

# Swisse's application on healthcare products marketing



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## Executive Summary

The purpose of this report was to analyse the marketing mix principles used by the Swisse to marketing its products and find directions for further development. The report illustrates how Swisse succeed through application of marketing mix elements: well-researched products, people and organisation culture, promotion through leadership and CSR marketing as well as the globalisation exchange. Recommendations are made on focusing on food safety regulations and global market management.

### 1. Introduction

With the advancement of researches on the health of human body as well as the increasing ability to buy, people starts to focus more on life quality and healthy living habits these years. Increasingly people began to pay more attention and money to body maintenance and health products, which brings business opportunities for the health care products market.

Swisse is an Australian health and wellness company that manufactures vitamin, supplements and other personal care products that are currently available in about 30 countries including Australia, New Zealand, United King, the United States and Hong Kong, etc. Founded in 1969, the company has been committed to its philosophy: health, happiness (H&H) with a belief that the focus on people, passion and principles will naturally bring profit in. It conveys its philosophy to the public by introducing ambassadors who are sports stars or celebrities conducting a healthy life cycle.

For about 50 years, Swisse has been investing in independent scientific researches on the development and innovations of scientifically-supported healthy products. It started building up since establishment partnerships with universities, laboratories and other top academic institutions as well as its own scientific advisory panel consisted of a group of academics, scientists and clinicians. The company also focus on corporate social responsibility by using natural ingredients, offsetting carbon emissions, investing in charities and advocating sustainability.

The purpose of this report is to identify the success of marketing mix of Swisse by analysing marketing mix principles it applies: product, people, promotion and placement. While Swisse focuses more on four elements of marketing mix strategies analysis, other elements of marketing mix as well as other aspects such as business environment might be overlooked.

## 2. Marketing Mix

### 1. Overview of the theory: Marketing Mix

Market mix is a foundation conceptual framework in market. It is a set of marketing tools the marketing managers used to develop long-term strategies and short-term practices in order to meet targeted customer needs. Different elements are included in marketing mix in different industries. Through long development history, the marketing mix generally comprises the traditional “ 4Ps”: product, price, promotion and place to the developed “ 8Ps” with people, process, physical evidence and performance in addition. The company in question forms its own 4Ps strategy by focusing on product, people, promotion and place.

## 2. the 4Ps

### 1. Product

Products are the goods or services a company delivers to satisfy customers' needs and are the basis of a company's revenues. A company can control the product quality, design, features, after-sales services and brand name to add value to its products. Besides, in order to keep the competitive advantages, a company may continually introduce new products in response to customer needs and market environment.

### 2. People

Human resources including expertise involved in research and development, product line and marketing. A company should hire qualified personnel that are ethical, professional, high-performing and adaptable to the business culture. There should be working regulations, explicit standards incorporating code of ethics and a reward and punishment systems within a company. A comfortable working environment may increase the productivity of staff. The company should also establish and communicate positive values and culture for higher loyalty.

### 3. Promotion

Promotion is used by companies to convey the features and theories of their products to targeted consumers. General promotional tools may include advertising, public relations, brand name selling, etc. While products needs innovations and upgrades, promotion tools should also be creative and meet the market needs to attract customers and beat competitors.

### 4. Place

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After production and promotion, a company needs to determine how customers are accessible to its products. Distribution channels include retailers, wholesalers, e-commerce, dealers, etc. As more and more business are going globalization, place becomes a specific concern due to difference in cultures and what works for a place may fail in another.

### 3. The Swisse Strategy

#### 1. Introduction to Swisse and its marketing mix

Swisse started from a humble Melbourne warehouse in late 1960s by its founder, Kevin Ring. From the very beginning, the mission H&H and the principles “ Celebrate Life Everyday” are embedded in the ground and development of Swisse. Swisse products went from only herbal vitamins to a range from multivitamins, supplements, nutrition, personal care products to functional foods and are sold in around 30 countries in the world.

Swisse applies marketing mix tactically in its marketing strategies. It invests in researches to provide more innovative, functional and reliable products; it put people the top priority in its philosophy to build a harmony and effective working environment; it implement creative advertising practices by building up roles of “ ambassadors” and emphasizing on corporate social responsibilities; it opens up the distribution channels to retailer and e-commerce and expands the global market.

