

The Marketing Analysis of Liby Laundry Detergent in Southwest China

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Abstract

With the improvement of people's living standards, consumers' demand for cleaning products has also shown a diversified and high-growth development. Compared with washing powder and soap, laundry detergent has obvious advantages, and consumers are more likely to choose laundry detergent products. Liby laundry detergent has ranked first in the overall market share of the industry from 2009 to 2022. However, last year, Liby suffered losses, and its sales volume dropped significantly. Previously, Liby's sales in the Southwest China market were dropped because of its discontinuation of cooperation with large supermarkets such as Carrefour and RT-Mart, which results that Liby products suffered a significant drop from the shelves. At present, there are many brands of laundry products in my country, such as OMO. The competition in the laundry product market is very fierce. In the face of such internal and external troubles, Liby enterprises have to actively seek new market strategies to stabilize the company's market positioning and continue to develop. This paper mainly takes Liby laundry detergent products as the research object, and analyzes its macro and micro environment in the Southwest China market. In addition, this article also analyzes its marketing strategy in combination with challenges of Liby laundry detergent it faces. From this, it is concluded that there are some problems in Liby laundry detergent in terms of products, pricing, promotion, and positioning. In response to the existing problems, specific suggestions for rational use and improvement of the marketing mix will be put forward to enhance its competitiveness and increase its sales volume in the Southwest China market and build brand loyalty.

Keywords

Liby Laundry Detergent; Southwest China; Marketing Mix (4P).

1. Introduction

With the continuous improvement of living standards, people's pursuit of quality of life is also getting higher and higher. People pay more attention to life health and are willing to spend money to buy and use healthier products, which brings a broader development space for the washing market. Detergent products, as one of the necessities for people's life, have played an important role. Founded in 1992, Liby is China's leading consumer-focused and innovation-driven home cleaning solutions provider. Liby laundry detergent is one of the most famous cleaning products.

2. Marketing Mix Analysis

This section will make a relatively comprehensive analysis of Liby's environment. There are two major aspects, including product, price, promotion and place analysis.

2.1. Product

A product starts with consumer needs and must be different from rival commodities to stand competition. In other words, it must have particular appeal to consumers in aspects like quality, utility or image (Chen Zhunmin 15).

The first product of Liby was dishwashing liquid. In 2000, Liby products such as hand sanitizers and toilet cleaners were introduced. Until SARS swept the country in 2003, people paid unprecedented attention to personal hygiene. Compared to traditional methods of washing hands with soap, hand sanitizers can reduce the transmission of infections, so this category expands rapidly (Li Huilin 65). Liby did not begin to fully promote laundry detergent until 2008. Liby contains both lingerie and baby laundry detergent. At present, Liby products mainly include three aspects: clothing cleaning and nursing, personal cleaning and nursing and household cleaning and nursing. Although Liby has such products, most people know about Liby laundry detergent and don't know about other products.

2.2. Price

Most people, no matter rich or poor, are sensitive to price. To attract customers and beat the competition, many firms try their best to lower the cost of products. But the too low price will leave them with no profit and may violate laws. Nevertheless, Liby entered the washing industry market with high prices. The original Liby laundry detergent was quite expensive at 90 RMB a bottle, so Liby laundry detergent had a small audience and initially lower sales. Therefore, Liby should take costs, rival prices, and pricing regulations into consideration when pricing their products.

Liby has a high positioning of its own products and its pricing is not accurate enough. Through the questionnaire survey, it was found that consumers also generally believed that the price of Liby laundry detergent was too high, and some prices were even twice as high as similar laundry detergents. Even though Liby laundry detergent has a good cleaning effect and slight damage to clothes, some consumers are still reluctant to spend money on high-priced Liby brand products, especially for the elderly.

2.3. Promotion

Promotion is a series of strategies and methods that promote the sale of goods. Responding to changes in the psychological state of customers' purchasing activities, promotion can take various forms, such as, the timely presentation of products, stimulating the purchase motivation of customers, and improving the overall impression of products to facilitate customer purchasing behavior.

2.4. Place

Place means the channels of distribution or transportation. Liby's marketing channels are divided into direct sales channels and agency channels. Its direct sales channels include company salesperson direct sales, direct telephone sales and direct network sales. Agency channels refer to the development of local small supermarkets, convenience stores, and wholesale departments by agents (Huang Haobin 60).

According to the questionnaire survey, the places where customers buy laundry products are mainly concentrated online shopping, supermarkets, nearby small stores and large shopping malls. Nearly 90% of people under the age of 20 choose online shopping to buy Liby laundry detergent, but some choose supermarkets. However, almost all those aged over 60 choose supermarkets. Nearly 95% of people aged between 20 and 60 choose supermarkets, while only a few choose online shopping. (Table 1).

