

# MARKETING INNOVATION OF YUAN QI SEN LIN: A CASE STUDY BASED ON 4P THEORY

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<sup>1</sup>Qingxia Wang

Graduate school, Rangsit university

Huahangjy@126.com

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## Abstract

With the growth in people's living standard, the health concept of "green ecology, low fat and low sugar" has become the basic trend of consumers. In case study of Yuan Qi Sen Lin company, the internal and external marketing environment of Yuan Qi Sen Lin company are systematically analyzed by using PEST analysis tools, which points out that there is strong substitutability in the marketing of Yuan Qi Sen Lin, the brand crisis triggered by "pseudo-Japanese" packaging, the disadvantages of offline sales channels that gradually appear. Based on STP theory and 4P theory, this paper puts forward the marketing mix strategy of Yuan Qi Sen Lin, and proposes the guarantee measures from the aspects of active expansion of network marketing, strengthened internal management, emphasis on enterprise brand building, evaluation and control of strategy implementation, which provides significant support for the operation decision of Yuan Qi Sen Lin company.

**Keywords:** Yuan Qi Sen Lin; Marketing Strategy; Sugar-Free Drinks

## Introduction

With the widespread improvement of people's concept of food safety, the sugar-free drinks are highly favored by consumers because of convenience, green ecology and health. However, there are many kinds of sugar-free drinks in the market, with fierce competition among them. In order to acquire competitive capacity, the market entity has to change the traditional marketing concept to develop a unique brand marketing strategy, and enhance its popularity and profit.

Taking Yuan Qi Sen Lin as the case study, this paper analyzes the marketing status, advantages and existing problems of Yuan Qi Sen Lin, develops the marketing mix strategy based on STP, 4P and other analytical tools, and proposes the corresponding guarantee system. The research features of this paper mainly lie in two

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<sup>1</sup>Graduate school, Rangsit university

aspects: First, it is new in the research object. The analysis of the marketing strategy of Yuan Qi Sen Lin in this paper not only represents the latest marketing status, but also reflects the growth problem of the new internet influencing brand. Second, it is new in the research results. It is prospective and original in the research results on the optimization design of marketing strategy in this paper, with certain reference value and practical significance for other brands inclined to Internet marketing.

## **Research Value**

This paper mainly studies the marketing strategy of Yuan Qi Sen Lin drinks. Although with rapid growth in the market, Yuan Qi Sen Lin also faces the crisis of survival. How should these young internet influencing brands formulate marketing strategies to achieve long-term development? This is the main issue that this paper seeks to explore. This paper makes a comprehensive analysis of the current marketing status of Yuan Qi Sen Lin and formulates the marketing strategy based on the classic marketing theory of 4P, which provides certain reference value and practical significance for the marketing and development of similar brands through the marketing strategy optimization schemes and research results summarized in this paper.

## **Literature review**

### **Research Abroad**

After years of understanding and research by many scholars, the modern marketing concept has gradually transformed from "production" orientation in the past to "market demand" orientation nowadays. Lianmarcu (2019) clearly pointed out in his research that the actual needs of customers should be analyzed to develop the strategies highly consistent with the actual needs of customers, so as to attract more customer groups. Sarah Graybill (2020) indicated through the market analysis of a fitness drink in the United States that with the decline of the carbonated drink market, many drink companies began to enter the drink industry with the function of "health and fitness". Drinks with natural and preservative-free plant ingredients that have physical and mental health effects are favored by consumers. Barbara harffmann (2021), who has made outstanding research on the drink industry, put forward in her latest research "The Latest Package in 2020" that when designing drink packaging, drink companies should not only pay attention to the beautiful and elegant appearance, but also concern about the national environmental protection requirements and related policies, so as to provide consumers with easy-to-recover and lightweight drink packaging, which is especially important for sustainable development of our homeland.

