

Leading a Happy and Pure Lifestyle A study of Lepur's Marketing Strategy

Yi Wang

Jiangnan University Chinese Literature,Wuxi 214112, China.

Abstract: Since 2014,Lepur has devoted itself to dairy production.In about 10 years it has become one of the most popular brand in the business with various product lines, which is known as LeChun YouPin.In this study I would analyse Lepur's marketing strategy in three perspectives: brand positioning strategy ,brand communication ,and ultimately,their repositioning strategy.The proposal of the study is to show a successful way of the dairy company of making a simple product into something a bit luxurious and popular.

Keywords: Lepur; Marketing Strategy; Development Mode

1. Introduction of Lepur and its products

Lepur was registered on May 27,2014. Nannan Zhang,the founder of the company,who once learnt cooking at the Le Cordon Bleu College in France, together with Denny Liu ,who became the future Chief Executive Officer(CEO) of the company, decided to make a product that could make up for the current defects of the yogurt on the market and meet the customer demand.In the end of 2014 Nannan Zhang has successfully made four flavour. She chose 'Lepur' for the name of the brand,which means 'pure' in French and 'Lechun' in Chinese which means 'joy,fresh and pure' .^[1]

In the next few years the 35-square-meter yogurt workshop broke through the fierce competition in the dairy industry and gained millions of fans. In 2015, the monthly repurchase rate has risen up to 25%.With the same kind of yogurt, Lepur has earned reputation and won several rounds of financing and won the favor of Coca-Cola Asia Pacific Investment start-up Company In 2016. With yogurt as its core product, Lepur has expanded a variety of healthy food categories around users' needs. Today, Lepur has developed from a unicorn company in China's yogurt industry to an innovative benchmark enterprise in China's food industry,with more than 7 distinct product line in food production,including yogurt,bread,milk,meal replacement,etc.For their major brand,Lepur has possessed more than 20 distinct flavour of yogurt and its team still trying to promote more flavour into the market.

2. Brand positioning strategy of Lepur

2.1 Problems that need to be solved in the first stage

To start with,Lepur's development has three stages with distinct objective:the start-up period(2014-2015),the growing period (2015-2017) and the stable period (2017 until now)^[2].For the start-up period,brand positioning is the core objective, and there are two challenges: The difficulty in making innovation or distinctive features is the first one,as dairy production industry has already been quite well-developed with less space of improvements,for example like invent new flavor or improve the manufacturing technology. Another problem would be the rapport with the customers,how to target the right customers and build loyalty is quite hard, especially for those who are used to drinking those big traditional and existing brands on the current market. By using a wild range of research,Nannan Zhang successfully found a breakthrough of her selling point which is high and pure quality of the product.

2.2 Lepur's Segmentation of the market

The frame of the marketing was simply based on segmentation, targeting and brand positioning.^[3] Segmentation definitely plays a very significant role for Nannan Zhang to solve the major problems. Basically she segmented two markets: The current sellers market of the dairy production and the buyers market. After trying nearly 100 kinds of domestic yogurt, Nannan found that all of them were added with artificial additives such as preservatives and thickeners.^[4] At the same time, she realized the product segmentation structure of the domestic yogurt market has not met the consumer demand at all levels, as customers have different consuming habits and they are sensitive to different aspects of the product according to their living condition, gender, age. Therefore she decided to produce a yogurt with high quality, in her words: the simpler the ingredients, the better the quality. We should treat our yogurt like what we did with a bottle of red wine.^[5]

In the end of 2013, Nannan led a campaign on Weibo called "Finding the real good yogurt", which allowed everyone to recommend the yogurt they thought was perfect. Not only did she have a basic criteria about a popular yogurt, but also let her know the distinct preference among customers. But there was a common ground being shared within customers: they cry for yogurt that is pure and free of additives, which definitely meet with the result of the previous segmentation result. Overall, it would be clear that Greek yogurt, a kind of whey-free yogurt that is healthy and creamy fits with the need.

