

Fancl house s
marketing strategy of
nutritional
supplements
marketing essay



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FANCL established in 1980, had the world acme scientific research and the production technology, developed in different way with the general skin appliances and does not originate including the antiseptic, the chemical additive cosmetology and the health food, ceased generally the skin question which caused including the antiseptic skin appliances, occupied the world “ not to have the increase” steadily the leading positions.

Fancl House’s supplement health products offers a relatively ladies run off nutrition day to day situation for manager to present their product to a captive audience. However, little is known about its effectiveness, especially in countries such as Hong Kong. In this way, Fancl House nutritional supplements have some product lines, focus on different customers needs thus provide relative supplement products for them.

Fancl House’s marketing strategy is holding a major of ladies wants to become more beautiful and healthy for marketer to sale diverse lineup items to them. Fancl House unceasingly innovate nutritional supplements quality to cater consumers’ needs. If so, some of the products would be exists or not depends on the market trend.

The aim of this project study is to know the reasons of supplement products stay or loss and how can a product success to exist or eliminate in the market, and aim at the weakness to improve. In this research, I would like to find out necessities, current trends of supplement products and customers long-term relationship and also want to focus on studying the Fancl House marketing strategy of supplement products and why the products would be eliminate or exist in the market. At other times, from the Market Research

Center, it can know that the health-supplement market which includes vitamins, mineral supplements, and other Western health supplements, has enjoyed steady growth in Hong Kong rising from \$148 million in 1997 to \$202 million in 2003. Therefore, in this study, the surveys have been adopted face to face interview to collect data. For the research questions it may include why health food are important in Hong Kong market, or this products really can improve good health and beauty face etc.

2. Title

Fancl House's Marketing Strategy of Supplement Health Products: A case study in HK

3. Aim

The aim of this research is how Fancl House promotes the nutritional supplements from the marketing strategy (e. g. 4Ps) and their product strategy. By studying in this research, I was interested to know the marketer will eliminate some of product items under which situation why some of the products will be eliminated in the market and what items will cause such situation, and why the other products can still exists. However, the market survey which grasps fully to the customer's buying trend or needs characteristic has help greatly which is very important regarding to the product sell sales. Nowadays, the consumers realizes gains ground, the life which bustles, makes every effort to the product quick-acting and practical. So, the meaningless loss can be avoided if the market trend can be known as soon as possible.

Through analysis of crowd behavior from lifestyle research report, to understand the lifestyle and life condition of the crowd, aim the difference of different crowd to set up marketing strategy and sales strategy. Moreover except adopt marketing strategy, companies must know the potential customer's hobby, face-to-face contacts with the customer and grasp the market directly during changes. Therefore an effective consumer behavioral analysis report may cause the manufacturer understanding existing market state, and further plans for the new marketing strategy and the new product attribute.

4. Background

Nowadays, the level of living standard enhances and becoming more and more fastidious regarding the daily commodities, supplement products are not exceptional. Modern people always rest late, the life work and rest is not orderly, and they have many special health care problems, let the supplement products becoming an effective and efficiency choice that accepted to pay much attention on them. In addition, the intense living conditions, the busy social make us to face turbulent pressure. So peoples would like to buy some of advanced nutritional to eat for good health.

At other times, the supplement products are very common in Hong Kong. By the advertising as well as greatly promoted, supplement products sell to market with their brand. Also, these supplement products with medicinal elements whether include preservatives or chemistry additives that we haven't known. However, Fancl House in Japan has the biggest and largest scale of the skin care and the health food brand. Presently besides Japan,

Hong Kong has set up 26 branch stores. In this study of Fancl House <https://assignbuster.com/fancl-house-s-marketing-strategy-of-nutritional-supplements-marketing-essay/>

supplement products, we know that it's preservative free for sensitive skin and advanced nutritional. By the way, Fancl House in 1993 on the introduction of "nutritional supplements", that is, eating skin care products, attracting a lot of recognition FANCL "does not have the increase," the health concept of consumers, within and external maintenance of the conditioning multiplied complementary manner, maintain a healthy and beautiful. As a result, only specializing in beautiful women in the past, the market, but now, with the change in values on the expansion of consumer base, but also more in-depth development of a "nutritional supplements to eat." Biochemical advances in technology has driven the beauty industry. In the past to rely on topical skin care products to maintain the coated wiping young and beautiful, but can still leave a topical aside, together with oral administration, hoping to achieve a healthy beautiful effect.

