

Research on Marketing Strategies of Multinational Enterprises

Taking MUJI as an Example*

Jianfeng Zou

Guangzhou College of Technology and Business
Guangzhou, China

Ying Zou

Guangzhou College of Technology and Business
Guangzhou, China

Abstract—As a Japanese company in China, MUJI used to take the advantage of China's fast development and expanded rapidly. But today, MUJI is facing a continued downturn. Therefore, based on the current marketing status of MUJI, this article conducts a comprehensive analysis of MUJI's marketing strategy. It finds that there are problems such as incomplete promotion information, employees' unfamiliarity with product information, overly singular advertising strategies, absence of brand crisis management, and failure of highlighting brand differences. The article proposes solutions to these problems.

Keywords: *MUJI, marketing strategies, brand*

I. INTRODUCTION

In the context of economic globalization, the international market has fully demonstrated the opportunities for profit and great market demand, thus attracting many enterprises to carry out transnational operations. However, due to the complexity of the international market, multinational companies face higher risks and fierce international competition. Therefore, in order to improve the competitiveness of enterprises and solve multinational problems, multinational enterprises should have practicable best marketing solutions and marketing strategies that meet local requirements in the host country.

MUJI is a retail brand developed by Seiyu Co., Ltd. and is currently Japan's largest Life Style Store. It was founded in the late 1980s. Its physical store is presented in the form of a grocery store. The store is mainly divided into clothing, food, furniture, cosmetics, daily necessities, stationery and other areas, with about 5,000 kinds of goods. The core concepts of its brand are "NO Brand" and "quality products" of MUJI. A major feature of the product is minimalism, almost no label is displayed, and the main colors are white, beige, blue, and black. MUJI respects the use of high-quality products to bring consumers a tactile experience of life. Therefore, simplicity and refinement have become the focus of consumers.

*Fund: This research is the achievement of the second key discipline construction of business administration in Guangzhou College of Technology and Business.

MUJI entered the Chinese market and experienced rapid popularity and prosperity. Different from the pragmatism values which have been advocated previously, MUJI advocated "quality first". With its exquisite products and high-end price positioning, it quickly "captured" China's middle class. But now, as manufacturing costs become increasingly transparent, many local Chinese companies with similar qualities have emerged. As a result, MUJI-model goods are constantly being copied in China. As a result, the problem of MUJI in China is increasing, even after 11 times cutting price, its sales performance in China has not shown an upward trend.

II. STATUS QUO OF MUJI MARKETING STRATEGY

A. Brand strategy of "minimalism"

Most companies believe that products with distinctive brand characteristics can easily attract more consumer attention. Therefore, many companies choose to add pictures and text on the outer packaging to make their brand characteristics more differentiated, and ultimately achieve the effect of improving product competitiveness. However, MUJI has gone the other way, adopting a "minimalism" brand strategy, showing the minimalist characteristics in the packaging of its products. MUJI chooses to reduce or lighten the product label as much as possible, and its color is more suitable for the nude color of the product material. In addition, the minimalist design allows consumers to feel the function and quality of the product itself. From this point of view, MUJI is more inclined to functions of product development than its outer packaging. MUJI always puts the product's functional demands first as well, and uses the nature of the product to attract consumers' attention.

B. Strategy of "new pricing" strategy

In China's market in recent years, MUJI faces a decline in sales performance. Many consumers say the price of MUJI is high and the setting is unreasonable. MUJI is a low-price, high-quality retail enterprise in Japan. However, due to access to the Chinese market faced tariffs and high freight charges, the cost of apportionment to each item is relevant high, so that the price of the same commodity in China is higher than that of Japan, or even twice as high as that of its

home country. Its price concept is "do not reduce prices substantially, do not attract customers by short term discount." Therefore, in order to deal with the situation that the price of Chinese market is too high, MUJI adopted price adjustment strategy. MUJI decided to use a "new pricing" price adjustment strategy instead of a "discount" to clear inventory. The "new pricing", once seen as a passive response to the Chinese market, has morphed into an annual fixed agenda for MUJI.

