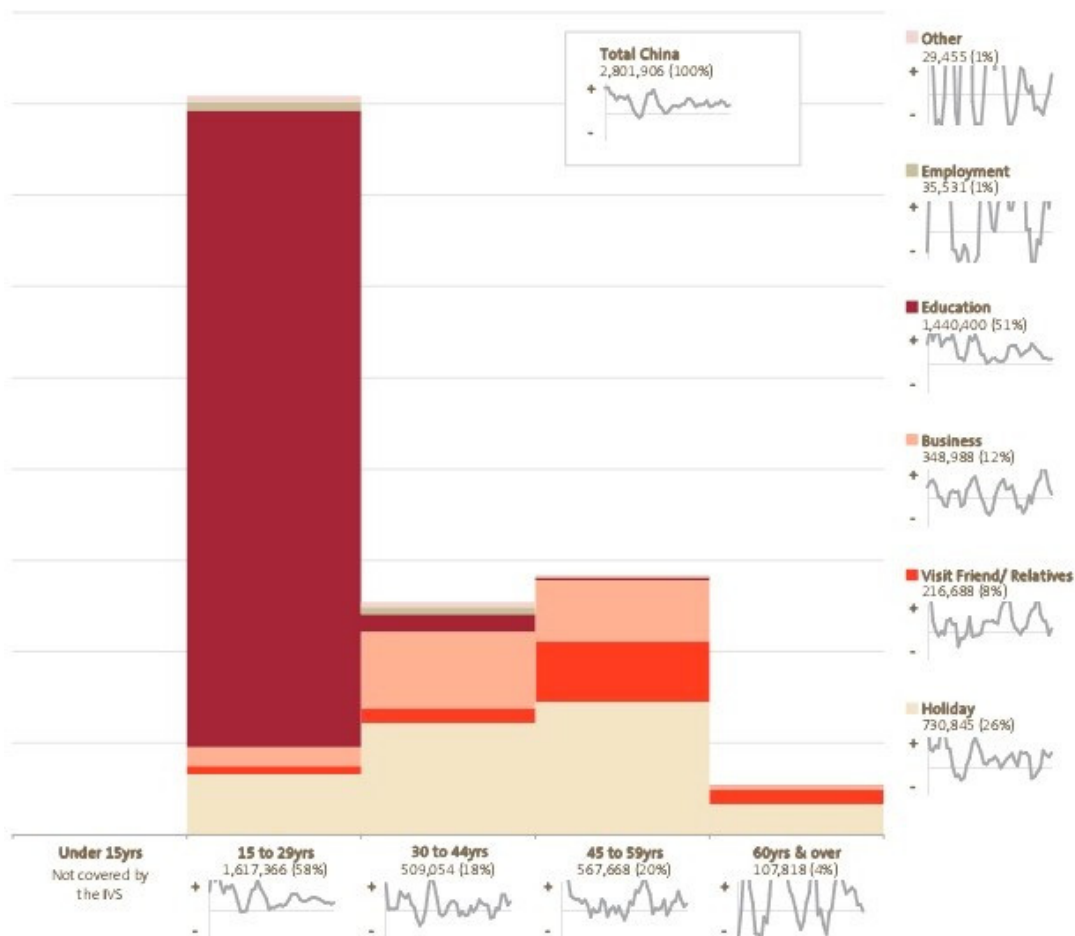


Figure 5. Spending by Visitors from China by Age and Purpose of Visit for 2007-2017 (Source: China Market Profile, Tourism Australia, May 2017)

Regarding to the demographic and purpose, Figure 4. for 2011 is reflecting the fact that more than 50% inbound tourists of Australia from China are in the middle age group from 30 to 50 years, with the leisure purpose. Leisure and holiday are also the major motive for the overseas travel among all the age groups, with the highest percentage at 46%. Compared with that, the general purpose of younger generation aged 15-29 is education while older generation visit for family or friends overseas.

In terms of spending, although spending on education for the younger generation is extremely more than other parts, it is unnecessary to be concerned in this project as the specialty and weak link to the potential market for wine tourism.

As shown in Figure 5, the spending for holiday at the middle-aged group (30-59 years) is still higher than other groups indicating the strong purchasing power for tourism products of this particular tourist group.

