

Report mannings china s marketing pla

[Business](#), [Marketing](#)



This marketing plan aims to analyze the current problems of Managing China and give suggestions according to its weaknesses, so as to optimize the market share in China by further expanding the Managing business.

Managing' mission is to be the market leader in the beauty and personal care industry, and concern the needs of individual and society. With high market potential of healthcare products, increasing standards of pharmacies, higher purchasing power, greater demand of qualitative products, and advanced technology, all favor Managing to further expand its market.

However, major competitor, Watson, gives great threats to the expansion of Managing China. Therefore, we suggest different strategies in marketing mix to maintain its strengths and further strengthen the capabilities so as to overcome the weaknesses. For products, we adapt product differentiation by launching more own-brand products, adjusting the products composition, introducing medical beauty products, and offering consultant services, thus boosting sales and diversify the products.

For prices, we plan to adapt two different pricing strategies to meet different target customers, and offering various discounts in special days to do promotion. For places, Managing should focus on Gudeon as it is one of the most developed cities, hence increasing the convenience of stores; operating different concept stores includes brand store and neighborhood stores so as to further promote its brand; and launching smartened application and online store in order to diversify striation channel and follow the recent trends.

For promotion, Managing can extend promotion to multi-channel such as TV, social media and mobile applications so as to reach more customers;

promoting sales discount regularly to attract new customers and widen the customer base; enhancing public and customer relationship to gain good reputation by increasing two-way communication; and lastly, utilizing the word-of-mouth effect by providing more professional products and services. To conclude, implementing new marketing mix aims at increasing the sales of Managing, so as to increase the market share and become one of the market leader in China. 2.

Background Managing is a renowned brand in Hong Kong. It is a health & beauty retailer offering comprehensive range of health and beauty products and professional services such as patient-care counseling and dispensary services. In 2004, it expands operations into China. In 2013, it has more than 200 stores over 30 cities. Managing China provides wide range of products including pharmacies, healthcare, personal care, skin care and baby care and some snacks. It has also an international development team to develop its own brand to builds its branding. It takes care of different emends and age groups of consumer.

Managing China provides professional services including pharmacy, dietetic and beauty advisors services to provide professional health, dietary and beauty advice responding to customers' needs. The vision of Managing China is to be the No. 1 professional health and beauty corporation delighting customers always. Its mission is to offer the consumers the best Health and Beauty Care and lead the trend and the industry in taking care of the well-being of society and people that fits the image of the company, a sunflower, always facing the sun, longing to health and beauty. Market Analysis 3. 1

Market Situation The market of healthcare products all over the world has reached USED\$1500 billion, which Europe takes up 37% of the market, and China in a minor 7%. The expenditure of Chinese people on pharmacy rises from HOOK\$2 billion in 1982 to HOOK\$460 billion in 2002 . So, it is expected to grow in China for further expansion of the bio-pharmacy and healthcare industry.

3. 2 Pest Analysis

3. 2. 1 Political Factors The development priorities of the 12th Five-Year Plan (2011-2015) - bio-pharmacy, - will bring benefits to Chinese people. " (92) , n. D. In the next five ears, the latest innovations in biotechnology should be relied on to guarantee domestic standards are met for nutrition, hygiene, healthcare, food and drug safety and disease diagnosis and prevention. With China's government frequently demonstrates its dedication to social issues by proclaiming seizures and arrests, it facilitates the growth of quality pharmacy products, such as the products provided by Managing.

3. 2. 2 Economic Factors Along with China's continuous economic growth, the general publics living standard and purchasing power have improved dramatically.

In addition to clothing and other nonuser goods, Chinese people are paying more attention to health issue and demanding more. Also, with Chinese growing economic power, the expenditure of healthcare products per capita ranks low in developed countries (See Appendix Figure 2), this can prove there is a strong market for providing Managing healthcare products in China.

3. 2. 3 Social Factors The general public has also become more knowledgeable and receptive to foreign products. Products about healthcare will be more favorable to the Chinese.

Also, low quality and harmful milk formulae in China has caught the public's attention in product safety (RENEF?). The Melamine Milk scandal in 2008 has even worsened the problem and the Chinese have started fetching milk formulae in Hong Kong. It shows concerns about product safety grows in China, and if the expansion of Managing is successful, it can establish itself as a reliable retailer in providing quality products and eases the worries in China. Also, ageing population has become a pressing issue for many countries in the world including China.

