



Study on the Current Situation and Countermeasures of Mengniu Dairy Brand Building Based on SWOT Model

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Abstract. With the growing demand for dairy products, the attention of the dairy industry has increased, and the brand-building task of Mengniu Dairy, as one of the leading companies in China's dairy industry, is a top priority. This paper uses the SWOT model to study the current situation of Mengniu Dairy's brand building and analyzes the internal and external environment of Mengniu Dairy's brand building from four aspects: strengths, weaknesses, opportunities, and threats, respectively. The study shows that Mengniu Dairy has strong market advantages, but also faces challenges such as limited brand recognition, increased industry competition, and lack of digital marketing. Based on the results, this paper proposes scientific suggestions and countermeasures to promote Mengniu Dairy's brand building from the aspects of market planning, product innovation, food safety, economic consumption, and digital development, respectively, in order to optimize Mengniu Dairy's market position in the dairy industry and enhance Mengniu Dairy's brand competitiveness.

Keywords: Mengniu Dairy; Brand Building; SWOT Model

1 Introduction

The brand is one of the core competitiveness of an enterprise and is an important symbol of consumer recognition and trust in the market [1]. As China's dairy market continues to develop and become increasingly competitive, brand building has

become a key factor for dairy companies to achieve sustainable development. Mengniu Dairy is a leading manufacturer and distributor of dairy products in China, and a top seven player in the global dairy industry. With a rich history and a strong presence in the market, Mengniu offers a wide variety of dairy products, including milk, yogurt, ice cream, and cheese. The company is committed to producing high-quality, nutritious, and safe dairy products for consumers. In addition to mainland China, Mengniu products have entered the markets of more than 10 countries and regions, including Southeast Asia, Oceania, and North America. With a focus on innovation and sustainable development, Mengniu Dairy continues to play an important role in the dairy industry in China and beyond.

With the growth of dairy product consumption in China, brand building has become one of the important strategies for the development of Mengniu Dairy. As one of the leading companies in China's dairy industry, Mengniu Dairy has several well-known brands and enjoys a high reputation and influence in the domestic and international markets. However, facing the complex and changing market environment and consumer demands, Mengniu Dairy is also facing many challenges and difficulties, and how to effectively carry out brand building and enhance brand competitiveness and value is a problem that Mengniu Dairy needs to solve. Therefore, based on the SWOT model, this study analyzes the current situation of Mengniu Dairy's brand building and proposes corresponding suggestions and countermeasures based on the analyzed strengths, weaknesses, opportunities, and threats to provide references for Mengniu Dairy's brand building.

2 SWOT Analysis of Brand Building of Mengniu Dairy

The SWOT analysis model is an effective tool widely used in corporate strategy research and development. It can comprehensively assess the competitive situation of an enterprise, identify the pros and cons of the internal and external environment, and provide support for the development strategy and plan of the enterprise [2]. SWOT analysis is mainly applied to project evaluation, resource analysis, and corporate strategy development studies [3]. The SWOT model can help a company or project fully understand its internal conditions and external environment, identify its problems and potential opportunities, and develop corresponding strategic measures to achieve its goals and vision [4]. The SWOT analysis of Mengniu Dairy is shown in Fig. 1.