### **Domestic Research**

At present, the research on marketing strategy in academic fields is carried out from the perspective of practice. Chen Rui (2019) pointed out that although there are a lot of potential safety hazards in the drink sales market, such as imitation drinks and over-standard food additives, consumers' pursuit of "physical and mental health and green ecology" remains unchanged. Su Yan (2020) analyzed the development

pattern and advantages of "community plus applet" from multiple dimensions in her research, and explained that the application of this pattern could bring new development opportunities for the marketing of offline retail stores. Sun Xuesong (2021) took Yueman high-quality soybean milk as the research object, analyzed and optimized the marketing strategy of the soybean milk from the perspective of 4P, and optimized the marketing mix strategy of the soybean milk in combination with 4P related marketing theories and based on the analysis of the causes of problems and the results of questionnaire survey.

## Research Method

**Literature reviewing.** It lays a theoretical foundation and data applicability for the writing of the paper according to CNKI data, national statistical data, industry survey reports, journals, etc.

**Questionnaire survey.** It lays a solid foundation for the formulation of marketing strategy based on the original information of customers about sugar-free drinks and the relative clear customer portrait acquired by case study.

**Research methods.** By learning the theories and methods of relevant marketing strategies, as well as the application of theories and methods in other references, we will prepare for the analysis of the market of Yuanqi Forest Sugar free Beverage and the formulation of marketing strategies. It proposes the core of marketing strategy of sugar-free drink in Yuan Qi Sen Lin by means of PEST analysis, STP theory, 4P theory and other analysis tools.

## Results and analysis

### Environment analysis based on PEST theory

The macro-environment of Yuan Qi Sen Lin is analyzed by using the PEST model from the aspects of policy, economy, society, science and technology. A series of policies, regulations and administrative rules implemented or revised in succession by relevant state departments, and the risk monitoring level and guarantee level of food safety obviously improved, have significantly safeguarded the healthy and stable development of sugar-free drink industry. According to the survey data of Ipsos in 2020, 84% of consumers said they were concerned about health, and 53% said they spent more on health than before. With the rapid economic growth of China, the food and drink industry has entered the structural growth stage, which facilitates people's demand for food and protein supplementation shift from quantity increase to quality improvement. In terms of beverage consumer groups, according to CBNDATA consumption big data survey, women have become the core consumers of the beverage market with high growth rate and high proportion; Consumers aged 23-39 are the main consumption group of beverages, accounting for 67%; After 1995, young people became the incremental group to promote the growth of the beverage market with a high consumption growth rate, and the frequency and rate of repurchase were more prominent, with the growth rate of repurchase far ahead.

At this stage, the technical strength of the sugar free beverage industry is in the process of improvement and development, and the key technologies include new

product development technology, production and manufacturing technology, analysis and detection technology, etc. Moreover, the development of production technology further improves the technical level, shelf life and nutritional components of sugar-free drinks.

### **Environmental Analysis Based on SWOT Theory**

The four different strategies of Yuan Qi Sen Lin, such as SO (strength & opportunity) strategy, WO (weakness & opportunity) strategy, ST (strength & threat) strategy and WT (weakness & threat) strategy are analyzed and summarized by using SWOT theory, which indicates that Yuan Qi Sen Lin should seize the great opportunity of market development, make the most out of its advantage resources, develop its own core technology in product research as soon as possible, and quickly occupy the sparkling water drink market, so as to enhance its strength, through full improvement of its comprehensive competitive capacity, strict control of the product quality, recruitment of outstanding talents, optimization of marketing incentive mechanism, and intensive research on industry development and product trend.

### **Positioning Analysis Based on STP Theory**

The positioning analysis of Yuan Qi Sen Lin is made from three aspects: market segmentation, market targeting and market positioning by using STP theory, which concludes that, in terms of age, two groups should be targeted, that is, the group under the age of 24 and the half-mature group aged 25-34; in terms of gender, the two groups are analyzed and presented in the same product according to the different preferences of women than men, so as to meet their common needs; in terms of region, the city's comprehensive commercial attractive index should be taken into account and the first-tier, new first-tier and second-tier cities are preferred to choose; Yuan Qi Sen Lin targets at the group of young people in developed cities, and should insist on offering "delicious and healthy" drinks suitable for young people's tastes, since its current brand power has not fully seized the minds of consumers yet.