The percentage of China's ageing population (those 60 years and above) will rise from 12% in 2010 to 17% in 2020. The population structure in China leads to death rates here several major diseases are particularly significant (Healthcare Sector in China, n. D.). Thus, the market demand for medicines and healthcare product is growing very fast. 3. 2. 4 Technology Factors China in 2011 stated that pharmacy was a major priority for science and technology spending. Biotechnology will be used to enhance economic development as well as for improving nutrition, healthcare, and medicine.

China would become the world's second largest pharmaceutical market in 2013 and the largest in 2020 (Wang You and IL Axing , 2011). Thus, with the technological support in China, the invention of Managing series will grow more smoothly and become attainable. 4. Competitor Analysis The two major competitors of Managing China are Watson and Cosmos, which are also the beauty and healthcare retailers operating in China. Comparisons are analyzed in terms of six aspects, including ups, strengths and weaknesses.

For Products, Managing China is selling over 90% of the healthcare and cosmetic products but only 5% of pharmacy products. It is also selling over 300 own brand products. By contrast, Watson has a relatively average distribution of percentage on each kind of products selling, with 52% of healthcare products, 20-25% of pharmacy reduces, 5-10% of food, toy and stationery, and there are over 2000 kinds of own brand products. While Cosmos is selling 40% of pharmacy products, 30% of healthcare products, 25% of household products and over 20 own brand products.

Medical Beauty products can also be found in Cosmos. For Price, the prices for the same product are almost the same in these three brands, which are reasonable and welcomed by the general public. But it is noted that Watson has adopted the differentiated pricing strategy for the physical stores so as to enhance its brand value and cope with the regional differences. For Place, Managing has over 200 stores in China. While Watson not only has over 1000 stores, but also an official flagship store in China Taboo Mall.

For Cosmos, there are only 14 stores operating in China. For Promotion, all the three brands adopt personal selling and sales promotion. Advertising is only used by Managing and Watson. In terms of Strengths, Managing has a strong financial support and resources since it is operated by the Dairy Farm Group, which is a leading retail enterprise in Pan-Asia. Advantages and support can thus be gained from the parent company including supplier network and capital, allowing for wide range of pricing.

High quality products are being sold in Managing as well; In Watson, it has over 2000 kinds of own brand products, which is over one- third of the total

number of products selling. Being the pioneer of the healthcare industry in China (since 1989), it has great variety of products and operates for more than 1000 stores in China, which is the largest healthcare products retailer chain in China. It has also won the " Sais's Top 1000 Brands Survey 2010 in the retail- Pharmacy/Drugstore category; In Cosmos, it offers great variety of pharmacies.

A free own brand magazine " COSMOS" is published every month for its customers, roving the latest product information. Besides, Cosmos utilizes e-commerce comprehensively that it has developed the 3rd generation of NECK Point-of -Sale system, which enables the company to grasp the consumer trend more effectively and develop better marketing plan. In terms of Weaknesses, Managing offers 300 own brand products only which is far fewer than Watson, with over 2000 own brand products.

It lacks variety on products as well, and there is even an overlapped position of own brand products compared with Watson, thereby lacking competitive advantages. Being the late comer to the healthcare product industry in China (I. E. 15 ears after Watson entry), Managing does not have much adaptability to the Mainland market; For Watson, it is lack of its own products researching group. Due to the stringent cost control, the own brand products manufactured by the Original Equipment Manufacturer is doubted for its consistent quality; For Cosmos, it has a limited retailing network, with 14 stores in China only.

It is also an obscure brand to Chinese consumers compared with the two other brands. Cosmos is lack of variety in products and has a smaller scale in

operation. 5. SOOT Analysts For the internal business, strengths and weaknesses can help to analysis current tuition of Managing China.

Managing China should maintain its strengths. First, Managing China has good reputation as it is under the Dairy Farm Group, which is the biggest retailing group in Asia. Thus, the group is experienced for providing retailing services, customers have more confident with Managing.

Second, Managing provide high quality products that the quality assurance is proved by General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China(Calls); and also wide range of products are offered includes local ND foreign brands, thus giving more choices for customers to choose and compare between different brands. Third, Managing provide wide range of pricing from low to high, which concerning the needs of different group of customers, and also targeting different income group.

Fourth, the parent company, Dairy Farm Group, support Managing in different aspects such as providing capital, talents, and multiple distribution networks, ensuring the stable supply of goods by maintaining good relationships of suppliers, etc. , thus enabling the continue operations of Managing. Lastly, Managing also have excellent customer services such as membership services, after-sales services, etc. , which giving rewarding experience to customers. However, there are weaknesses that Managing China has to improve. First, Managing have too large proportion (l. . More than 70%) in selling personal care products, and only little proportion in pharmacy and healthcare products. (etΓ?, 2009) In fact, the market of

personal care products is already saturated and mature, and becoming not potential at all. Second, it has few own-brand products Just about 300 types, comparing to its competitors, Watson, which has more than 2000 types. Fewer own-brand products implied less flexibility on the product mix and lower profit margin of the business. Third, the image of Managing and Watson is similar in China.