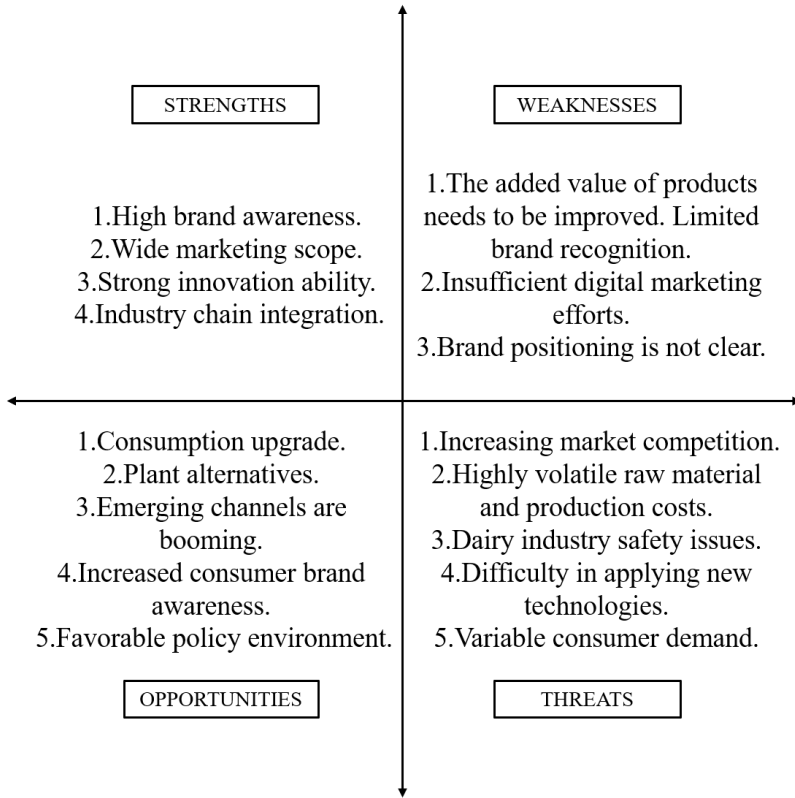


Fig. 1. The SWOT analysis of Mengniu Dairy (Photo credit: Original)

2.1 Strengths

As shown in Fig. 1, there are four strengths:

High brand awareness. Mengniu Dairy is the largest dairy products manufacturer in China, with the leading production capacity and sales volume in China. Mengniu Dairy has several well-known brands, such as DELUXU, JUST PURE, BELLAMY, which enjoy a high reputation and influence in the domestic and international markets [5]. This enables it to achieve economies of scale and, by doing so, gain competitive advantages in terms of price and cost.

Wide marketing scope. Mengniu Dairy has a strong marketing and sales network, covering all major cities and rural areas in China. Mengniu Dairy's products can be found in almost all supermarkets and convenience stores in China. This helps promote the widespread consumption of its products.

Strong innovation capability. Mengniu Dairy has one of the leading dairy research institutes in China, which is able to continuously develop new products and processes to meet consumer needs. Mengniu Dairy focuses on brand innovation and constantly introduces new products and services that meet consumers' needs and preferences. Mengniu Dairy has established a perfect quality management system and technological innovation system, and the quality of its products is recognized by consumers.

Industry chain integration. Mengniu Dairy has adopted internationally advanced production lines and processes, with highly automated production systems and equipment. This helps to improve the stability of product quality and production efficiency and provides the basis for brand building. Mengniu Dairy has a complete dairy industry chain and has established a quality management system for the whole industry chain, from pasture to milk. From dairy farming to sales, the whole industry chain is monitored and controlled, and the whole process is dynamically inspected, achieving standardized management and operation of the whole industry chain, which also provides quality assurance for brand building.

2.2 Weaknesses

As shown in Fig. 1, there are three weaknesses:

The added value of products needs to be improved and brand recognition is limited. Mengniu Dairy's main products are fresh milk and dairy beverages, which have low added value, while the layout of high-end markets such as organic milk and specialty dairy products is insufficient, which affects the overall pricing power and profit margin of the brand. Mengniu Dairy's brand awareness in overseas markets is low and not comparable to international giants, which limits the expansion of its overseas business [6]. In the domestic market, Mengniu Dairy's brands are mainly focused on dairy products, and it faces the disadvantage of low awareness in the development of other sub-brands and new products.

Insufficient digital marketing efforts. Compared with traditional marketing, Mengniu Dairy has limited investment in digital marketing and brand marketing [7]. Currently, Mengniu Dairy still uses traditional forms of endorsement and TV commercials to promote its brand and is not strong in brand building in new media, e-commerce, and member communities, and consumers' digital interactive experience is not strong.

Brand positioning is not clear. Mengniu Dairy has several sub-brands, but lacks a clear strategy and direction on differentiation and positioning between different sub-brands, leading to a blurred and confusing brand impression of Mengniu Dairy among consumers. Among Mengniu Dairy's sub-brands, some of them sell the same type of products, but there is no clear differentiation and advantage in terms of product characteristics, target markets, marketing methods, etc., resulting in overlapping and competition in the market.

2.3 Opportunities

As shown in Fig. 1, there are five opportunities:

Brand consumption upgrade. With the economic and social development and consumption upgrade, the market demand for dairy products in China continues to increase, which creates favorable conditions for the long-term development of Mengniu. Under the influence of economic development, people's consumption ability continues to improve, which brings great opportunities for the consumption of high-quality dairy products.

Plant-based alternatives. As demand for plant-based products continues to grow, Mengniu can invest in developing dairy-free alternatives made from plant-based sources such as soy, almond, or oats. This will allow them to tap into the expanding market of non-dairy consumers [8].

Emerging channels are booming. Emerging channels such as e-commerce and social commerce are developing rapidly, which brings opportunities for Mengniu to expand new channels for its brand and reach new consumer groups. Mengniu should further increase brand investment and interaction in new media channels. Expanding Mengniu's online presence and establishing a direct-to-consumer sales model will provide a broader customer base, enabling them to bypass traditional distribution channels.