From those two charts, the conclusion can be drawn that the majority of the inbound tourists from China to Australia are the people at middle age, traveling for holiday or leisure purpose with better buying power than other consumer groups. In reality, most of those people are the members of middle class in Chinese society, who might be the potential consumers for wine tourism of Ballast Stone Estate.

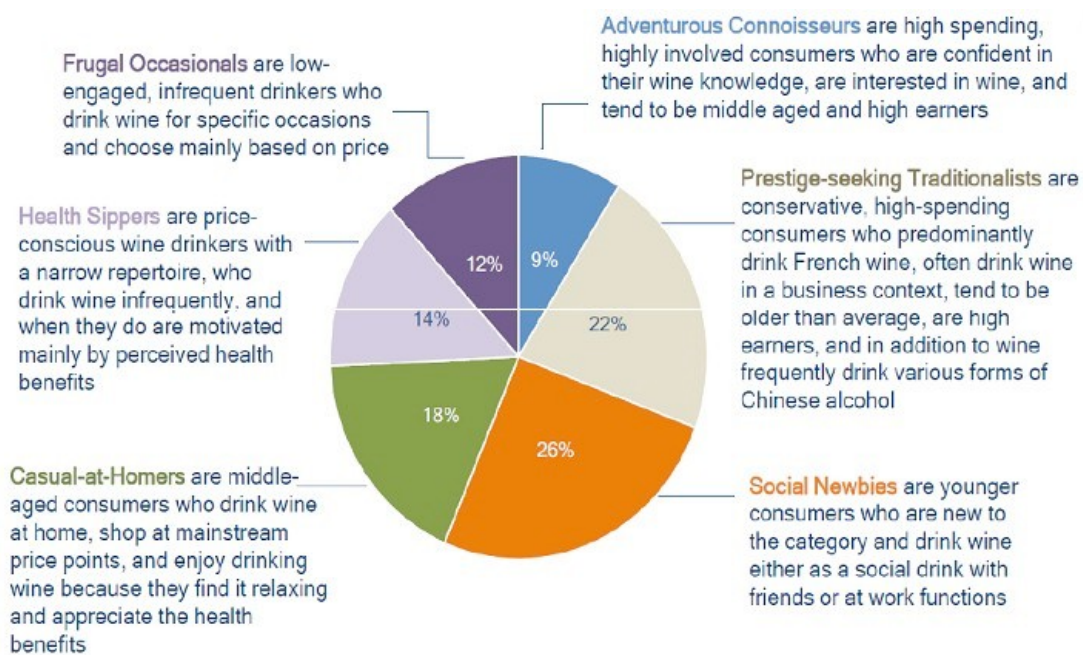


Figure 6. Market Segmentation for Chinese wine drinkers (Source: [http:// www.wineintelligence.com/wp-content/uploads/China-Portraits-2017-Report-Brochure. pdf](http://www.wineintelligence.com/wp-content/uploads/China-Portraits-2017-Report-Brochure.pdf))

The pattern of consumers for wine consumption should be taken into account as well since wine tourism activities would be built around the physical product (Alebaki & Lakovidou 2011). Figure 6. represents the market segmentation for Chinese wine drinkers with different traits. There is a common point for the wine drinkers among the segmentations as Casual-at Homers, prestige-seeking Traditionalists and Adventurous Connoisseurs, which is that the consumers are normally at middle age with high disposable income and good education, representing the clear demographic and economic features of the middle class. These three segmentations have taken around 50% of total population of wine drinkers. As being well-educated and knowledgeable or initial preferences of imported wines, they might be attracted easily by the wine tourism product of the Ballast Stone Estate through the marketing activities, and willing to take an overseas trip to the traditional wine producing country as Australia for the special interest (Batwin & Sun 2009).