C. Marketing channel and site selection

The marketing channels of MUJI are mainly divided into on-line and off-line. Its online marketing not only has the official website, but also opened a flagship store in Tmall, and used APP for customers to shop. Today, Tmall flagship store has become the main online sales channel. MUJI implements the same price strategy on the premise of guaranteeing the same quality of online products and physical store products to facilitate customers' purchase of products through multiple channels. Although online shopping has become a common phenomenon, but because physical stores can provide better "experience service", it has also attracted many consumers to experience. Therefore, physical store marketing is considered as an important channel of marketing by MUJI. In addition, the shop location is reasonable, located in the competitive business circle, high-grade shopping places, high-grade office accessories business circle, for the physical store to bring a certain amount of client flow. MUJI goods will not have situations of reducing "offline physical shops", but choose to develop online and offline shops together.

D. A variety of promotional strategies

The promotion strategy of MUJI goods is mainly presented in three forms. The first is the use of a "membership discount", a discount that can only be enjoyed by customers who have become the MUJI members. For example, WeChat's "member-limited discount" and the official website's "member-limited week" are both offering price reduction to attract more consumers' attention. And after the consumers become the member, they may obtain more commodity information and the preferential information through the public account of MUJI. In addition to membership discounts, MUJI also takes a "time-limited discount" approach to attract consumers. MUJI advocates the concept of non-discount, meaning not through long-term discounts to attract consumers' short-term buying behavior. Therefore, MUJI used "time-limited discount", that is, for a period of time commodity prices will decline, but at the end of the period the goods will restore to original price. Finally, MUJI adopted "word of mouth" as it believed that mutual recommendation among consumers is the best publicity effect MUJI have high confidence in the quality of their own products, and the quality of the product itself is the best publicity. Many experience areas can be seen in its physical stores, and consumers can experience the comfort of "good" products through in-store experience or use after purchase.

III. ANALYSIS ON THE PROBLEMS OF THE MARKETING STRATEGIES OF MUJI

Through observation method, experience method and interview method, MUJI has carried on the extensive investigation to the problem of marketing strategies of MUJI, and has carried on the comparison with another Japanese brand "Uniqlo" in China. Finally, it is found that the main problem of MUJI is that there are obvious disadvantages in the promotion strategy, which can be summarized as follows.

A. Customers lack a comprehensive access to promotional information

1) *WeChat public account displays incomplete information:* The main online channel for customers to get preferential information is via WeChat's public account in tweets. The public account of "MUJI" specially designed "Preferential Benefits column", but browsing its article can find that most products only marked the strength of the preferential while did not indicate the preferential time limit. Most of the promotion methods used by MUJI are limited-time promotion, i.e., the original price will be restored after a period of time. As a result, many customers go to the store and find that they have missed the discount time. In addition, the WeChat public account is the main means of promotional information dissemination, but its display of promotional products has problems of incomplete kinds and limited quantity. The information is mainly on clothing products, and can rarely see other section of commodity discount information.

2) *In-store discount information is not obvious:* There are many kinds of MUJI products, about 5000 kinds. During the promotion, most of the goods need to be re-priced. Its main way is to hang the price of the original goods, with a small discount sticker to cover. But MUJI did not give the same kind of product to establish unified, obvious preferential big sign, which caused the customer missed the discount information due to the product discount label was not obvious when they went to store for purchase. Secondly, in the physical store, different types of products are placed in different areas. Each area has a variety of products and scattered products. In addition, there are fewer promotional advertisements, which makes it difficult for customers to easily find discount information and find the products they need to buy.

B. Employees are less familiar with product knowledge

Influenced by the corporate culture, MUJI pays special attention to the training of employee's service attitude. When a customer enters a store, its employees greet the customer with a smile and deliver the shopping basket. Admittedly, high-quality service brings customer with better shopping comfort. But the knowledge of goods its staff acquired is the main shortcoming of MUJI. More than half of the MUJI staff consists of part-time staff, and the recruitment criteria are college students. Most students' part-time work is affected by the school's schedule, and attendance rate is low. In addition,

the product information and preferential information of MUJI products change rapidly, resulting in the majority of part-time students are not familiar with the product. In addition, the enterprise gives the staff the way to understand the commodity information, mainly via the daily pre-job brief meeting and the job to familiar with the products. The content of the daily meeting, focusing on the achievement of the day's indicators and the repeat of the basic terms of service, managers do not have enough time to explain the content of the goods. Its staff's main job in the post is customer service, however staff lack active awareness of MUJI. In the end, when many customers ask for the product information, the employee can't give a timely answer or give an inaccurate answer, so it is easy to mislead the customer.