### **Marketing Analysis of Yuan Qi Sen Lin Based on 4P Theory**

In the beverage industry, Yuan Qi Sen Lin is regarded as a new brand. It can successfully create a market in the beverage industry with a fixed pattern of giants, which cannot be separated from the promotion of marketing strategies. Now, other old and new brands have entered the sugar free bubble field, and Yuan Qi Sen Lin is facing internal and external problems.

The current marketing strategy of Yuan Qi Sen Lin is analyzed from the four perspectives of product, price, channel and promotion based on the 4P theory. In terms of product strategy, the "healthy sugar-free and fat-free sparkling water" is the hit product of Yuan Qi Sen Lin, which is quickly recognized by consumers, while the sales of other products are average; In terms of price strategy, Yuan Qi Sen Lin allows no promotional activities in any form for all retail terminals, such as discounts, buy one with gift free, etc., and the price is strictly controlled above 5 yuan, which is unique in the drink industry. In terms of channel strategy, chain convenience stores and campus convenience stores are the main sales channels of Yuan Qi Sen Lin, which caters for the target group of young customers. In terms of promotion strategy, new media content marketing, soft advertising and livestream e-commerce are the main promotion form of Yuan Qi Sen Lin.

According to the analysis of the marketing status of Yuan Qi Sen Lin, its successful experience lies in that 1) it pays attention to the power of brand reputation, and make promotions through well-known we media freelancers, online influencers, WeChat moments, etc., so as to improve the credibility of products and expand the influence of products. 2) it takes the traditional market segmentation as an important foundation to further conduct the second-class and third-class product market segmentation, and then tap more consumer groups and expand market sales. 3) it focuses on network and TV media promotion through advertising in the entertainment shows and TV dramas favored by young, which gains it more young fans online.

There are some problems in the marketing of Yuan Qi Sen Lin: 1) The "sugar-free" technology of Yuan Qi Sen Lin is prone to copy, which makes the products easy to lose its core competitiveness. Other traditional beverage brands have also entered the sugar free bubble water market, and the agent factories engaged in production have also entered the market, and the brand agent factories have the product formula in hand, so they are more familiar with production. All these signs prove that the product homogeneity of Yuan Qi Sen Lin has become increasingly prominent, and the company's product popularity and core competitiveness are not strong. 2) As far as Yuan Qi Sen Lin Company is concerned, it has used cash discount, batch discount and other models in its development process, but as a retail and wholesale enterprise, these discount methods cannot meet the enterprise development. It pursued the mid-end marketing route in the past, which resulted in limited price space and led to the lack of competitiveness. Therefore, it cannot afford the severe losses caused by price reduction. 3) Due to the lack of its own sales channels, its disadvantages of offline sales channels gradually appear when other competitive products have also entered new convenience stores one after another to compete for the position on shelves. 4) Its promotion information fails to reach in place, which leads to a very poor conversion rate and the sales fails to achieve the expected target.

#### **Marketing analysis of Yuan Qi Sen Lin Based on 4P Theory**

It puts forward an optimization scheme in this paper in combination with the current status of marketing strategy of Yuan Qi Sen Lin, which highlights the young, healthy, high-end and personalized features as a whole.

**Product strategy optimization:** 1) The target audience of Yuan Qi Sen Lin is young groups. Such groups have a short time limit to follow the heat and pursue freshness and innovative experience. Yuan Qi Sen Lin should speed up the renewal of product taste and constantly introduce new products. Yuan Qi Sen Lin should accelerate the update of flavors, constantly introduce new products, and constantly attract young followers, so as to form user loyalty. 2) It should pay more attention to the design of product appearance, including the design of labeling bottles, sharing bottles and selfie bottles. It shall design different packages for men and women. Highlight individuality. Or add health slogans or health science knowledge on the packaging to strengthen the brand "health" label. 3) Always Adhering to the theme of "health", it shall closely combine its products with the concept of health, apply for R&D patents and be a health management expert in drink industry. 4) It shall introduce small packaged drink, which is convenient and affordable. Just like the first sip of cola is always the best to drink, with the contact with the air, the cola bubbles at

the bottom of the bottle decrease, and each subsequent sip can no longer maintain the best taste.