And then develops in different way with the general sensitive skin and advanced nutritional that does not including preservatives or chemistry additive beauty and supplement product. This avoids causing the question generally with the preservative. On the other hand, Fancl House had the word top scientific research and the production technology, developed her unique health food and does not originate including antiseptic, chemical additive supplement products. Beside, Hong Kong was vigorous along with the economic develop, the national life was wealthy, more and more people took seriously to eat supplement products to improve health and eats many advanced nutritional supplement to correct manners discipline. However, this phenomenon simultaneously creates a significant social problem. Many females deemed that eating these advanced nutritional will becoming more

beautiful because the supplement products has cosmetology efficacy.

Theses ladies influenced by social trend. Therefore, Fancl House's aim is to contribute health and well-being of every customer.

According to Fancl House annual report 2008 show that the nutritional supplement sales decreased 5. 2% year on year to \$30017 million. Sales of actively marketed HTC Collagen and other beauty supplements were strong. The sales in other product items were sluggish and sales of herbal products and support series products were also slow.

It was quite obvious that sales low supplement health foods case by the reason may be not enough promote and marketing strategy, lead to these products sales drop off.

On the other hand, the new medium-term plan see FANCL strategy is not expansion in the number of products, but to decorate highly unique products in existing supplement lineup into hit products.

Furthermore, as Hong Kong's rapid economic development, a new value is emerging - the young is competitive, therefore, the pursuit of appearance is no longer a sin, or superficial, but the increase of competitiveness. Now, intelligence, physical strength and beauty is dispensable. However, Hong Kong has moved into an aging society, if an elderly population increases, on behalf of the health needs of the market on the expansion, and then with modern marketing techniques, such as emphasizing convenient, quick access to the packaging, let consumers are willing to immediate consumption, always maintain the beauty and health. Marketing skin care products eat the mode of communication is to use a modern vocabulary and <https://assignbuster.com/fancl-house-s-marketing-strategy-of-nutritional-supplements-marketing-essay/>

a broad general concept, to describe the efficacy of certain elements, so that consumers feel that “ Instead of drinking beverages in general, it is better pearl powder drink selection, at least whitening effect” or “ drink modified collagen solution, you can maintain your skin,” added value. The future of skin care products will have to eat three trends: First, branding. The past, the market has not yet reached a certain scale, only a small brand to see business opportunities, assault on the market, but with the expansion of market demand, more and how the brand will be put into. The second is the path of specialization. Future, there will be a chain of specialized channels, such as Watson now enjoying health and beauty (beauty and health) professional channel development, and health care products category will be getting bigger and bigger, classification is also more detailed. Third, the health care market will be increasingly divided, and the marketing will take the audience of differentiation, and marketing, therefore, customer relationship management also become more important. Once the successful operation of such community membership, through in-depth communication, cultivates loyal customers, customers will be very significant contribution degree. One more think, direct demonstrated extraordinary strength in 2004 increased 15 percent over the previous year. Direct sales channels, it is indeed “ the locomotive industry, to attract individual users is doing very well.” This is a growth industry, experts nutritional supplement market in Japan. In direct marketing, multi-level marketing, catalog sales, the company has listened to individual customers, and can make the right product at the right time the right people is still growing rapidly. “ It is important to communicate with customers and explain the product benefits,” the views of

Manan leading independent food distributors. Typically, patients suffering
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from chronic diseases, including arthritis, hypertension, high cholesterol, rather than seeking help, through nutritional supplements. Consumer survey shows that 25 percent of people added the user who is worried about chronic diseases. Some people also use supplements for the treatment of more serious diseases such as cancer. People buy expensive high-quality Chinese and Japanese plants and herbal products, mostly from the MLM business, and more are willing to pay a premium, and an additional commitment to improve their symptoms. Although the description is illegal treatment of diseases, nutritional supplements, there is a very fine line definition and the actual treatment and just improve conditions.