Increased consumer brand awareness. Growing consumer brand awareness and increased demand for high-quality branded products are creating favorable conditions for dairy brand development [9]. Mengniu should continue to use its brand advantages to consolidate its high-quality image in consumers' minds.

Favorable policy environment. The government's dairy development policies such as the Dairy Industry Revitalization Plan (2019-2025) and Health China (2019-2030) create an environment for increased demand for dairy products and provide legal

protection and guidance for the healthy and sustainable development of the dairy industry. This also provides a wide market space for Mengniu Dairy's brand development, and it is worthwhile to continue to pay attention to and grasp the brand reputation and image.

2.4 Threats

As shown in Fig. 1, there are five threats:

Increased competition in the market. The competition in the dairy industry is intense, and the competition between international dairy companies and local companies is becoming more intense, and foreign companies are increasing their investment in China, and the competition in the middle and high-end products will be more intense. Mengniu Dairy's competitors have strong brand strength and market position, which will definitely affect Mengniu Dairy's brand topping strategy and bring greater challenges and pressure to Mengniu's brand building.

Raw materials and production costs are volatile. The main raw material of Mengniu is milk, and the price of milk is susceptible to fluctuations due to various factors, which makes Mengniu's brand building difficult and requires the best balance between cost control and brand pricing. The unstable supply of raw materials, waste of resources, and loss of products may occur during the production process, increasing Mengniu's production costs and reducing profitability.

Dairy safety issues. Food safety is one of the most important concerns of consumers and one of the most important factors affecting brand image and reputation. As a food closely related to consumers, the quality and safety of dairy products have been widely concerned by society, and any quality problems will have a great impact on the brand image [8]. Although Mengniu Dairy has taken a lot of measures in quality management, it cannot completely avoid the occurrence of related incidents. This is the threat that Mengniu brand building needs to focus on preventing.

New technologies are difficult to apply. The new technologies involved in dairy production and brand building are numerous, and the application of these technologies is difficult, which requires Mengniu to invest and innovate more in new technologies and continuously improve the level of digitalization and intelligence in future brand building.

Consumer needs are changing. Consumers are undoubtedly the core object of the brand, and their needs and preferences change to determine the direction of the

development and updating of brand products. With the rapid development of today's society, the needs and preferences of consumers are changing rapidly. If Mengniu Dairy can't grasp the changing needs of consumers and make changes in time, it will gradually lose the recognition of consumers and reduce the brand effect.

3 Countermeasures and Suggestions for Brand Building of Mengniu Dairy Industry

After the above analysis, on the one hand, Mengniu Dairy nowadays has problems such as unclear brand positioning, increasingly fierce market competition, and insufficient digital marketing efforts, while on the other hand, it has advantages and opportunities such as strong innovation capability, complete industrial chain, brand consumption upgrading and rapid development of emerging channels. In response to the above analysis, this paper proposes the following countermeasures and suggestions, intending to enable Mengniu Dairy to optimize its brand building and enhance its brand competitiveness based on maintaining its existing advantages.

3.1 Expand the Brand Market, Actively Respond to Industry Competition and Strengthen Brand Differentiation

Mengniu Dairy should maintain its advantages in the domestic market while actively developing the international market, using its advantages and overseas resources to enter the markets of more countries and regions and enhance the global influence of the brand [10]. Facing the increasingly fierce competition in the industry, Mengniu Dairy should actively respond to the competition. First, it should strengthen product innovation, develop more high-value-added and differentiated products, and make products more in line with consumer demand. Second, it should strengthen channel construction, expand online and offline sales channels, and improve product coverage. Third, it should clarify brand positioning, and make a good distinction between product audiences and sales directions of each sub-brand to avoid duplication.

At the same time, Mengniu Dairy should develop differentiated brand strategies according to the characteristics and needs of different markets, and adopt products, services, and prices that suit local culture and consumption habits to enhance the adaptability and attractiveness of the brand. Brand differentiation will also help

Mengniu Dairy to stand firm in the fierce market competition and achieve sustainable development.

3.2 Strengthen Product Innovation and Inject New Vitality Into the Brand

Based on social development and economic progress, dairy product consumption is characterized by diversification, high-end, healthiness, and personalization. This provides a huge market opportunity for Mengniu Dairy, which can launch more branded products and services in line with the market trend and consumption upgrade according to the different needs and preferences of consumers, and enhance the added value and competitiveness of the brand. At the same time, Mengniu Dairy should strengthen its cooperation with famous scientific research institutions at home and abroad, and use advanced technological means and concepts to enhance the level and effectiveness of brand innovation.