3. Marketing Strategy

3.1. Segmentation, Targeting and Positioning

According to the analysis for the market and customer, the segmentation for Ballast Stone Estate Wines to expand Wine Tourism in China would be quite different from the domestic market. The main tourists from the local regions are also the consumers of the products, with good knowledge of wine and brand preference of purchase. Wine consumption is a part of the tradition of the Australian society, and people tend to travel more independently to the wineries as the normal recreation with families or friends (Brown & Smith 2010). On the other hand, the segmentation for Ballast Stone Estate Wines in China is the high-end product for the consumers with high income, social status and rich experience in wine. Due to limitations of small-scale production, distribution and the current niche positioning strategy, the brand awareness physical availability of wine products are relatively low, and price even is not affordable for the mass consumers to some extent.

However, for the international tourism sector, the visitors to the vineyards and wineries are unnecessary to be the actual consumers of the particular brand or product. Although the

motivation of wine tourism activities could not be separated from the patterns of imported wine consumption as the essential component, the features of outbound tourism should be more emphasized at the same time when the company sets up the segmentations. Thus, the group could be identified for targeting with the new tourism product, is the customers at middle class with affluent income and travel for leisure while having the interest in wine consumption. They are not the original target group for the wines for Ballast Stone Estate, but occupying about 50% of the total outbound visitors to Australia from China (Tourism Australia 2012). As the matter of fact, they will become the major participants of the wine tourism as well, with strong interest in wine consuming, educating, making and high expectation in western culture experiencing (Woronov 2012). Moreover, those visitors are even the potential consumers for the product after traveling. It is important for Ballast Stone to position the company appropriately based on the understanding of perception from the targeting group, while developing marketing mix to promote the wine tourism as the new exporting strategic business unit effectively.

For the strategic positioning, Ballast Stone Estate Wines would be variety-based since the company would be a good service provider for a set of wine tourism activities due to the high involvement within the industry and long history on vineyards operating and wine making (Porter 1996). Those beneficial factors would contribute to the competitive advantage of the company in the capability of tourism service offering, while enjoying the first mover advantage for introducing this special interest tourism product to Chinese market with few competitors (Juttner & Wehrli 1994). Despite of that, as suffering from the limited capacity of the small-scale business and lack of capital investment in supporting sectors such as food supply, accommodation and transportation, it might be difficult for the company to operate wine tourism independently. Associating with other wineries to build larger scale effort for the whole region would overcome this problem effectively, as well as the enhancement in terms of productivity, capability and efficiency through resource sharing and cooperation. As the consequence, the valuable market position for Ballast Stone Estate Wines would be a boutique winery of the group of wine tourism destinations in South Australia, which is able offer a variety of standardized and specialized activities of wine tourism, with excellent rural environment and the experience of typical Australian culture and lifestyle.

3.2. Marketing Mix

3.2.1. Product

For the global business expansion of Ballast Stone Estate Wines, Wine tourism would be considered as the new product category exporting into an oversea market. Therefore, it is significant to consider the proper way in tourism products, activities designing and service providing. For the particular marketing segmentation identified as the middle class in Chinese society, it would more practical to apply the strategy as the combination of standardization and adaptation to develop the favorable products to meet the various demands (Ryans, Griffith & White 2003). As the specificity of international tourism, the producing and consuming process would occur at the original country for tourism exporting, and examined by the oversea consumers themselves coming to Australia for purchasing (Mitchell, Charters & Alrecht 2011). Moreover, tourism product is quite similar as the service with distinctive characteristics as intangibility, inseparability, heterogeneity and perishability (Mortimer & Mathews 1997). For tourism sector, the result for consumption will come out as the feeling for the experience of particular activity. This means that meeting the perception of wine tourism experience for the selected marketing segmentation would be the main task in terms of product setting.

Based on in Customer Analysis before, the trip to Ballast Stone Estate as wine tourism product, could be designed in the traditional form, from the general target consumer's perception and

preference perspective. It could consist of a set of typical tourism activities. The main contents would be identified as following, but not limited.

- (1) Visiting the vineyards and winery at the famous wine region Currency Creek and McLaren Vale;
- (2) Meeting the grape growers, wine makers and business owner Shaw family;
- (3) Wine tasting and educating at Cellar Door, local food tasting at the cafe, restaurant;
- (4) Rural landscape sightseeing;
- (5) Wine production participating;
- (6) Wine Festival and events;
- (7) Other outdoor activities.

