

The Influence of Market Positioning on the Development of Sugar-Free Beverage Industry Enterprises

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Abstract. Sugar-free beverage industry is undoubtedly an important field in China's beverage market in recent years. The industry is in a period of rapid development, while the market size is expanding, and the demand of consumers for healthy diet is also increasing. In general, different brands have differences in market positioning and marketing strategies. Besides, those brands also face competitive pressure in the same industry. Brands compete for market share by innovating products, improving quality and expanding marketing channels. The present study mainly discusses the impact of differentiated market positioning on the enterprise development of three sugar-free drinks, namely Vitality Forest, Oriental Leaves and Suntory. On the whole, enterprises in the sugar-free beverage industry should pay attention to the health of products, enhancing competitiveness through innovation and differentiation, seizing the development opportunities of online sales and customized services, so as to cope with the changes of market environment and consumer demand.

Keywords: Sugar-free beverage industry, market positioning.

1. Introduction

Beverage is a product that can not only meet the immediate needs of consumers, but also have functions of such as refreshing, hydration and nutrition. With the rapid economic development of China and the continuous improvement of residents' income level, the scale of China's beverage industry is also in a state of continuous growth. The boom in the market has also brought about a lot of competition. From the initial development of soda drinks to bottled water, carbonated drinks, fruit juice drinks, tea drinks to the current sugar-free drinks, there is still a lot of room for the development in China's beverage market in the future, and the competition of several major categories will also be more intense. This paper mainly discussed the impact of differentiated market positioning on the enterprise development of three sugar-free drinks, namely Vitality Forest, Oriental Leaves and Suntory.

Founded in 2016, Vitality Forest is an innovative beverage brand independently developed and designed, including soda sparkling water, milk tea, tea and many other product series [1]. Different from the development of traditional food and beverage enterprises, by the Internet thinking, Vitality Forest quickly seized a part of the market share, and became the leader of China's sugar-free beverage industry. Beginning to enter the international market in 2019, so far, Vitality Forest products have been exported to more than 40 countries and regions in Europe, America, Southeast Asia, Oceania and other countries and regions, and have been recognized by different cultural groups overseas. Oriental Leaves is a sugar-free tea drink that Nongfu Spring began producing in 2011, featuring 0 calories [2]. In 2016, it was once voted one of China's five most difficult drinks by netizens [3]. However, through the unremitting efforts of Nongfu Spring research and development team and the improvement of the maturity of China's sugar-free beverage market, Oriental Leaves has finally become a classic of Chinese beverage brands and a new favorite of young people after ten years. Suntory is a company specializing in the production and sale of alcoholic beverages and soft drinks established in Japan in 1921 [4]. In 1981, Suntory began to produce and sell oolong tea, a specialty of China Fujian, thus creating a new sugar-free tea field and becoming a pioneer in the industry. As China's sugar-free beverage market matures, the sales of Suntory in China have also exceeded 100 billion yuan [5]. On the whole, in recent years, in the sugar-free beverage market in China, Vitality

Forest and Oriental Leaves and Suntory are engaged in fierce competition in order to seize the market, especially for young white-collar workers, and such competition will continue for a long time.

2. Different Market Positioning Strategies of Vitality Forest, Oriental Leaves and Suntory

In fact, nowadays, Vitality Forest, Oriental Leaves and Suntory are the most core brands in the sugar-free beverage field in China. Based on the different establishment backgrounds of these three companies and the differences in the overall industry background and market maturity, they chose different market positioning and matched the corresponding promotion strategies.

The founder of Vitality Forest is Tang Binsen, and before entering the beverage industry, he mainly engaged in the Internet game industry [6]. In the early stage of the business, the whole team was almost ignorant about beverage industry, and as more and more young people joined the team to study drinks with him, they gradually applied the Internet thinking logic to the beverage consumer goods. Tang Binsen often said a word, making drinks just as creating APP [7]. In other words, in his opinion, the key to doing a good drink is how to build their own data competitiveness. Different from many other beverage companies, Vitality Forest has cooperated with a data service company from the very beginning to ensure that it can have its own data radar in many sales outlets and get timely data feedback to help make more effective decisions. Through big data analysis, Vitality Forest launched 0 sugar, 0 fat, 0 card sparkling water, which is different from traditional unhealthy carbonated drinks, and improves the taste of sugar-free drinks, but also meets the needs of the target population for good drinks but no fat, which gives the beverage market a sense of freshness. Through various marketing channels, including signing influential young spokesmen such as Jackson Yee, Eileen Gu, Su Yiming, publishing articles and videos on social media, and putting up posters in the terminal retail stores, Vitality Forest has been committed to improving consumers' awareness and acceptance of sugar-free drinks [8]. In order to meet the more diverse needs of young people, Vitality Forest has also launched a variety of different flavors and types of sugar-free drinks, such as tea, fruit juice, coffee etc.. These products not only meet the taste needs of consumers, but also meet their pursuit of a healthy life. In terms of product packaging design, Vitality Forest pays more attention to the preferences of young women. In addition, Vitality Forest also attaches great importance to establishing its own brand image as a health drink, and strengthens consumers' awareness and trust in their brands through continuous advertising and brand activities. On the whole, Vitality Forest has established a complete set of marketing strategies around urban young people, which not only improves consumers' cognition and acceptance of sugar-free drinks, but also sets up its own professional image in the field of health drinks and occupies more market share.