C. Advertising strategy is too single

MUJI is advertised in a surprising way. It is hard to see MUJI ads in our lives, and the only ones that use extremely simple content to highlight the concept of minimalism. For example, MUJI does not hire spokespersons for commercial publicity, and does not use a large number of brochures for consumers to consult. MUJI advertising design is from the product, the purpose of advertising is to highlight the essence of the product. MUJI is now facing a sustained decline in sales in the Chinese market. What is needed is to nurture consumer demand. However, most of the advertisements used by MUJI adopt "standardization" strategy, and do not design "localization" advertisements from the point of view of Chinese consumer's demand. And the form of advertising focuses on artistry, such as its most classic print advertising — "although nothing, but contains all". Although the advertisement is full of artistic color, but consumers can not immediately understand the meaning of its expression, so advertising did not achieve the purpose of promotion. MUJI ignores the effect of advertising to stimulate consumer demand cannot be underestimated, and the advertising of a narrow range of publicity, resulting in many consumers are not attracted to their advertising.

D. Cold brand crisis management

The establishment of brand not only needs to build a better brand image, but also need to pay attention to crisis management. Any enterprise, no matter how big, no matter how decent, may face a brand crisis at some stage. On July 17, MUJI went into the crisis of public opinion. On the same day, the Beijing Market Supervision Bureau showed that six pieces of furniture from the MUJI, on the commodity label, the receipt certificate shows that the name of the wood is not consistent with the actual. After the incident, the news has been reported by a number of CCTV-level media. The crisis has become a public event and has plunged it into a crisis of public opinion. As a result, any action taken by MUJI in this case will be subject to public scrutiny. But it took almost 48 hours for MUJI to respond. For this event, the delay on time easily made consumers think that MUJI lack of attention to the degree of thought. In addition, in the document statement of this incident, some of the wording is indeed not very satisfactory. The solution conducted by MUJI to the incident has been the biggest cause of criticism.

E. Because the difference between brands is not obvious, there are too many similar products in the market

In order to make consumers experience the original quality of the product and enjoy this simple life mode, MUJI advocates the concept of minimalism. For this purpose, MUJI deliberately removed too much decoration, most goods surface is no icon or to weaken the label processing. This is not only its characteristic, but also its shortcoming. Because of this, the MUJI model of products can be easily copied, and penetrated into the market. Weak label processing often lets customers can not clearly discern the authenticity of the goods, easy to produce knock-off and confusion. In addition to the emergence of a large number of competitive local brands, both can produce basically similar products or their product attributes tend to be the same. In addition, local companies that compete with each other do not have to pay cross-border tariffs and high cross-border freight charges, resulting in lower production costs. Finally, compared with MUJI, local companies form a distinct price difference and as a result to achieve a certain competitive advantage.

IV. MEASURES TO IMPROVE THE MARKETING STRATEGIES OF MUJI

A. Increase of the channels for customers to obtain preferential information and supplement of the comprehensiveness of information

1) *Improvement of WeChat public account:* MUJI has a lot of attention on the public account. Many customers choose to know the preferential information via the public account first, then buy it in a physical store or online. From this point of view, its WeChat public account has become an important way to disseminate enterprise information. Therefore, we should pay attention to the operation of public account and find out its problems from the point of view of consumers. For example, an item made by MUJI should be added to the subscribed discount article to allow customers to schedule their own time to make purchases. In addition, attention should be paid to the comprehensiveness of preferential information. Because of the different nature, the goods are divided into different sections, and a column should be set up on the public account for each section to provide customers with comprehensive information.

2) *Improvement of physical stores:* Because of the variety of goods, different goods are placed in different areas. In order to solve the difficult problem of customer's hard-to-find goods, the shop layout drawing should be placed at the door of the physical shop. The simple drawings are used to represent areas of different items for customer identification. In addition, in order to make customers pay attention to the preferential information in each area, MUJI should use more obvious price signs to cover the original labels when making label changes. Prominent discount labels should also be placed on their shelves. In addition to the rectification of signs, physical stores need to increase

customer access to preferential information channels. For example, in addition to the transmission of polite language, employees can add important preferential information to their slogans, and pay more attention to in-store print advertising publicity, in order to attract the attention of customers.