Those activities are the representation of the physical, cultural and natural environment of the wine region (Quadri-Felitti & Fiore 2012). Standardization is suitable in practice for several reasons. Firstly, Wine tourism might be a good reflection of the Australian rural lifestyle and traditional wine culture, as the motive for Chinese visitors' traveling, which should not be changed all the time. In other word, the association between the tourism activity and initiative cultural content will differentiate Ballast Stone from other destinations as the competitiveness (Jay 1991). The standardized products would sustain the consistency of the core cultural element and service quality efficiently. Secondly, as the majority Chinese tourists are traveling in group with package tour, standardization would keep the wine tourism activities manageable comparatively while being operated at low cost for the economic factor. Because of the disadvantage of package tour, the group outbound tourists always suffer from the shortage of time and lack of diversity for the tourism activity. A short trip for 1 or 2 days would be ideal for that kind of tourists, which is probably organized with intensive but basic mass tourism activities like sightseeing at the wineries and vineyards, wine and food tasting (Kim & Agrusa 2005). Since the visit to wine region is just a part of their whole long-haul travel in Australia, the product designed should be able to provide experience of typical wine and cultural components more directly through standardization. Furthermore, it would be more practical for Ballast Stone to standardize the tourism products for the limited capital. As a small-scale wine producer, the investment on new business sector could only be at a small portion compared with the resource allocated on the wine production.

Nevertheless, it is still possible for the company to offer optional wine tourism products as the adaptation for the Chinese tourists who travel independently. At this stage, wine tourism is considered as the special interest to increase the brand awareness. Since the time would be flexible, independent tourists tend to take a detailed visit to single destination for a longer time than the mass grouped tourists, and always look for the interaction with local people and high level of involvement of local environment and culture. Besides, they have the initiative on selecting and customizing tourism activities, as the mature and experienced international travelers (Tourism Australia 2012). Those segments of customers, although in small population, is more likely to generate the repeat purchasing behavior of the outbound wine tourism for Ballast Stone Estate and being brand loyal, once the adapted quality tourism products were received during the trip oversea. Consequently, the well interaction between tourists and initial winescape would stimulate the generation of positive tourism experience, even work as the marketing opportunity not only for tourism but physical product selling (Alebaiki & Lakovidou 2011).

3.2.2. Place

As the nature of business expansion is to exporting wine tourism as the products into Chinese market, the main distribution strategy would be applied based on the export modes from home country to the foreign target market.

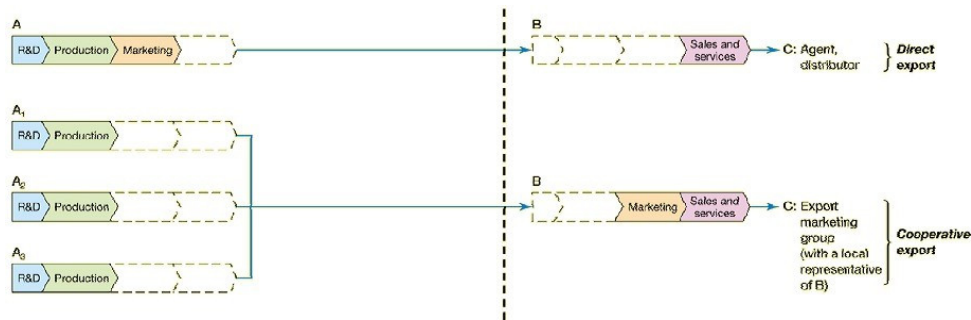


Figure 7. Export modes for Wine Tourism distribution in Chinese market (Source: Hollensen (2011) Global Marketing 5th Edition Prentice Hall fifth Edition pp336)

There are 2 exporting modes can be considered depending on specific requirements in practice with own strength and weakness (Figure 7). Direct export would be effective for Ballast Sone Estate to market wine tourism through the approaches which can be controlled by the company such like the website, on-line travel portal, business trip and events. The advantage for this mode is the consistency among the marketing activities. Company is responsible for all the elements from product development, production to marketing, ensuring the sufficiency of the cooperative strategy implementation. However, the problem as the ignorance of the specificity of foreign market can be obvious as well. The differences between domestic and foreign markets would influence on the effects of marketing strongly, even leading to the ineffectiveness or negative impacts for the international business. To overcome that weakness, the execution of marketing practices is transferred by cooperative exporting, from the home country to the marketing group at the target market. Because of the familiarity of Chinese market and consumer behavior, the effectiveness of marketing practice can be improved in some ways but the quality and consistency would suffer from the loss of control.