#### 2. Application of 4 Ps to Swisse Marketing

##### 1. Application of Product Policy

- Research and Development

Swisse ensure the functionality and quality of products by investment in up-to-date scientific academic research. It has its own research teams and clinics to conduct projects and tests on innovation and upgrading of products and also builds up collaboration with top academic institutions and foremost projects. It has formal partnerships with entities like: National Institute of Integrative Medicine(NIIM), Swinburne University and La Trobe University. It also has its own advising panel of esteemed scientific advisors such as Prof. Avni Sali, founder of NIIM, Dr. Karin Ried, research director at NIIM, Assc Prof. Andrew Pipingas, cognitive neuroscientist, etc.

The expertise from cooperative organizations and advising panels ensures that Swisse remains at the forefront of the up-to-date research development and opportunities as well as certifies the efficacy of formulations. The investment on research by Swisse not only justify the benefits, but also build up positive brand image of the products.

- H&H values

Behind the success of Swisse is the “ H&H values” embedded in its products. “ Health and happiness” is the most commonly mentioned concept and the test for every decision within Swisse to convey the living theory with products and build a positive brand image.

## 2. Application of People Policy

- Focus on people

Swisse put people at the top of its 4Ps priorities. It believes that people is the reason it succeed. It advocates a healthy lifestyle working environment by providing free personal trainers, masseuses and organic meals. It also <https://assignbuster.com/swisses-application-on-healthcare-products-marketing/>

encourages its staff to involve in communities to together build social leadership.

- Positive culture

A success organizational culture affects the organization's productivity and performance and the opinion the customers have on the company. Swisse promotes a positive and friendly culture as noted by Radek Sali, CEO of Swisse wellness, a typical Swisse employee should force himself to “ dress up different” daily, be creative, keep smiling, say hello to everyone, continuously improve and deliver a positive “ can do” attitude at Swisse.

### 3. Application of Promotion Policy

- Ambassadors

Swisse introduces healthcare professionals, sports stars, entertainers and social media celebrities as ambassadors who find its products helpful and recommend the products through blogs or other forms of social media. This build up a reliable and fashionable brand image for the products and add to the corporate reputation through the personal influence of these public figures

- CSR

As social image is gaining increasingly speaking power on consumers' decisions on choice of products, Swisse expands the “ health, happiness and wellbeing” philosophy to the whole community and actively engages in corporate social responsibilities. It emphasizes on environment protection and contributes to the community by establishment of the Celebrate Life

Foundation to help preventing diseases by educations of nutrition and healthy lifestyle.

#### 4. Application of Placement Policy

- Globalisation

Not limited by its #1 position in Australian market, Swisse goes globalisation recent years. Swisse products quickly enter into racks of popular local retailers, for instance, Walgreens in the U. S.. It also actively cooperates with local media and programs like “ the Ellen Show” and participates in advertising campaigns to ensure the fluency of its launches.

- E-commerce

Apart from wholesalers and retailers, the new distribution channel of e-commerce makes the purchasing experience much more convenient for customers and less resource-consuming for the Swisse itself.

#### 4. Recommendations on Future Development

##### 1. Focus on Product Quality

Despite the popularity and fashionability of the brand name, consumers are more serious on what they eat. Swisse Vitamins has also been involved in advertising complaints on overstatement and misleading of its functionality and promotions violating Medicines Australia’s self-regulatory code of conduct. In fact, Swisse spent over \$50 million per year on advertising. Though not involved in judicial cases or practically violating any laws, Swisse should focus on improving the products in the long run instead of conducting more advertising campaigns.

## 2. Global Market Differences

While globalization contribute to worldwide demand for products, it brings more concerns to a company. Markets in different cultures have different characteristics. As Swisse plans to enter into more countries in the following years, special expertise is needed to examine different needs of customers, competition of the market, customs of business and make strategies for launches.

## 5. Conclusion

Swisse has effectively applied the four elements of marketing mix in its marketing strategies. The independent product research, focus on people, active and creative promotion as well as the globalisation placement contributes to the significant competitive edge over its competitors.

Though the company sees a success in its marketing and profiting, Swisse should focus more on product quality and be more self-regulated for the good of business sustainability. The globalisation practices should also be carefully oversighted due to risks in the global market.

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