B. Strengthening of staff training and regularly conducting product knowledge assessment

Employees tend to be on the front line of work, communicating directly with customers. A qualified employee should not only have a positive service attitude, but also be able to master the knowledge of commodities. Therefore, enterprises want to improve customer satisfaction, first of all, we should pay enough attention to the training of employees. In addition to paying attention to service attitude, the content of its training should also pay attention to the mastery of commodity knowledge. Through staff training, enterprises can enhance employees' awareness of self-knowledge of goods. In addition, MUJI should increase staff's understanding of the channels, such as the use of WeChat work groups for the dissemination of commodity information. Companies can pass updated and integrated information through WeChat workgroups for employees to access at any time. This method can solve the problem that the part-time workers lack enough working time, which leads to the lack of commodity knowledge. In the training process, enterprises should also be equipped with regular commodity knowledge assessment for supervision, for those with excellent performance of the staff should be given certain incentive measures, so as to enhance the enthusiasm of employees.

C. Adoption of localized advertising strategy

In the case of transnational operation, there are basic national cultural differences between different countries, which obviously requires some adaptive changes in the advertising model of enterprises. Its advertising content must be combined with a country's consumer motivation, so a localized advertisement can transmit information more effectively in the host country's market. MUJI has entered the international market, and its advertising should be allowed to make certain changes in the local differences. Only in this way can solve the specific cultural differences between different countries. The cultural differences between China and Japan, for example, have led consumers in both countries to buy the same item for different motives. In order to make Chinese consumers more receptive to the brand, advertisements in the Chinese market should do their best. Advertising strategies are different from those in Japan, such as tweaking its "standardized" advertising model, adding some Chinese elements. The information that will appeal more local consumers are delivered. In addition to differences, MUJI advertising function should be more consumer behavior-oriented. The local advertising should be used to convey information to attract consumers, so as to induce consumer feelings and the desire to buy goods.

D. Focus of advertising and brand differences

Nowadays, in the era of brand, under the condition of fierce market competition, many enterprises realize that setting up brand difference has become a necessity. Companies with obvious brand differences will be more likely to get the attention of consumers, and users of this brand will be given a higher degree of loyalty, trust, and follow-up. In the competition between MUJI and similar enterprises or pirates, it is necessary to highlight their brand characteristics by means of publicity. The best way is through advertising. Therefore, MUJI should be good at using advertising strategies to show product differences, in order to promote the product brand. Its product difference mainly manifests in two aspects of the quality and the concept differences. In line with today's social philosophy, the public advocates "green" products, while the raw materials produced by MUJI are different from other businesses, and most of them are environmentally friendly and high-quality. Its advertisement should emphasize to display the green environmental protection life style, causes the public to realize that uses this product actually is one kind of life attitude embodiment. Through advertising, customers are guided and believed that MUJI is different from other brands, thus make customers have preferences of MUJI, and ultimately form a competitive advantage.

E. Raising awareness of crisis and conducting crisis management

No matter how well-known companies, every company cannot avoid crises. For businesses, crises can happen at all times. If the measures taken to deal with the crisis are improper, it will bring a fatal blow to the brand image and the reputation of the enterprise. Therefore, enterprises to brand crisis should have pre-control, post-processing, and crisis summary. In the pre-control stage, enterprises should be aware of the importance of the media and establish a good relationship with the media. The root cause of the crisis is not the media, but it could be an amplifier of the corporate crisis. After the event, the enterprise should resonate with the media, let the media know the truth, and guide them to report and evaluate the incident objectively and impartially. In addition, we should communicate with the public in a timely and sincere manner and take the initiative to admit our mistakes so as to put the public interest first. At the end of all, enterprises should conduct a comprehensive evaluation of the process of crisis management, and list the available and existing problems in this crisis management. It classifies and synthesizes the problems, and finally puts forward the corrective measures. Because the crisis will bring the necessary lessons to the enterprise at the same time, it is very necessary to make a careful summary.

V. CONCLUSION

Multinational marketing in the host country has greater diversity, environmental complexity and higher risk than home country marketing. Even so, there is still a huge consumer demand in the international market, giving multinationals more potential for profit. Multinational

companies have to formulate appropriate marketing strategies to meet local consumer demand, so as to better grasp the market opportunities. Therefore, if MUJI wants to continue to occupy a place in China, its marketing strategy should be adjusted to meet the needs of consumers, and targeted business activities. In the process of marketing strategy adjustment, we should pay attention to the cultural differences between China and Japan and increase cultural sensitivity. Because consumers' consumption behavior is greatly influenced by their own culture, only by fully understanding their cultural differences and localizing the differences can enterprises better integrate into the local society and gain competitive advantages.

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