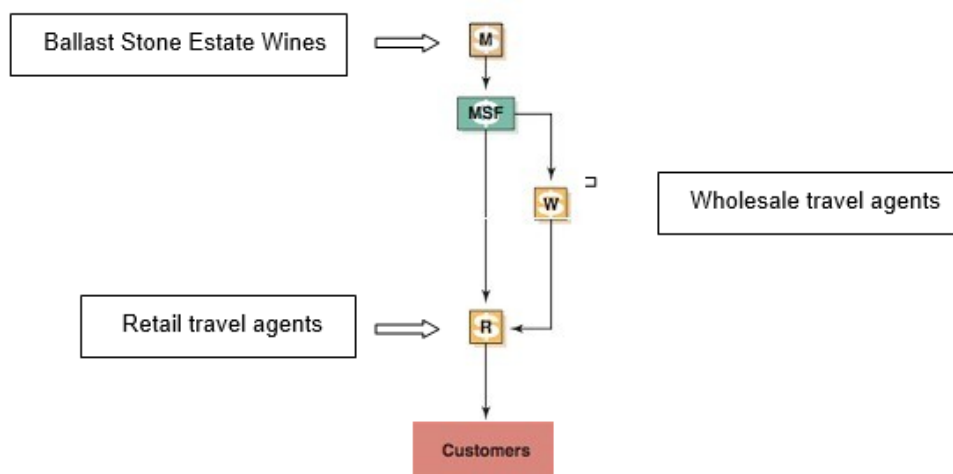


Figure 8. Diagram of distribution channel for Ballast Stone Estate Wine Tourism in China (Source: Keegan & Green (2016) Global marketing 7th Pearson)

The options of distribution channel can be limited for Ballast Stone Estate in Chinese market by the reason of the highly regulated travel distribution system (Figure 8). Consumer can only book through the authorized agents for the outbound travel, in group or independent for the legal requirement. This situation indicate that Ballast Stone is unable to deliver wine tourism by the zero-level distribution direct to the consumers (Wood 2010). Alternatively, the coordination with the wholesalers or large travel agents in China is the main method in product

distribution. The wholesale travel agents as China International Service Limited (CITS) and China CYTS.

Tour Holding Co. Ltd (CYTS) are playing essential roles in Chinese tourism market with long history and high reputation, which should be considered for partnership. They are also the largest caterers for most of the group business to the tourism destination with Approved Destination Status granted by Chinese government including Australia. The broad distribution networks over the country will increase the availability of the wine tourism of Ballast Stone Estate for the market target group. The retail travel agents are another dominant in Chinese market with increasing number of outlets. Online booking is a new distribution form for tourism products, but mainly used by domestic free independent travelers with a small quantity. In fact, majority of the outbound tours are still distributed through the traditional distributors as the wholesale and retail travel agents in Chinese tourism market (Tourism Australia 2018). Therefore, distributing wine tourism through the large and retail agents to the target group should be the most efficient market entry and penetration strategies for Ballast Stone Estate Wines, for the national-wide business coverage and influential power within the industry. Besides, on-line channel is still useful for product introduction and travel consulting as the informative and convenient attributes.

3.2.3. Promotion

It is critical for Ballast Stone Estate to choose suitable promotion approaches with the justification of the factors such as efficiency, coverage, affordability. As a relatively new product category will be launched in Chinese tourism market, wine tourism of Ballast Stone Estate Wines would be positioned at the introduction stage of the Product Life Cycle (Appendix 2). The aim of promotion would probably just be information delivery, awareness generation and a little bit of motivation during this particular period.