Different from traditional companies that optimize and upgrade or launch products that meet the needs based on the target market and customers, in my opinion, Oriental Leaf is waiting for the market to become mature and naturally select the customers who need it. Ten years ago, Oriental Leaves was a fledgling brand. They always adhere to the use of natural raw materials, without adding any artificial flavor and preservatives, to ensure the health of the products, and they are committed to build a high-quality tea brand, and provide consumers with pure tea drinking experience. Although it was completely different from the mainstream drinks at that time, the tea drinks began to be accepted by some young people at that time, and the Oriental leaves also went through the first stage of development smoothly. With the emergence of Vitality Forest, driving the new trend of sugar-free drinks, Oriental Leaves has launched a series of new products, with each unique tea, and further stabilized its market share by conquering countless tea lovers. In the brand image, the Oriental leaves have a unique style. Its packaging design integrates traditional Chinese aesthetics and modern simple style, which not only highlights the charm of Oriental culture, but also has a sense of modernity. This design not only makes the products stand out on the shelves, but also makes people feel the unique charm of Chinese traditional culture while tasting the tea. In terms of sales channels, relying on Nongfu Spring, Oriental Leaves can reach consumers more easily. Under the condition of adhering

to the original intention of the brand, Oriental Leaves has gone through the industry trough and reached an era suitable for the development of the enterprise. It is not so much as a dark horse in the Chinese tea market, it just like a benchmark, a brand truly committed to healthy and sugar-free tea.

Suntory has a history of more than a hundred years, which is also full of challenges and continuous innovation. Moreover, Suntory is also one of the first Japanese companies to enter China to conduct business. Suntory oolong tea has a very clear positioning, mainly for young consumers who pay attention to health and quality (Thomas, 2014). By emphasizing its high quality and natural ingredients, Suntory has managed to attract consumers in this target market. In order to satisfied the demands of different consumers, they continue to optimize the product formula, and have launched more flavors and specifications of oolong tea drinks, including low-sugar, sugar-free, cold bubble and so on. This diversified product strategy not only meets the different needs of the market, but also wins the favor of more and more consumers, and increases the sales volume. In the selection of sales channels, Suntory chooses to enter the Internet chain convenience stores such as Family Mart, Lawson and Hema, where the main group of consumption is young urban white-collar workers. Through the cooperation with these channels, Suntory can bring sugar-free drinks to more accurate target consumers and increase its market share. With the rise of the concept of healthy diet, Suntory oolong tea has won the favor of more and more consumers with its low-sugar and healthy characteristics. In general, Suntory oolong tea has made remarkable achievements in its development in China. In the future, with the intensifying competition in China's tea beverage market and the constant change of consumer demand, Suntory Oolong Tea need pay attention to the market dynamics and constantly bring forth the new to meet the needs of more consumers and consolidate and improve the market position.

3. Advantages and Disadvantages of Different Strategies

By analyzing these three different sugar-free beverage brands in the industry-leading position in the Chinese market, they have many similar marketing methods, but they also have their own advantages and disadvantages. First of all, on the whole, with the improvement of people's health awareness, sugar-free beverage has become a part of modern people's daily life. It not only has the characteristics of refreshing taste, but also contributes to a healthy diet of health, with huge market potential. However, brands also show a trend of diversification and comprehensive competition, which need compete for market share by innovating products, improving product quality and expanding marketing channels. Enterprises can no longer use the first-mover advantage to do simple market segmentation to seize the minds of users. In this regard, Vitality Forest is a good learning object. As a rapidly developing beverage brand, Vitality Forest has done a very good job in market research and consumer demand insight. Through an in-depth understanding of the tastes and health needs of young consumers, they have launched a number of popular low-sugar, low-calorie and high-fiber beverage products. As laymen, they found a gap in the market in the early days. This keen insight into the market and consumers makes the rapid rise in the highly competitive beverage market, enabling more young consumers to be interested in a short time and willing to try, which lays a very important foundation for the rapid development of the brand in the later stage.

