

Research on Marketing Strategy of Yili Dairy

Zekun Li, Feng Feng*

School of Economics and Management, Tianjin Agricultural University, Tianjin, 300384, China

Abstract: At present, there are some problems in our country's dairy market, such as homogeneity of products, low price competition, over-reliance on traditional channels and single promotion means. Based on 4P theory, this paper takes Yili dairy as the research object, and analyses the current situation and existing problems of Yili dairy marketing. After describing the background of Yili dairy marketing, this paper also puts forward specific improvement countermeasures and provides reference for enterprise development.

Keywords: Yili group; Current situation analysis; 4P marketing strategy

1. Introduction

With the development of economy, the increase of national income and the continuous improvement of living standards, dairy products have occupied an increasingly high proportion in people's daily consumption, because it is a good carrier to supplement the nutrition that people lack in their diet. Vigorously developing dairy industry will become a prominent problem to be solved in China's food industry in the 21st century. In recent years, dairy industry has been the fastest growing industry in China's food industry. From the perspective of dairy consumers, the consumption of dairy products is no longer a luxury for the elderly, infants, patients and a few high-end consumers. It has gradually become a popular necessity of life.

Yili Group is one of the leading enterprises in the dairy industry in China and the first Chinese food brand ever to sponsor the Olympic Games. With more and more dairy enterprises and network platforms joining the ranks of dairy marketing, the business environment of Yili Group has changed greatly, that is, it has been impacted by in-

novative network marketing mode and consumer consumption upgrading. The product life cycle is shorter and shorter, the quality requirement is higher and higher, the innovation requirement is more and more, and the market competition is more and more fierce. How to survive in such a fierce competitive environment, use better marketing strategies to provide high-quality products and services, and create more corporate value, is the most concerned issue of Yili Dairy.

2. Current Situation of Yili Dairy Marketing

2.1. Overview of Yili dairy products

Yili Group has more than 1000 products such as aseptic milk, yoghurt, cheese and so on. Among them, Yili Jindian organic milk, Yili Nutritional Shuhua milk and Changqing yoghurt are the most popular "star products" in the market at present. Yili types: pure milk, functional milk, colored milk, breakfast milk, double fruit Qiyuan milk, Yili yogurt, high-end. The basic overview is shown in Table 1:

Table 1. Overview of Yili Group's Product Line

Category	Product Name
Pure milk	Pure milk
Functional milk	high calcium milk, high calcium and low fat milk, skim milk
Colored milk	Weikezi (chocolate, original flavor, strawberry, mocha), sweet milk drink
Breakfast milk	wheat flavor, corn flavor, peanut flavor, egg cookie flavor, peanut and walnut flavor
Double fruit Qiyuan milk	papaya + apricot, mango + passionflower, litchi + pear, pineapple + orange
Yili yoghurt	Original, strawberry, aloe, blueberry
High-end milk	Jindian organic milk
Children's Milk	Yili QQ star children milk, milk beverage, triangle milk
Yili Student Milk	Pure Milk, Chocolate, Strawberry, Sweet Orange, Lactic Acid

Yili Group has formed a relatively complete product system, covering from ordinary pure milk to high-end Jindian boxed milk, from children's milk, breakfast milk to colored milk and low-temperature milk series, complete

product categories can meet the needs of different consumers, but also greatly expand the space for enterprises to carry out marketing activities.

2.2. Yili dairy price profile

Yili Dairy regularly carries out various preferential activities, builds a cost-based pricing mechanism, clarifies the authority and downline of price preferences, improves the price flexibility of customer marketing, avoids price war through differentiation, and constructs a flexible pricing mechanism and system. In different target markets, we adopt different pricing strategies. In the low-end market, we adopt competitive pricing strategy to ensure that we maintain competitive advantage compared with our main competitors. In the high-end market, we adopt high-price strategy to obtain consumers' satisfaction and loyalty through the high quality and differentiation of products, so as to win more profit space. Yili Group has adopted market penetration pricing strategy in pricing, setting a moderately low price for 100% high-quality, pure raw milk, so as to promote and stimulate impulsive purchases of consumers, and ultimately achieve the goal of rapidly expanding product sales and earning profits by large-scale sales.

2.3. Overview of marketing channels of Yili dairy industry

Multi-channel strategy is an important magic weapon for Yili's rapid growth. Yili has sales outlets in supermarkets and stores all over the country, which greatly enriches consumers' choices. At the same time, Yili Dairy actively expands the University market, develops the campus agent, and penetrates the university market through the

mode of purchasing on behalf of others and returning profits. At present, the rapid development of convenience stores, e-commerce platforms and other channels has promoted the synchronous growth of the dairy market online and offline. According to the orientation of the market, when choosing the channel mode, Yili mainly considers the requirement of the channel construction and radiation power for the growth of scale. Through channel cost, product characteristics, personnel status, market factors, and according to the characteristics of different regional markets, it adopts network, vertical, direct, platform and auxiliary channel modes all over the country. The core is to improve the response speed of channel.