Faced with the rapid rate of product iteration in the information age, Mengniu Dairy should accelerate the pace of product innovation and develop more high-value-added products. Creating and selling products to specific groups of people is a good example, such as products for infants and children, products for the elderly, and products for lactose intolerant people.

In addition, with changing lifestyles, the market for plant-based alternatives has great potential. The hidden value of plant protein drinks such as soy milk, walnut milk, and oat milk is yet to be tapped. Mengniu Dairy should speed up its layout in this area, accelerate product innovation and inject new vitality into the brand.

3.3 Strengthen Quality Control and Food Safety to Strengthen the Brand Foundation

As a food industry, food safety must be one of the most important factors. First of all, Mengniu Dairy should strengthen its management of raw material procurement to ensure that no problems arise at the source. Secondly, it should improve its quality management system, strictly implement various quality standards, make the whole production process open and transparent, and monitor the whole process in real time. Finally, a comprehensive after-sales and recall mechanism should be established so that timely measures can be taken when problems are found with the products.

At the same time, Mengniu Dairy should strengthen its risk prevention and response capabilities, establish a sound risk warning and disposal mechanism, identify and solve risk problems in a timely manner, reduce the impact of risk events on the brand, strengthen the contact and feedback with consumers, and continuously optimize the products, so as to strengthen the cornerstone of the brand.

3.4 Embrace Consumer Upgrade and Expand the Mid-To High-End Market.

With the increase in people's income and the change in consumption concept, the market of medium and high-end dairy products has great potential. Mengniu Dairy should follow this trend, actively embrace the consumption upgrade, continuously improve the added value of products and brand image, and expand the middle and high-end market. Specific instructions are as follows: in terms of product research and development, more high-end products can be developed to meet the demand of consumption upgrade. In terms of product packaging, the quality of packaging can be improved to shape a high-end image. In terms of sales channels, membership mechanisms, high-end platforms, and franchised stores have reference value.

In the middle and high-end consumer market, consumers are more interested in the quality of goods and personalized needs, in the case of quality assurance, the personalized needs of consumers are particularly important. Mengniu Dairy has to continuously collect data in this area and pay attention to consumers' personalized needs and product feedback to match more accurate products and services.

3.5 Establishing a Digital Path and Accelerating Digital Transformation

With the rapid development of digital technology today, Mengniu Dairy should accelerate its digital transformation, use the Internet and new technological means to create an innovative brand image, and establish a digital marketing model. In the era of big data, to accurately understand the personalized needs of consumers, a platform is needed to receive and carry relevant data in this area, and an exclusive APP can be a great solution to this part of the problem.

At present, Mengniu Dairy can only collect user information indirectly from the Internet, e-commerce platform product reviews, etc., and lacks a channel to connect directly with consumers [11]. This is more detrimental than beneficial to both consumers and companies, as consumers cannot give feedback to companies on their

consumption experience more directly, and it is difficult for companies to improve and upgrade their products based on consumer feedback. Therefore, Mengniu Dairy should strengthen its investment in this area as well as research and development, so that the company can better enrich the form of big data collection and analyze the collected user data, use big data and artificial intelligence technology to deepen the insight ability of consumers, accelerate digital transformation, and improve the digital ecosystem of the company.

4 Conclusion

With the increasing social demand for different dairy products, Mengniu Dairy has a lot of room to build its brand. Through a SWOT analysis of the current situation of Mengniu Dairy brand building, this paper finds that although Mengniu Dairy brand building already has a strong market advantage and certain innovation ability, it still faces challenges brought by limited brand recognition, fierce industry competition and the use of new technologies. Based on this analysis, the following recommendations and countermeasures are drawn:

① Clarify the product positioning of each sub-brand, strive to open up new markets, and actively respond to industry competition, ② Focus on product innovation to increase brand vitality, ③ Strictly control food safety and implement risk prevention mechanisms, ④ Expand mid- and high-end products to keep pace with consumption, ⑤ Combine the digital process and promote digital transformation. In the context of the continuous development of the emerging digital industry, building a scientific and reasonable brand-building path can better play and maintain Mengniu Dairy's leading role in the dairy products industry.

However, there are still some shortcomings in this paper. Most of the data sources in this study are from the Internet, and the depth of the study may be affected by insufficient knowledge of Mengniu Dairy's internal data. The countermeasures and recommendations in this study are relatively broad, and more specific and actionable measures and management recommendations can be proposed on this basis in future studies. Also, the study can be extended to the Chinese dairy industry as a whole, and conclusions can be drawn under the comparison of different brand building.

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