People only recognize Managing is the convenience store which look like Watson, reflecting Managing has no distinct and unique image in China. To be more serious, it may affect the reputation of Managing since people may have misconceptions that Managing is copying the style of Watson, thus harming the image of Managing. Fourth, Managing store are targeted to locate in newly developing regions in first-tier cities, which is far way from the central of the cities, and less convenient. Moreover, the number of shop is less than Watson, which is about 200 versus more than 1000.

Lastly, Managing only has few advertising on social network and TV, especially the e- marketing. Apart from internal situation of Managing, external market environment provides opportunities and gives threats for Managing. Market opportunities provide Managing a chance to explore the unfilled market. First, as people pay more attention to their health, the market potential of health care products is increased continually; ND with increasing income, people are able to purchase high quality products such as pharmacy and healthcare products.

As the scandal of Chinese products are increasing, people have less confidence with the Chinese products; while foreign products are substitutes

of local products which have assurance of quality, so they prefer purchasing foreign brand products or products made in foreign countries. Lastly, online and mobile shopping become more common and convenience, and the penetration rate of internet is very high, thus Managing can use it as a channel to further promote and reach targeted customers. In contrast, Managing has to face wreaths from the market and competitors.

First, there are more and more local and foreign competitors enter the China market due to globalization, no matter the scale of the firms, it is more difficult to enlarge the market share. While the expansion of the major competitor, Watson, and the small pharmacies in China give threats to the profitability of Managing. Besides, price war is intense between competitors. They observe the price changes of other competitors and change the pricing strategy of every product very frequently, may be every day, thus the room of increasing profits is very small. 6.

Marketing Mix 6. 1 Products Product is one of the most important elements in the UP analysis. We are planning to extend our market in China by using the following methods: Having product differentiation, creating more own brand products, adjusting the current products composition, opening up medical beauty products and providing professional consultant services. First, inspired by the Managing Baby store established in Hong Kong, we agree that it is a good idea to extend our market by opening up different kind of stores according to peoples' needs in various area of China.

For example, Managing Baby selling different kind of baby care products such as bath products ND milk powder; Managing Women selling different

kind of female cosmetic products and facial care products, our target customers will be young Chinese women; Managing Men selling hair or facial care products for men in China, as Chinese men are becoming increasingly appearance cautious, our target customers will be young Chinese Men; Managing Elderly selling pharmacy and health care products mainly for the elderly, as Chinese people are becoming more concern about their health nowadays.

By using product differentiation, we believe that we can fulfill needs of different target groups more suitably and effectively, which may help us to cost the sales and increase our competitiveness in the market. Second, we are going to create more own brand products. In the current situation in China, Watson has over 2000 kinds of own brand products while Managing only has 300 own brand products. We can see that there exists a huge difference between the own brand products of Watson and Managing.

Watson is one of our major competitors in the market, therefore it is important to increase our competitiveness in order to dominate the market over Watson. We are planning to create more own brand products under our own brand name, in order to be more competitive in the health ND care market, as well as to boost sales. Third, we are going to adjust our current products composition. We observe that the percentage of healthcare, cosmetic products and food is way larger than that of pharmacy products.

According to the statistics, the composition of healthcare, cosmetic products and food in the store is around 90%, while the composition of pharmacy products in the store is less than 5%. Chinese people are now pursuing a

healthier life as their education level increases, there is a higher demand for brand name health products in China. Therefore, our plan is to increase the composition of pharmacy products for sell in order to fulfill our customers needs better. Fourth, we are going to develop and open up the medical beauty products.

As the disposable income per capita in China increases, they are having more purchasing power and they prefer higher quality beauty products, such as facial skin rollers and eye care medical beauty products. We foresee a potential and profitable market for the medical beauty products after doing several rounds of research, we believe that we may increase the number of customers purchasing in our store by offering different kinds of innovative medical beauty products. Last but not least, we are going to provide professional consultant services in Managing China.

Many other competitors have been providing this kind of services in the market, therefore it is vital to learn from others and to strengthen ourselves and improving our weaknesses. For example, hire dieticians giving free dietary assessment and suggesting a personalized diet plan; beauty advisors to carry out skin care product tests; pharmacists and health advisors giving free health consultation and health tests, also giving advices on drug usage through tracking medication.