2.3 Lepur's Brand positioning :to be pure and happy

After Lepur's segmentation, Nannan concluded that there would be a strong need for healthy, handmade yogurt for everyone. But a clear targeting customer is still needed for the start-up period. Apart from those opinions from friends from the food industry and those food bloggers, Nannan focused on a special group—young mothers and their babies. As a matter of fact, these vulnerable groups need pure dairy without additives, and they need to be easy to digest. Even though large companies like the Inner Mongolia dairy production company have milk powder and milk just for them, but its yogurt product is just basically for everyone.^[6]

Moreover, a brand should lead a way of living. For Lepur they want to lead a healthy and happy lifestyle, but to achieve this goal the brand should focus on the whole market. In luxury and fashion industry this is called a dream factor, which means the product appeals customers by letting them to feel being in this kind of lifestyle. In this way Lepur could be regarded as a kind of "luxury" that attracts more customers.

Eventually we come down to the brand Lepur and its value—pure, natural, and real. "Le" (which means happy in Chinese) and "chun" (which means pure in Chinese) are the two key words of their brand. Purity means that the company's products use pure ingredients, without additives, present the pure taste of the ingredients itself. Happiness means that the company wants its products to bring joy to the consumers. One is aesthetic happiness from the beautiful packaging; another would be consumers' perception which means feeling good about themselves, just like they buy themselves a very good-looking bag with only \$18. "Happiness" and "Purity" are the values which will be refined to the entire enterprise brand all processing, and not subject to the food category.^[2]

3. Brand communication strategy of Lepur

The brand communication strategy mainly focuses on two parts: The brand elements and the brand promotion. For Lepur, the brand stands out by their outstanding package and colour. It has been claimed that warm colours like red are considered as active and encourage people to purchase and consume^[7]. That is why Lepur's logo is red and white. Apart from that, Lepur's package normally uses the original colour of the ingredient in an oil-paint style, which is artistic and stands out of the shelf in the market as a successful brand communication of emphasizing on life and joy.

For the brand promotion, Lepur definitely uses a kind of SICAS way of promotion, which was brought up by Lewis in 1898. Lepur is kind of a luxury dairy brand, its basic strategy is to be based on the essence of the high-quality Greek yogurt. Danny Liu considers that the customers are divided into three categories: 1% of the content creator, 9% of the content promoter and 90% of the common customers, and each category has their own duty^[8]. The duty of the creator is to represent the core of the brand. At the beginning of the promotion which refers to the sense and interest period of SICAS, Danny wrote essays about Nannan and describe her

as a careful figure to exaggerate the purity and seriousness essence of the brand. For the content promoter, in the interest period, everytime when inventing a new flavour like durain, he will invite the bloggers or experts who are familiar with the ingredient and let them test and promote to increase the reliability of the product with social media. For the rest of the customer, Danny understands that they are a part of the product, so during the connect and communication period he organises an activity that the recommendation could actually earn credits for purchasing, which motivates the recommendation rate. Overall, the brand promotion of Lepur is very successful using the power of customers and the power of media.

4. Repositioning strategy of Lepur

The repositioning strategy of Lepur mainly focuses on the current product line, which is yogurt and the new product lines. For the yogurt, the first step is to enlarge their flavour. Apart from those popular flavours like plain and Matcha, in 2018 Lepur had launched several other flavors into the market, including 'the cake series' and those only sold during festivals. The second step would be the reset of their products. In 2020 Lepur decided to sacrifice some of its popular flavors that still contain too much sugar or fat and reformed the remaining flavor into 'The Ultimate Triple' series, which contain three or more times of protein. With this high amount of protein and lower sugar and fat per gram, the yogurt could be used as ice-cream, jam and yogurt itself, with the same taste yet less total calories of the actual three kinds of food. This is a very hard balance in this industry, a balance between taste and nutrition within the product. The most amazing part is Lepur tries to maximize the best of their product concentrate as much nutrition and flavor as possible in this small cup of yogurt, and could replace most of its counterparts in other dairy products as it could be consumed in various ways. Apart from yogurt, Lepur actually comes up with the cross-selling method, which is still based on the healthy lifestyle mantra. Lepur starts to produce milk, bread, and meal replacement and change their name into LeChun YouPin, which does not restrict to yogurt but a series of food production, however their products still remain high quality.

5. Conclusion

Overall, it is undoubtedly that Lepur is successful. The most important part of its strategy of marketing is to create a strong brand based on the research and segmentation of the market and use this brand to develop brand communication and repositioning strategy. Make the best use of social media and the power of customers is another important point, the classification of different categories of clients should be carefully used. Ultimately, the company should try to be customer-focused in order to remain the client loyalty.

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