2.4. Profile of Yili dairy promotion

Yili's promotional methods are various. Usually, large-scale stores are used to expand influence and make sales, because large-scale stores have a wide range of commodities, low prices, strong customer attraction, large sales of milk in large-scale stores and high repeat purchase frequency. In the surrounding traditional markets, sales are offset by promotional means. Yili's promotion methods include traditional promotion and unconventional promotion. Conventional promotion mainly relies on discount promotion, supplemented by buy-and-donate strategy and joint promotion, while unconventional promotion mainly relies on thematic promotion and off-season promotion.

Table 2. Yili Dairy Promotion Methods

Promotion Categories	Specific Promotion Ways	Promotion Contents
Conventional promotion	Discount Strategy	mainly price reduction and discount, such as 100% discount, 1% discount, etc.
	Buying and Giving Strategy	Buy + Gift
	Joint Promotion	Horizontal Promotion Activities by Multiple Businessmen
Unconventional promotion	full package postage	free postage
	Midnight weekend special time promotion	Promotion at a specific time
	Theme promotion	Promotion activities based on different themes, such as holidays

The two promotion modes complement each other and carry out comprehensive promotion activities according to different time and situation. By focusing on price concessions, the platform traffic will be increased and platform sales will be promoted.

3. Problems in Yili Dairy Marketing

3.1. Product diversification competition

But from the marketing data, Yili's main competitors are Mengniu and Guangming. The three enterprises have their own star products, such as Mengniu Trensui, Yili's Golden Code and Bright Moslian. The competition in the product line is comprehensive and diversified. Whoever can grasp the demand of consumers in the future will win the market competition.

3.2. Imperfect price system

Price is one of the most powerful weapons to attract consumers, but price war is not what Yili pursues. For the retail industry, price war can neither be overemphasized nor avoided. Yili failed to formulate the price system of Quantity-price equivalence according to the current marketing law. At the same time, in the fierce market competition of dairy industry, Yili failed to pay attention to the low-cost and reverse price war in time, and the application of non-price strategy, lacking of a complete price system.

3.3. Information lag affects operating efficiency

Because of the bullwhip effect, demand forecasting, lead time, order quantity, price fluctuation and other factors are inadequate. Compared with Yili Dairy, Yili Dairy is more concerned about the price increase of raw materials. Yili Dairy places orders with suppliers before the price

increase of raw materials, keeps the goods ready, and achieves the operation of low procurement cost. However, because of the bullwhip effect, it is easy to cause problems among platforms, suppliers and consumers. Demand is out of line.

3.4. Insufficient online sales

Yili Dairy has rich experience in online and offline marketing, but the propaganda of the enterprise is still insufficient. It has not formed its own influential and serialized propaganda system, such as the 6.18 Shopping Festival in Jingdong, Tianmao's "Double Eleventh" and other influential activities. Enterprise propaganda mainly focuses on its own website. Modern new media propaganda methods are not used much, and network marketing is not used. The whole business process of an enterprise is combined. For the application of new media, there is no use of multiple marketing methods, and no use of contemporary consumer social communication media to publicize, which leads to the lack of close contact between Yili Dairy and consumers, and the gap in grasping consumer demand. Lack of targeted product interaction links, lack of network promotion activities to attract consumers, customers can not participate in enterprise marketing activities very well, but only as a reference, making the interaction of new media not fully reflected, new media drainage effect is not obvious.

4. Improving Marketing Strategy of Yili Dairy

4.1. Establishment of core product system

While strengthening consumer market research, Yili guides fashion trends and strengthens the attraction of products for young people. For example, the introduction of the Greek strain of Illian Much, which is 35% higher than the ordinary yogurt protein, has a strong taste, and a striking packaging design, enabling Chinese consumers to enjoy nutrition and delicious taste at anytime and anywhere. Therefore, product innovation has always been accompanied by the development of dairy industry. Establishing a high-end milk products as the core product system, through quality and taste innovation, constantly subdividing the market, strengthening brand publicity, and strengthening two-way information communication with consumers can greatly strengthen Yili's leading position in the market.