Traditional mass media like TV and radio would be optimal because of the advantages in huge coverage, high frequency, intensive information, visualization (Potter 2011). However, for a small family business like Ballast Stone Estate, it could be too costly to produce advertisement and employ the media to cast commercial oversea. Since the target group is international customer, the preference of advertising would be quite different from the domestic market, which might increase the challenge for product promotion, even the risk for unfavorable effect. Compared with that, Integrated marketing communication would be more helpful for promotion for Ballast Stone Estate. The information of the tourism products and activities could be advertising through the websites of the company, business partners or on-line portal and social media, which are easy for oversea consumers to search, view and inquiry. Implementation of high technological methods would facilitate the promotion with cost efficiency, as well as the effective communication and interaction with the consumers. From the consumer's point of view, the promotion activities would be favorable with the traits of convenience, flexibility and accessibility.

One thing should not be ignored is the intangibility of tourism product. Tourism experience is not visible and cannot be trialed before purchase happening. Therefore, it is necessary to generate the physical evidence of the tourism product, especially for the new segmentation of consumers in a new market (Mortimer & Mathews 1997). The traditional promotional materials, such like travel brochures, handbooks, flyers and photos displayed at the wholesale or retail travel agents, would attract the consumers coming to the branches with the demand of international travel to Australia effectively. The positive effect can be expected through the co-efficiency of the physical evidences, distribution channels of outbound tourism in China and consumer behavior. In addition, word of mouth would impact on the customers' purchase strongly as well. For tourism particularly, the positive comments and experience sharing by the previous customers would influence or even motivate the potential consumers to purchase.

Social media will work better as the developing promotion channel than the traditional mass media. It provides the platform for the communication not only between Ballast Stone Estate and tourists, but the tourists themselves.

3.2.4. Price

Coming to price sector of the marketing mix, it could be the difficult for Ballast Stone Estate to determine a reasonable price for outbound wine tourism such a new exporting product. The lack of relevant information on the practice in the Chinese market will challenge the company for price setting. Even so, the charge for domestic wine tourism activities is obviously referential, range from \$99 to \$125 for packaged day trip at single wine region or 2 closes to each other (Adelaide Sightseeing). The prices for independent and grouped international tourists could be different with the consideration of the direct and indirect cost of operation. Moreover, concerning about the seasonal and economic affairs, the price would be flexible to attract more consumers during the tourist-off season. In brief, the best price should be reasonable for the target group to match the perception and experience while being profitable for Ballast Stone Estate as the tour operator.

4. Conclusion

To conclude, outbound wine tourism will become a new profitable exporting product for Ballast Stone Estate Wines for its international business expansion. As being the related product for the initial exporting category, the profitability would not be increase only at the tourism sector, but also contribute to the wine production and sales. All the benefits expected will rely on the effective implementation of the international marketing strategy and mix for the business, with appropriate adjustment during practice process. In addition, the supports from the local government, relevant industry and business associations would be important for Ballast Stone Estate Wines to enhance the capacity and competitiveness in the global market.

References

- [1] Adelaide Sightseeing website 2012, viewed 12 October 2012, <[http:// www. adelaidesightseeing, com.au](http://www.adelaidesightseeing.com.au)>.
- [2] Alebaki, M & Lakovidou, O 2011, 'MARKET SEGMENTATION IN WINE TOURISM: A COMPARISON OF APPROACHES', TOURISMOS: AN INTERNATIONAL MULTIDISCIPLINARY JOURNAL OF TOURISM, vol. 6, no. 1, pp.123-140.
- [3] Ballast Stone website 2012, viewed 25 October 2012, <<http://www.ballaststone.com.au>>.
- [4] CITS website 2016, viewed 18 November 2016, <<http://www.cits.net/about/>>. Bartlett, C 2009, 'Global Wine War 2009: New World versus Old', Harvard Business School, no. 303-056.
- [5] Batwin, W & Sun, BB 2009, National Wine Market, Shanghai ATO, Shanghai.
- [6] Brown, CA & Smith FR 2010, 'Wine Tourism: A Serious Leisure Approach', Journal of Service Science, vol.3, no.3, pp.29.
- [7] Chaos, P 1993, 'Partitioning Country of Origin Effects: Consumer Evaluations of a Hybrid Product', Journal of International Business Studies, vol. 24, no. 2, pp. 291-306.
- [8] Hill, C 2011, International Business Competing in the Global Marketplace, 8th edn, McGraw-Hill, New York, NY.
- [9] Hollensen, S 2016, Global Marketing: A Decision-Oriented Approach, 5th edn, Prentice Hall, Harlow.
- [10] Huang, S & Hsu, CH 2005, 'Mainland Chinese residents' perception and motivations of visiting Hong Kong: Evidence from focus group interviews', Asia Pacific Journal of Tourism Research, vol. 10, no. 2, pp. 191-205.
- [11] Jay, B 1991, 'Firm Resources and Sustained Competitive Advantage', Journal of Management, vol. 17, no. 1, pp. 99-120.

