

Innovative Application of the Integrate Discipline Puzzle of IRM in Business Administration: A Case Study on Genki Forest's Product Innovation

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Abstract: This article examines the application of the Integrate Discipline Puzzle Theory (IDPT) in IRM within business administration (Jin and Li, 2012), thru a case study on FMCG company Genki Forest. It analyzes Genki Forest's response to shifting market dynamics towards healthier drink options, outlines its innovative strategies, and highlights 17 changes made. The study applies the Three-dimensional IDPT framework (Li, 2021), emphasizing technology, consumer needs, and product value in development. It also considers macro-environmental factors affecting Genki Forest, analyzed via PESTEL analysis. The case study concludes by advising Genki Forest to diversify into healthy snacks and emphasizes the importance of internet strategies for growth. It illustrates the significance of innovative approaches in product development, market analysis, and strategic planning in navigating the competitive FMCG landscape, demonstrating Genki Forest's adept application of the Three-dimensional IDPT in achieving business objectives.

Keywords: Genki (Yuanqi) Forest; Information Resource Management(IRM); business administration; the Three-dimensional Integrate Discipline Puzzle Theory; innovative analysis; FMCG

1. Fast-Moving Consumer Goods Company - Introduction to Genki (Yuanqi) Forest

This study focuses on Genki (Yuanqi) Forest's sparkling water, a rising FMCG company emphasizing health, low sugar, and low-calorie beverages since 2018. With a mission to make health accessible, it offers 0-sugar drinks, tea, and functional beverages. Yuanqi Forest combines unique formulas with stylish, eco-friendly packaging to appeal to young consumers, using online and offline marketing, and event sponsorships. As consumer health awareness grows, the company's innovative approach to capturing market share in a competitive industry is noteworthy.

2. Analysis of Genki (Yuanqi) Forest's Consumer Demand

Yuanqi Forest Company, initiated in Apr2016 as Beijing Haofan Tech, had released 3 beverages before 2018 but got a mild market response. In Mar2018, the Sparkling Water hit the market, garnering attention with its healthy carbonated concept. Since then, the company has dominated and guided the carbonated sparkling water market via continuous innovation. A research report noted that:

According to the Report released by China Beverage Association, in 2014, China's beverage industry is facing the new normal of economic slowdown and structural adjustment: the market growth of carbonated drinks and other categories is slowing down, and healthy green drinks if juice, tea and plant protein drinks become the new favorite of the market. Competition for the post-95s and post-00s consumers, the development of student and children market has become the new focus of the beverage industry. On the one hand, with the arrival of children's economy, the proportion of children in household consumption increases and the discourse power increases; on the other hand, parents' income and education level improve, and carbonated drinks are "unhealthy", and the demand for professional nutrition, safety and healthy drinks increases.(Ying, 2015). It's clear that the first to address the health concerns of carbonated drinks, successfully educate post-millennial consumers born after 1995 and 2000 on healthy carbonated options, and capture the consumer market will prevail.

The beverage industry has high market concentration, with major players like Coca-Cola and Pepsi dominating the carbonated market (59.5% and 32.7% respectively). In the tea segment, Master Kong and Uni-President hold 60% share. Being a ToB business, the industry relies

on dealers. Consumers typically purchase beverages offline, making the online market share just about 4% of the total (Yolo, John, and Tingdan, 2021).

2.1 Analysis Based on Tradition

Several factors have led to the decline of the carbonated beverage industry. Firstly, growing consumer health consciousness has shifted preferences towards healthier drinks, prompting the industry to offer low-sugar, low-calorie options enriched with vitamins and minerals. Secondly, increasing demands for diverse tastes and quality have led to the introduction of new flavors, packaging, and innovative products. Lastly, heightened awareness around environmental protection and sustainability has pushed the industry to adopt more eco-friendly practices and reduce environmental impact, a shift from the past when major multinational corporations dominated the market with less focus on these aspects.

2.2 Analysis Based on 2018-2023

The COVID-19 pandemic has significantly impacted global societies and economies over the past five years, profoundly affecting the purchasing behaviors of young adults entering the workforce. The pandemic-induced stress has altered dietary preferences, with a notable shift in the carbonated beverage industry. Consumers have moved away from seeking merely the refreshing effects of these beverages to desiring drinks that offer a strong taste without health compromises. Additionally, the need for efficiency and convenience has led manufacturers to introduce more portable products like canned and small bottled drinks.