Table 1. Places where customers buy laundry products

Place of Purchase	Under the age of 20	20-60 years old	Over 60 years
Online shopping	89%	5.4%	4.5%
Supermarkets	11%	94.6%	95.5%

3. Challenges and Problems Faced by Liby

In this section, it lists some challenges and problems of Liby according above analysis.

3.1. Problems of Liby

The main problems faced by Liby are single brand, high price, simple promotion and monotonous sales channel.

3.1.1. Single Brand

Brand preference is the level at which a consumer prefers a particular brand compared to a similar competing brand, indicating consumer preference for that brand. Brand preferences can affect consumers' actual buying behavior and are often considered the basis for building brand loyalty (Li Na 28). Brand is an essential factor that influences consumers' decisions to buy and sell.

Compared with Liby Group, all products of Liby belong to one brand, Liby. Liby subdivides the market and has different brands for different consumer groups. There are many product brands, including Liby brand, Good Dad, and other brands. However, the Liby brand is single. The biggest drawback of brand simplification is that different products quickly replace it. The main disadvantage of brand simplification is that another product can easily replace it. In addition, the homogeneous products are severe, the exchange rate is very high, and it isn't easy to ensure long-term development with just one product (Cai Yang 130).

3.1.2. High Price

Liby sets a high price to deliver the high value of the product, so as to obtain high profit. The initial price of Liby laundry detergent was as high as 90 RMB per bottle. This high price is simply sky-high for consumers in Southwest China. Many people would buy low-priced washing powder or soap instead of Liby laundry detergent. This shows that the high price of Liby laundry detergent will inevitably lead to its low market share in southwest China. Although the price of the current Liby laundry detergent is still lower than the original price, it is still higher than other similar products.

3.1.3. Simple Promotion

According to reports, Liby did not use any promotional methods in the early days of its establishment, but employed a large number of shopping guides for real-time publicity. Later it was promoted by inviting athletes and celebrity endorsements.

3.1.4. Monotonous Sales Channel

Although the development of the e-commerce industry has broadened the sales channels of Liby laundry detergent, Liby cannot ignore the vast benefits of offline sales. After the Liby laundry detergent was removed from the supermarket, the sales of its laundry detergent products in southwest China still did not increase much. And offline sales are also one of the good ways for Liby to increase its sales.

4. Marketing Mix Improvement of Liby

In the last section, it can be found that Liby laundry detergent has certain deficiencies in the marketing mix. In order to increase the sales and improve brand loyalty of customers, Liby laundry detergent needs to make up these deficiencies.

4.1. Product Improvement

In the analysis of Liby products in the previous part, it can be found that it mainly focuses on laundry detergent and hand sanitizer. However, Liby products need to be improved in terms of product types and product positioning.

4.1.1. Different Kinds of Products

First of all, Liby needs to design diversified products for different groups of people. For example, infants' and young children's skin is relatively tender, and laundry products should be gentle and not harmful to the body. And for older people, some of whom have oily skin, their laundry products should be deep care products. At the same time, due to a large number of ethnic minorities in Southwest China, people's customs and habits are also different. Their clothing is different, so they have additional requirements for choosing laundry detergent. Some garments may be suitable for mild detergents, while others may require detergents with high cleaning power that can increase the color of clothes.

Moreover, besides offering diversified products, Liby must guarantee the quality of products. Even if there are many kinds of products, but the quality is not good, customers will not choose to buy such products. Therefore, it is a good choice for Liby to provide different products to increase its competitiveness and sales in southwest China.

4.1.2. Accurate Product Positioning

The product positioning of Liby laundry detergent is very high, so the product price is also high. Although China has become the second-largest economy in the world, the economic development of Southwest China is not as good as that of coastal cities, so people's living standards are not as high as those of coastal cities. And the price people are willing to spend on consumer goods is naturally lower. For the high-priced Liby laundry detergent, most people are reluctant to buy it. Liby must consider the overall living standards of people across the country to accurately position its products. For most consumers, high-quality and low-cost products are their final choice. For the decline in sales of Liby laundry detergent last year, appropriately reducing its product positioning will help increase sales.

4.2. Price Improvement

Customers pay attention to not only the product itself, but also the price of the product when purchasing a product. Consumers generally agree that Liby laundry detergent products are expensive. Today, more and more people are buying low-priced laundry products on the principle of saving money. For the higher-priced Liby laundry detergent, they are naturally reluctant to buy it. Therefore, Liby companies can adopt some of the following pricing strategies to attract customers and increase their purchasing power.

4.2.1. Price Lining Strategy

Price lining strategy means that to simplify buyers' purchase decisions and speed up stock turnover, Liby companies can group their goods into classes and reduce the prices. For example, products can be divided into hot, promotional, and available products. The price-performance ratio of popular products is higher than other products.