5. Objectives/ Research Questions

The goal, in that research, is going to describe what the marketing strategy of nutritional supplements products, this preliminary study aimed to identify.

after cut the product whether effect sale amount

examine Fancl House product strategy

investigate why more and more female to buy nutritional supplement

Statement of Hypotheses

Fancl House demographic segmentation is for female ages above 18 years old, the education level such as students, office ladies and middle class. In Hong Kong, different district open branch stores. Therefore, females would be expected to have a higher rate of exposure to nutritional supplement than male.

H1: Females deem to eat nutritional supplement can become more beautiful than eat vegetables.

H2: Younger adults will eat supplement health products than elder adults.

H3: Females will have a higher level of need for nutritional supplement than male.

H4: Young adults will have a higher level of demand is more suitable to their nutritional supplement more than the elderly.

6. Critical review of relevant literature

During the long economic recovery, the nutritional supplement market has actually grown steadily over the last 10 years. The market for nutritional supplements increased by 22 percent in 2001 to \$8.22 billion, in 2003, the growth slowed a little to 7 percent. Because of recent ingredient deregulation by the Ministry of Health, Labor, and Welfare (MHLW), Western ingredients are fueled by consumer demand. Deregulation has been going on for the last 10 years, and still, many ingredients that are marketed as dietary supplements in the U. S. are only available for pharmaceutical use in Japan. When the government deregulates ingredients, the manufacturers often respond and the market is vitalized. Also, the problems with imported contaminated ingredients, mislabeled packages, and BSE or mad cow disease that caused last year's slowdown are all behind the industry. Consumer acceptance and confidence in supplements are stronger now (Article 2005).

Nutritional supplements are those items that always refer to as a "dietary supplement". In these products may include: herbs or other botanicals, vitamins, and substances such as enzymes, minerals, and metabolites. Whatever dietary supplements in a special category under the general of "foods", not drugs, and requires that every supplement be labeled a dietary supplement. Hong Kong companies have been active promoting a variety of product beneficial effects on health, including "strengthen immunity system", "whiten skin", "improve skin texture", "remove blemishes", and enhance metabolism". All about this focus on the love of beauty. However, HKSAR face to health product regulatory more emphasize, supplement health products which contain Chinese medicines are regulated under the Chinese Medicine Ordinance (Cap. 549) that can import for Hong Kong market. Although regulatory severe but still have more health products unceasing from other country import to Hong Kong. By the reasons that many consumers sense that the daily diet is not enough for their body assimilates, so demands with nutritional supplement appear amount the market. Therefore, some of the marketers realized that situation consequently great promote distinct supplement health products for customers need.

Today, nutritional supplements become more and more general with market, many companies are issue different category dietary supplement. In Hong Kong the most females popular supplement health product nothing is better than whiten skin and become beauty product items. According to market reports point out, approximately 50% of females are more likely than 33% males to buy health food product and will also spend more money on these

product on a monthly basis (market research centre 2004: 14). A part from this the females supplement product demand are most greatly, therefore there were exist most opportunities for the supplement health products in Hong Kong. In fact, Hong Kong as a free port, more foreign industry of nutritional supplements companies come to Hong Kong opens branch stores, thus promote their advanced nutritional and consume for the public. Same for these situations those have some competitor in the marketplace, they use emerge in an endless stream manner to attracts their target customers. Beside, foreign industry entry Hong Kong marketplace can be move local economy, enhance government income.