Under stress, people's emotional states and decision-making processes are affected, leading to a higher likelihood of choosing products that offer emotional relief, such as sweets and caffeine. The fast-moving consumer goods industry can leverage this by designing marketing strategies that evoke happiness and comfort. Stress also diminishes self-control, making consumers more susceptible to impulsive buying. Thus, promotions, discounts, and enhancing product visibility and accessibility can effectively increase purchases during these times.

2.3 Other Analyses

The advancement of mobile technologies, affordable internet access, and the community and self-awareness fostered by social media significantly impact consumer choices in the FMCG sector. The substantial traffic from influential community figures can sway purchasing decisions and brand identifications.

In addition, the long-standing stereotypes and preconceptions about a region or a type of product's brand can also influence consumers' purchasing power to a certain extent.

3. Genki Forest's Innovation and Basis

Studying the FMCG market, Coca-Cola and Pepsi are the two unavoidable giants. However, different from traditional FMCG companies, Yuanqi Forest is a pure Internet enterprise, and its business behavior and underlying logic have distinct characteristics of The Times.

3.1 Genki Forest's Innovation

Here, we will list 17 innovative changes made by Genki (Yuanqi) Forest sparkling water over the past five years:

Using lightweight plastic packaging is more environmentally friendly and helps to establish brand value

The flavors of beverages are more diverse, and market feedback is tracked in real-time

Continuously enhancing purchasing power through price changes and promotional activities

Focus on online sales and make more use of new technologies such as the Internet

Collaborate with high-end brands to launch limited-edition and exclusive products, creating scarcity and increasing product premium space

Combining sales with other non-competing products, complementing categories, and expanding sales scale

Using different logos in different regions and development stages to enhance brand level and reputation (YiTian, 2021)

Larger Packaging and Smaller Packaging, Focusing on Use Scenarios and Meeting Consumer Demand

0 sugar and 0 aspartame are healthier, 0 preservatives are safer, creating topics and becoming a topic leader, actively creating and leading consumption hotspots (Chiforest)

Inflate more, create new demand, and meet new demand

Individual flavors are sold with mixed flavors

Choose a positive energy figure to endorse (Yuanqisenlin, 2021)

Naming the new lifestyle of young people, focusing on the consumption mentality of young consumers in the service industry, and expanding brand recognition.

The unique bottle shape design forms the market perception of the healthy bubble water and Genki forest bottle shape, triggering imitation

Increase community interaction and improve user stickiness(Yuanqisenlin)

Open a bubble water offline pop-up beverage store, create a topic, and attract customer traffic (TuZiAHuaHua, 2021)

Create multiple sub-brands of sparkling water, segment product types, and guide different user groups.

3.2 Basis for Genki Forest's Innovation

3.2.1 PESTEL

PESTEL analysis evaluates six aspects - politics, economy, society, technology, environment, and law - to understand a company's macro environment. For Genki Forest:

Political: Genki Forest's market in China benefits from policies promoting healthy diets and consumer protection. However, the Sino-US trade war slows its international expansion.

Economic: China's economic growth and the increased purchasing power of young consumers offer Genki Forest significant market potential. Its pricing strategy is influenced by costs of labor, erythritol, and petrochemical plastics.

Social: Rising health consciousness boosts demand for healthy diets, benefiting Genki Forest. Consumer curiosity and acceptance of new products also play a role.

Technological: Genki Forest leverages advanced tech in R&D, production, and marketing for a competitive edge. Technological advancements in sugar substitutes also impact its market.

Environmental: Environmental factors and the COVID-19 pandemic have spurred the healthy food and FMCG market's growth.

Legal: Genki Forest adheres to laws like the Food Safety Law and Advertising Law, adapting its advertising strategies to comply with legal constraints.