Then, adhering to the original intention of the brand and continuing to improve the core competitiveness is undoubtedly the cornerstone of the brand development. For example, Oriental Leaves, although questioned in the initial stage and even included in the list of "the most difficult drinks to drink", they always adhere to the original intention of health drinks, pay attention to the selection and research and development of raw materials, ensure the healthy nutritional value of products, and improve the taste and quality of products. Through unremitting efforts, when the market gradually mature, consumers also give a high degree of recognition to such brands. In fact, as the leader of the industry, in the early period of market precipitation, the emergence and application of new products and new technologies need to be tested and recognized by the market, and the maturity and acceptance of the market also need time to accumulate. In this process, industry leaders need be

patient and insightful to constantly adjust and optimize their strategies and products to adapt to market changes and needs. Enterprises like Oriental Leaves keep paying more attention to their own brand image and reputation. Only by providing high-quality products and services, to win the trust and support of consumers, can they remain in an invincible position in the market competition. In short, this persistence helps Oriental leaves to keep their unshakable position in the industry.

On the other hand, the innovative spirit plays an indispensable role in the development of enterprises. Taking Suntory as an example, after making clear their goal of creating healthy tea, they not only stop there, but continue to skillfully optimize the products at the product level, constantly adjust and increase the taste, and strive to meet the increasingly diversified needs of consumers. Seeking changes in the constant, Suntory is always leading the development of the industry. The successful experience of Suntory tells us that only by continuous innovation and improvement can we remain invincible in the market competition.

At the same time, due to the different stages of development, these three companies also face some differentiated challenges. On the one hand, for Vitality Forest, as a layman, although it has occupied a lot of market share, they lack stable supply chain support, which is easy to be checked and balanced by upstream and downstream enterprises in the rapid development stage of enterprises. On the other hand, both Oriental Leaves and Suntory have been waiting for this market for a long time. Without the group advantage, the company is also easy to have financial problems. From this perspective, start-ups need pay attention to the overall investment of capital and time.

4. Improvements of Beverage Brands

Sugar-free beverage industry is undoubtedly an important emerging field in China's beverage market in recent years. The industry is in a period of rapid development, with the market size expanding, and consumers' demand for healthy diet is also increasing. In the future, sugar-free beverage enterprises need pay more attentions to the health of their products, to improving their competitiveness through innovation and differentiation, and to seizing the development opportunities of online sales and customized services. With the change of social environment and consumer demand, China's sugar-free beverage industry will usher in a greater space for development. First of all, sugar-free beverage enterprises need attach importance to the health and quality of their products. Healthy diet has become a way of life pursued by modern people, and consumers have higher and higher requirements for the health attributes and quality of products. Therefore, enterprises should think highly of the choice of high-quality raw materials, avoid the use of chemical synthetic additives, to ensure the natural and pure products. Second, enterprises need improve their competitiveness through innovation and differentiation. In the highly competitive market environment, enterprises need have new ideas and unique characteristics to attract the attention of consumers. This includes developing innovative flavors, developing new products and launching new packaging. For example, sugar-free beverage companies can develop new flavors by introducing new tea varieties or combining other elements of the food industry, so as to meet the different taste needs of consumers. Companies can also introduce new packaging designs to attract the attention of consumers through visual effects. Alternatively, companies can create more sales opportunities and increase brand exposure by combining them with other food industries. For example, cooperate with the pastry company to launch delicious snacks with sugar-free drinks to increase consumers' desire to buy. On the other hand, the rise of online sales and customized services has also brought new development opportunities for the sugar-free beverage industry. Online sales has become one of the most important sales channels in the sugar-free tea industry. By establishing their own e-commerce platforms or cooperating with e-commerce platforms, enterprises can sell their products directly to consumers to improve sales efficiency and sales volume. At the same time, customized services have also become a development trend. Consumers pay more and more attention to their personalized needs. While meeting the personalized needs, they provide more value-added services, such as providing personalized packaging, customized tea formula, etc., to meet the unique needs of consumers. In short, the

competition in China's sugar-free beverage market is increasingly fierce. In order to succeed in such an environment, enterprises need continue to conduct market research, innovate products, improve quality and expand marketing. Only through continuous improvement and innovation can we gain a place in the highly competitive market.

5. Conclusion

In conclusion, growing health consciousness and a desire for novel products are driving the substantial growth of China's sugar-free beverage market. In this market, Suntory, Vitality Forest, and Oriental Leaves are the leading brands, and they all use different approaches. These brands use similar marketing strategies, but they also have distinct advantages that contribute to their success. Oriental Leaves places a high value on cultural aesthetics and health consciousness, Vitality Forest excels at data-driven decision-making, and Suntory succeeds through ongoing innovation. But difficulties are not all the same. Suntory must adjust to changing customer demands in a competitive market, Vitality Forest must overcome financial challenges and supply chain instability, and Oriental Leaves overcame scepticism. In the end, maintaining success in the sugar-free beverage sector necessitates an emphasis on innovation, health, and flexibility in response to new trends. To stay competitive in the ever-changing Chinese market, businesses need to embrace innovation, put a premium on product quality, and take advantage of online sales and customisation.

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