4.2. Improving the price system

By reasonably controlling costs and providing value-added services, we can build a differentiated price system, which not only guarantees the quality of goods, user experience and service level, but also guarantees reasonable competitive advantages, opens the prices of different types of products, forms a reasonable price system, and

gradually abandons price war as an important channel for enterprises to build core competence. The perfect price system of dairy products generally takes ordinary products as the main reference, while the phenomenon of price war among distributors is prominent, which can not meet the high-level needs of consumers. Therefore, dairy products must meet the quality needs of consumers, and at the same time formulate a price system that is more in line with consumers' psychological expectations to meet consumers' price tolerance; secondly, strictly control the distribution channel. Dow, control distributors' sales areas, avoid price war between them, formulate reasonable prices, create a high cost-effective product image, meet consumers' demand for high-end dairy products, and increase market share of products.

4.3. Constructing an efficient network marketing model

The network promotion and marketing model construction of Yili Dairy depends on the user demand factors. Generally speaking, the network promotion and propaganda of efficient dairy products should adopt WBS precise marketing mode on the basis of market segmentation. W is the construction of marketing website, the website is mainly responsible for product publicity and customer information management and collection; B is the access trading platform, access to Taobao, Jingdong and other trading platforms on the construction of the website, to facilitate users to purchase orders directly; SEO + APP is mainly access to search engines, development of APP software, the combination of these three network promotion and marketing modes, can more effectively promote Iraq. Second, this marketing website mainly helps distributors of enterprises to promote products through product promotion and enterprise introduction. Users can search all kinds of products of Yili through search engine SEO and mobile app, especially some consumers can directly use mobile phones to book milk products, and participate in online activities through APP, so that users can use the Internet. Network communication and network participation, establish a mutual trust relationship with enterprises and distributors, once again through the gift of accessories to enhance the credibility of products, to achieve the purpose of transaction and enhance the brand image of enterprises. This promotion and marketing model not only realizes online sales, but also promotes products, and improves the brand awareness of Yili products in the hearts of consumers.

4.4. Constructing the characteristic system of production promotion

Promotion is one of the most direct sales methods. We should pay attention to and pay attention to the promotion when we promote Yili Dairy Industry, especially the novelty and effectiveness in ways and methods. The sales

of dairy products are seasonal, so we should pay attention to seasonality and timeliness in product promotion. Secondly, we can promote it through network publicity, using some new media and online public platforms. For example, Baidu Promotion, Post Bar, Forum, on this platform for online publicity, through offline operation, while participating in some food and local specialty exhibitions, expand product influence, establish the high-end and characteristic image of Yili dairy products.

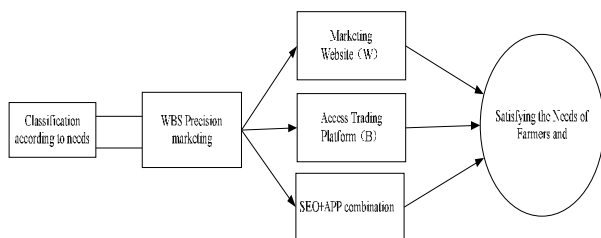


Figure 1. Yili Dairy Network Marketing Model

5. Conclusion

Dairy products are one of the most important daily consumer goods in residents' lives. Their consumption behavior is affected by products, prices, channels and promotions. At present, there are some problems in our dairy market. Consumers' consumption demand and belief in dairy products are in the process of recovery. This paper takes Yili as the research object, and summarizes the

characteristics of Yili's current product system and price system. The characteristics of channel system and promotion system are analyzed, and the 4P strategy is put forward, which provides beneficial reference for Yili Group's marketing promotion.

References

- [1] Shen Fengchi. Network Marketing. Beijing: Beijing University of Technology Press. 2016, 50-55.
- [2] Study on marketing strategy of dairy products of Zhangwei. YX Group. Qingdao University of Science and Technology. 2018 (5), 11-20.
- [3] Dairy marketing strategy analysis of Huangyong. X Group. Market Modernization. 2016, (27), 96-97.
- [4] Yang Xihuai. Enterprise Strategic Management. Beijing. Higher Education Press. 2016 (2), 52-58.
- [5] Wu Jian'an. Modern Marketing Theory. Beijing. Higher Education Press. 2016 (2), 52-58.
- [6] Lu Haiyan. Scene marketing creates a new normal of dairy retailing. China Dairy Industry. 2017, (08), 38-41.
- [7] Wu Jian'an. Marketing. Beijing: Higher Education Press (sixth edition). 2018, 30-36.
- [8] Zhang Zhengze. Current situation and Prospect Analysis of dairy industry in China. China Collective Economy. 2016, (12), 21-22.
- [9] Liu Liu. New Retail Pioneer: Amazon. Internet Economy. 2017, (7), 62-65.
- [10] Pan Honghong. New Retail and Traditional Retail Reform. Shanghai Commerce (Theoretical Edition). 2017, (11), 35-40.