We believe that the above strategies may help us to increase our competitiveness in the health and care market in China, as well as extend our market share and to have a foreseeable future. 6. 2 Price On the price aspect, we are going to use two different pricing strategies according to

different target groups and also offer some kinds of discounts. For the pricing strategies, we are planning to use the cost plus pricing strategy for daily health and care products, as the products should be affordable for daily purchase items.

On the other hand, we are planning to use the premium pricing strategy for the high-end products, such as medical beauty products, as we are going to target at customers looking for high standard products. In this way, we can attract customers coming from different social classes. In addition, we are also going to offer discounts to attract customers. A 80% discount for a certain purchase level; 5% discount off on every Friday; some special discount during festival period, such as Lunar Chinese New Year and Christmas.

We aim to attract more customers and stimulate purchase by using cost-plus pricing and premium pricing, as well as offering several discounts. 6.3 Places First, along with its current strategy to operate stores in first-tier cities, we suggest it focus more on Gudgeon. Gudgeon has over 100 million population which is more than the total number of population of Britain and France. However, there are approximately 500 health and beauty shops in Gudgeon only, but has over 1 500 shops in Britain. We foresee a potential space for further development.

Particularly Gudgeon is one of the most developed cities in China, its people have high purchasing power and well educated that emphasize health and care. They will more willing to spend on health and beauty goods and services. Second, Managing China should operate different concepts of store

in different places. In first-tier cities, it should sets up some brand stores, especially in high-grade shopping centre such as Raffles City. The purpose of brand store is not the increasing revenue of a single store. It is used as a promotion window of Managing China to promote branding, so as to increase the revenue of all Managing China's stores.

The brand stores should be focus on decoration and new products display to highlight the image of Managing China. For example, it could introduce some high-end exclusive proprietary products so that people could recognize Managing as the only retailer to imports this reticular products, get rid of impression of another Watson. In remote cities, it should sets up some neighborhood stores which focus on daily necessities, health care and baby products. The operation cost of neighborhood stores is lower than a normal operation of Managing China stores so it can expand its market share in the market by a faster rate.

Neighborhood stores focus on the convenience and fast purchase so the scale of the store is normally small and not a wide range of products is provided. However, in case of remote cities of China, people live in there may not have high purchasing power and not emphasis in health and care. Their needs are mostly daily necessities. A neighborhood stores could on one hand sharp meet the needs of their people, on the other hand could extends the coverage of stores to farer places and more potential customers.

Third, Managing China should diversify its distribution channel by launching smart phone application and setting up online store. Smart phone becomes a necessity nowadays that almost everyone has its own smart phone. As

shown in figure 1, demand for smart phone is substantially increase by years. Therefore, a smart phone application is potential market to sell goods and services. The APS should provide the updated information on products and promotions to enable customers following on the latest movements. Moreover, it provides video calls services with professionals to solve any health inquiries from customers.

On online store side, online purchase is the recent trend of Chinese customers' behavior, so an online official store should be established. Managing China should set up an online official store on its official website so customers can buy any products from Managing in any time. In addition, it should also set up an online store on Tamale to explore potential customers. Tamale is the largest online shopping platform in China, set up online stores on there must definitely expose to more people. 6. 4 Promotion One of the weaknesses of Managing China is lacking of promotion.

Although Managing run a website and Webb, the coverage of promotion is not enough. Managing should extend its promotion channel to radio, television, press, outdoor hoarding and social media such as Wechat. A successful advertisement appeals to audience's self-interest by standing out the image of the brand. Take reference from Managing Hong Gongs successful adverts, they make use of catchy icon and storyline to catch people's attention, such as Managing sister and Managing cats. Both icons give impression of warm and adorable to audience, which fits the mission of Managing of taking care of the well-being of society.

Diversify channel of advertisement could get in touch with people from different background so as to explore more customers. Managing as a retailer corporation should focus more sales promotion. It should distribute free sample of new own-branded products to customers, on one hand to promote sale, and on the other hand to promote branding. Customers could get \$30 Managing coupons for over \$500 purchases to encourage large amount of spending. A more comprehensive member program can be introduced. Customers with one-time purchase for over \$300 will directly become members.

Being a member, he/she could get a newsletter with coupons every month to keep a close contract with Managing China's activities. They will enjoy 10% off discounts for every purchase and a point-of-purchase scheme that coupons or gifts will be given for certain points attained, e. G. Every \$30 for 1 point, every 15 points could get a free lipstick. This could cultivate customer's habit to buy in Managing China and promote loyalty. In case of public relations, Managing China could launch its blogging and magazine. It can work with famous health and beauty bloggers to invite them writing trial reports of products Managing China sold.