4.2.2. Odd Pricing Strategy

An odd pricing strategy is also called psychological pricing. Psychological pricing strategy is that when enterprises set product prices, they use the principles of psychology to set prices according to the consumption psychology of different types of consumers. It is a combination of the science and art of pricing. The forms of psychological pricing strategy include mantissa pricing strategy, integer pricing strategy, and prestige pricing strategy. As a daily consumer product, Liby laundry detergent adopts a psychological pricing strategy that will give consumers a strong sense of trust, so that consumers are willing to accept the price. For

example, Liby laundry detergent products are priced at 39.9RMB instead of 40RMB. Moreover, the price is encouraging because it sounds like "I will get rich and stay rich forever in Chinese." The pricing of Liby laundry detergent should fully consider the psychological needs of consumers, and the use of psychological pricing strategies can well attract customers.

4.3. Promotion Improvement

For promotions, Liby can take the following steps to increase sales of its laundry detergent.

4.3.1. Various Advertising Media

The first is to use various advertising media. Not only celebrity endorsements or through the Internet, but advertising media can also include a variety of ways, such as television, newspapers, magazines, outdoor billboards, etc. Liby ads are often featured in previous editions of outdoor media and TV. During the January 31, 2018 eclipse, Liby used multi-screen linkage, and mainly used mobile phone screens and computer screens, while TV screens were supplemented with firm assists (Li Qing 114). This advertisement has produced excellent results.

With the development of the Internet age, many young people learn about Liby laundry detergent products through the Internet, primarily through Weibo and WeChat. But TV and newspapers are still the best choices for many seniors to kill time today. If Liby laundry detergent appears on TV screens from time to time, it can increase seniors' awareness of their products and therefore increase sales. And it is thanks to such diverse and mutual advertising, Liby can successfully acquire the public domain from vision to mind.

4.3.2. Complete Personal Selling.

The second is to build a complete personal selling structure. Although Liby has maintained private sales, its individual sales structure is incomplete. First of all, starting from hiring salespeople, Liby Company should conduct rigorous assessments. Salespersons should be able to identify potential consumers on time, and at the same time, have excellent service attitude and good speaking skills.

Then, for hired salespeople, they should be continuously trained. Training should be divided into pre-job training and on-the-job training, the content of which is also different (Wu Hongxia 68). The purpose of pre-job training is to increase salespeople's awareness of the company and products, while on-the-job training aims to improve their abilities. Finally, for the after-sales service of Liby products, the salesperson should also follow up in time to meet the needs of consumers.

4.3.3. Efficient Public Relations and Publicity

Public relations (PR) is a tool with which a firm builds goodwill among the public and maintains a firm positive image. Publicity means news reports about a firm's goods, services, or itself. To increase sales of Liby laundry detergent in southwest China, the public relations team of Liby must deal with emergencies immediately, such as the fluorescent brightener that has been exposed before. During that crisis, Liby's public relations were not implemented uniformly, thus delaying the best explanation time and having a limited effect on restoring its reputation (Wu Yutong 54). At the same time, the public relations team can guide the trend of public opinion and promote more news reports that are beneficial to the company or products.

4.3.4. Good Word of Mouth

The word-of-mouth effect refers to consumers recommending products to their relatives and friends. A good word of mouth effect is one of the most effective promotion methods to improve brand loyalty. Marketing Liby laundry detergent products to others through existing consumers is also a fast and promising way to increase sales and strengthen brand loyalty.

China is the most populous country with a continuous increase in population, so the market for Liby laundry detergent is enormous. While in Southwest China, due to the small number of branches of Liby, establishing a good reputation is one of the most direct and effective ways to promote products and increase sales. Now, more and more brands care about word of mouth, and they use a lot of methods to build good word of mouth. One is to persuade customers with high quality, and the other is to provide good after-sales service. Liby should also strive to design high-quality products and establish an excellent after-sales service department to ensure that consumers have an excellent after-sales service experience.

5. Conclusion

In order to increase the sales and competitiveness of Liby laundry detergent in the Southwest China market, I used my limited knowledge to analyze the marketing mix of Liby. From this, some conclusions can be drawn. Liby laundry detergent mainly has the following shortcomings. First, product positioning and product prices are too high. Second, there are few promotion methods and marketing channels. In response to these deficiencies, I put forward my own humble opinion to hope that Liby laundry detergent can win back the Southwest China market again.

Firstly, in terms of products, Liby can provide diversified products and accurately position products by grasping the overall situation. Secondly, Liby should adopt different pricing strategies for other products as for price. Thirdly, for promotion, Liby should use a variety of promotional methods to attract customers and establish effective public relations to deal with emergencies promptly. At the same time, it is necessary to improve personal sales to build a good reputation for the brand. At last, in terms of place, Liby has to consider both online and offline sales methods. Liby should establish as many offline sales points as possible to increase customers' recognition of products and prevent counterfeit products from entering the market. In this way, the market share of Liby laundry detergent in southwest China can be increased.

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