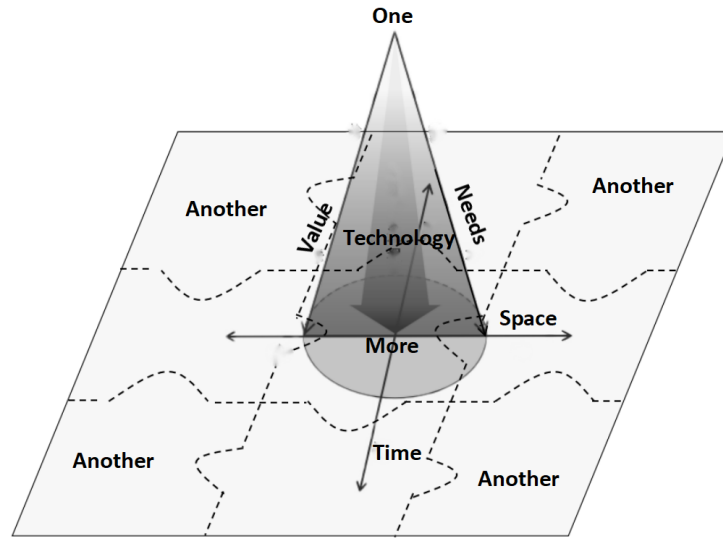
PESTEL analysis provides a comprehensive view of Genki Forest's macro environment, aiding in seizing market opportunities and addressing challenges.

3.2.2 The Complete Disciplinary Jigsaw Puzzle Theory

The three-dimensional complete discipline puzzle theory is a theoretical model used in the field of library science when studying the construction of information resources.

During the innovative development process of a company, it usually faces the process of going from a weak "one" to a whole "more". The development process relies on three dimensions: value, needs, and technology. Among the three, technology is the core productive force and fundamentally determines what a company can develop into. How to use technology to solve consumers' "needs" and embody the "value" of products is the most important thing for a company that produces and sells at the same time. Outsiders can also study the technology and core competitiveness of the company through "needs" and "value". In addition, companies should pay attention to the impact of time and space during the development process. For example, from a time perspective, leaders often mean more successes and failures, but followers will face fewer risks and gains. The development and innovation of a company should not only focus on the current situation but also combine the company's history and the development direction of the future market. From a spatial perspective, the size of the company itself will affect its own reaction speed when innovating and changing, while the size of the market it faces will also affect the emphasis on weighing

the pros and cons between change and conservatism.



Looking at the Yuanqi Forest company, since its launch of 0-sugar sparkling water with a 50-person team in 2018, it has innovatively chosen erythritol, which was still a medical sugar substitute at the time, as the source of sweetness, paying attention to the balance between consumers' health and pleasure. By continuously iterating products and conducting market research with simple, fast, and efficient internet thinking, it has protected profits by increasing prices to reflect product value. Based on the vastness of the Chinese domestic market, it has continuously expanded its scale, evolving from imitating Japanese style in its early stages to choosing Chinese style after some development, and now has become a fast-moving consumer goods brand with a value of \$15 billion, with products in nearly ten beverage categories and dozens of products, and a market that spans Singapore, the United States, Australia, and other places. However, the sales performance and market feedback over the past year have also shown the weakness of fundamental innovation and the slowdown in revenue growth after becoming a large company, especially in the face of fierce competition with other traditional beverage fast-moving consumer goods.

4. Suggestions for Genki Forest's Future

Given the intense competition in the beverage FMCG market and drawing from Genki Forest's success, the company could diversify into the food sector, focusing on snacks that are low-carb, low-burden, high-protein, high-nutrition, and in small packaging. Using Internet thinking, like the "A/B test", for rapid product selection and market testing, starting with snack giveaways with sparkling water purchases could provide valuable feedback. Unadulterated small-packaged chicken breast snacks are seen as an ideal product choice. Moreover, increasing small-scale, self-operated experimental food factories and establishing R&D centers globally could blend local insights with Chinese Internet strategies for broader market reach.

5. Conclusion

Progress is never linear. As FMCG companies navigate the growing, competitive global market, they'll face the clash between globalization and local brands. Success isn't about superior products but meeting diverse consumer needs. Emphasizing technological advancement in company development and applying innovative tech across management, product development, sales, and service can better fulfill consumer demands and achieve desired outcomes.

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