For the most part, Fancl House's advanced nutritional emphasize nowadays peoples lack of something nutrition thereby promote relative supplement. FANCL product label " does not have the increase" and does not originate including the antiseptic, the chemical additive the health food. Moreover, their health product items are having beauty effectiveness, so it attracts consumers in the 18-29 year old age females groups are major consumers. The females groups are major need vitamin fortify food and beverages, sports and weight-loss, and whiten skin supplements. Apart from this, they were as well eating other supplements as healthy diet congee and drink calorie limit green tea. In a past two years the sale amount appear slight decrease, so headquarter in Japan indicate in the new plan will expand the customer base through more robust marketing efforts targeting middle-aged and elderly consumers(FH 2008: 21). Moreover, to make it easy for consumer to choose the product they need. And more building long-term relationships with customers based on trust, thus enhance customers brand

and loyal. At my own view, females are notable consumer group for the supplements market, since of their unique health needs and they do mostly purchases which favor in the home the decision. In the general females in give more attentions to prevent the health care. So Hong Kong supplement health products market with a growth rate will unceasingly increase.

By the way, a number of high-calorie, high cholesterol and high-fat food can lead to health problems, such as obesity, diabetes. Studies have pointed out that the fruits and vegetables contain important vitamins, minerals and fiber that can help people to prevent these diseases or improve their situation. So Fancl House also launch a “ juice therapy” is intended to help people to promote nutrition, encouraging them to drink of fresh vegetables, turn it into part of everyday life. Juice recipes for different customer needs, enable customers to get more juice treatment effect. Young professional women are most interested in the health and beauty, but in a busy life, often leading to their neglect of the consumption of health food supplement. So, Fancl House will become the main target of professional women in the first phase of sales.

Fancl House provides a simple and convenient way to allow them access to these new products, so that they increase their energy, and perform better at work. It called “ green juice”, this “ green juice” health drink is aimed at providing a natural complement to drinks to customers, helping them to learn from the loss of daily nutrition. This green juice product is mix aojiru with other fruit juices, to form eight different fusion drinks. Each has its own tastes and functions. To allow customers to choose their own drink, the counter clerk will tell you a menu, listing a number of kinds of your body's

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existing situation, and for you to select the most suitable for your drink, and then staff will be added some special mineral powder to add so-called “twintose” juice. These juices are all according to their individual needs, and provide recommendations which juice can help them improve their physical condition. Fancl House they are not just selling products, but consider its taste and color of the juice in order to attract their attention. It is healthy, but it is also delicious and fashion.

7. Research Methods

7.1 Research design

This research was conducted in two phases: 1) focus group sessions with purchase supplement health product consumers were then undertaken where attendees expressed their feelings about eating advanced nutritional with the Fancl House; 2) personal interviews were conducted to examine Hong Kong people face to advanced nutritional comment.

7.2 Data collection method

The survey will be used to communicate methods used to collect data, including self-administered surveys, such as e-mail, intercept and computer, personal interviews participants in a controlled environment and interception. This approach is low cost, easy to collect relevant data and analysis.

7.3 Sampling method

Questionnaires will be sampled to facilitate research; a convenience sample can stand a shopping mall and consumers, because they chose to walk by filling out the survey. That you can request the first time customers

comments after purchase. However, convenience samples can provide useful information, especially in the pilot study. The sample size is determined by random selection method 300. The classification and interpretation of data obtained, according to level of education of consumers.

8. Project Plan

Start time in Jan, 2010, first need to preparation of final research proposal, then meeting with supervisor to communicate and study the draft proposal to find out question. In addition, according research methods to design the questionnaires and set the questions. Then submit of final research proposal. However, I'll send the questions to my target customers. After the interview will be collect data and proceeding data analysis. Also, to find the information in library or bookshop, use this information to support theory. Final, submit of research project report in July, 2010.

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