[12] Juttner, U & Wehrli, HP 1994, 'Competitive advantage', Journal of Business & Industrial Marketing, vol. 9, no.4, pp. 42-53.

[13] Keegan, WJ & Green M 2016, Global marketing, 7th edn, Pearson, Sydney.

[14] Kim, SG & Agrusa, J 2005, 'Preference and positioning analyses of overseas destinations by Mainland Chinese's outbound pleasure tourists', Journal of Travel Research, vol.44, pp. 212-220.

[15] Lieberman, M & Montgomery, DB 1988, 'First-Mover Advantages', Strategic Management Journal, vol.9, no.5, pp.41-58.

[16] Mortimer, K & Mathews, BP 1997, 'the Advertising of Services: Consumer Vies v. Normative Guidelines', in Academy of Marketing Conference, Manchester.

[17] Ormanidhi, O & Stringa, O 2008, 'Porter's Model of Generic Competitive Strategies', Business Economics, vol. 43, no. 3, pp. 55-64.

[18] Porter, ME 1996, 'What is strategy?', Harvard business review, vol. 74, no. 6, pp. 61-78.

[19] Potter, WJ 2011, 'Conceptualizing Mass Media Effect', vol. 61, no. 5, pp. 896-915.

[20] Quadri-Felitti, D & Fiore, AM 2012, 'Experience economy constructs as a framework for understanding wine tourism', Journal of Vacation Marketing, vol. 18, no. 1, pp.3-15.

[21] Ryans, JK, Griffith, DA & White S 2003, 'Standardization/adaption of international marketing strategy', International Marketing Review, vol.20, no. 6, pp. 588-603.

[22] Stear, L 1995, 'Special Interest tourism', Annals of Tourism Research, vol. 22, no. 1, pp. 238-240.

[23] Tourism Australia, 2012, China Market Profile, Tourism Australia, Sydney Wood, MB 2016, Essential guide to marketing planning, 2nd edn, Pearson, Sydney.

[24] Williams, KM 2011, 'Australian Wine Tourism: Establishing a Career Path at the Cellar Door', Australian Journal of Career Development, vol. 20, no. 1, pp. 15-23.

[25] Woronov, TE 2012, China's emerging middle class: 'Beyond economic transformation', China Journal, vol. 67, no. 67, pp 241-243.

Appendix 1

**Table 1. Wine sales for Ballast Stone Estate Wines
Shaw Group - Actual Bottled Wine Sales**

Market		09/10	10/11	11/12	12/13 YTD#
Area		Actual	Actual	Actual	Actual MTD
		Cases	Cases	Cases	Cases
Export	China	20864	16927	8,660	6,633
	SFV	12654	15408	4,113	1,856
	USA	4474	1120	1,120	0
	UK	4069	1691	1,130	0
	Other	860	2012	1,207	56
	Sub Total	42,921	37,158	16,230	8,545
Domestic	ACT	2195	2137	2,076	269
	NSW	6135	8047	7,706	3,169
	Direct - NSW			2,680	44
	NT	236	137	250	33
	QLD	1334	806	1,079	447
	SA	23956	22067	22,904	7,769
	Direct - SA			0	114
	Direct - CC			0	62
	TAS	4474	3272	3,122	215
	VIC	4247	6920	3,513	1,652
	Direct - VIC			3,571	5
	WA	2025	1505	808	176
	Sub Total	44,602	44,891	47,709	13,955
	Cellar Door	8600	8104	6,992	1,678
Cleanskin	8502	8160	6,417	1,785	
Sub Total	17,102	16,264	13,409	3,463	
Grand Total		104,625	98,313	77,348	25,963