**Price strategy optimization:** The price strategy needs to be supported by the product strategy, and the two should complement each other. Yuan Qi Sen Lin keeps the original price strategy, and launches products with higher quality, matching high prices with high quality. In addition, the introduction of small packaged drink allows consumers to experience the products at a lower price and avoid the loss of some consumers due to price factors.

**Channel strategy optimization:** 1) It shall strengthen the products display and after-sales statistics of offline channels, and link the sales volume with incentives to promote sales performance. In this regard, we should learn from Farmer Spring. Nongfu Spring adopts the amoeba business model for the management of offline channel teams. It divides offline channel laying teams into different small groups, and then links the sales of these small groups with incentives to operate the teams in this way. 2) It shall strengthen the marketing of online channels, quickly make user portraits by using Internet tools, and cultivate a stable drinking habit of consumers, so as to enhance the loyalty of consumer groups. Yuan Qi Sen Lin should not lag behind online channels while doing well in offline channels. Through e-commerce platforms, Yuanqi Forest can reach groups that cannot be reached in offline distribution areas, and expand the scope of communication.

**Promotion strategy optimization:** 1) Nowadays, more and more old and new brands participate in the competition. Therefore, the health concept of Yuanqi Forest should be more than "0 sugar, 0 fat, 0 card". Yuan Qi Sen Lin shall participate in health-related promotion activities and public service activities to further strengthen the health concept of its brand, rather than limit the health concept to "sugar-free, fat-free and zero calories". 2) In the era of mobile Internet, content marketing is crucial. Advertising in variety shows has played a certain role in the brand communication of Yuan Qi Sen Lin. At the same time, however, Yuan Qi Sen Lin was also complained by netizens about excessive marketing, and some consumers expressed their disgust at the frequent output of Yuan Qi Sen Lin. In terms of content marketing, Yuan Qi Sen Lin should make adjustments, control the soft and wide distribution of variety shows, and strengthen the marketing of dramas. It shall give full play of Internet marketing, and increase investment in entertainment shows and online dramas to attract more young customers.

## Conclusion

This paper takes Yuanqi Forest Company as the research object, conducts a case study closely around the marketing and promotion of sugar free beverages of Yuanqi Forest Company, structurally analyzes the current internal and external environment of Yuanqi Forest Company, formulates the marketing strategy of sugar free beverages of Yuanqi Forest Company according to STP, 4P and other analysis tools, and puts forward relevant results such as the corresponding security system. However, in response to the rapid opportunities and challenges of Internet technology e-commerce and the challenges of traditional retail industry, Yuan Qi Sen Lin still needs to continue to strengthen its marketing innovation management.



With the continuous growth of market economy and network marketing, the traditional marketing mode of enterprises is increasingly challenged, and as a sub-industry, the scientific research basis of sugar-free drinks is relatively weak.

This paper has proposed the marketing mix, including product innovation, differentiated pricing, development of e-commerce channels and diversified promotion forms, by applying the classic marketing theory of 4P based on the case study of the marketing and promotion of sugar-free drinks by Yuan Qi Sen Lin, and the analysis of the macro-environment and market of Yuan Qi Sen Lin products. In the meantime, some methods are put forward, such as strengthening multimedia marketing, creating incentive and punishment mechanism, improving product quality control, and paying attention to brand culture development, which provide a strong guarantee for the implementation of marketing strategy.

This paper only makes analysis from the perspective of marketing, with no more exploration on other aspects of the enterprise. Due to certain limitations, the analysis in this paper is relatively one-sided, and the suggestions of various marketing strategies and guarantee mechanisms are slightly inadequate, especially in the effectiveness of marketing strategies. We shall further explore the marketing and management capacities of Yuan Qi Sen Lin in the future studies, and try to provide references to the marketing and management of sugar-free drinks in the future.

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