



## Problems and countermeasures analysis in marketing of Logic

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### Abstract

With the rapid development of China's furniture industry in recent years, the domestic furniture market has begun to show a competitive situation. Despite the high level of competition in the furniture industry, many companies do not pay attention to and do not use modern marketing strategies. Due to a lack of systematic market competition strategies and management tools, they are unable to gain an advantage over their competitors. Therefore, how to systematically standardize the design of marketing strategies for furniture enterprises has become a mandatory course for them. This paper takes LOGIC as the research object, analyzes the marketing strategy of the enterprise, mines the problems and their causes, and puts forward the countermeasures. Hopefully, it will shed some light on the furnishing industry's marketing strategies.

**Keywords:** Furniture enterprises, marketing strategy, market environment

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### 1. Introduction

In the past 10 years, China's furniture industry has experienced its first period of rapid development. This has included massive expansion and the initial establishment of a complete industrial system with full categories and international standards. The products can meet people's needs and the international market. After entering the twenty-first century, the Chinese Government has proposed to accelerate the pace of urbanization and small towns, to fully develop the rural economy, to accelerate the process of urbanization, to further stimulate the consumer market and to expand the urbanization process. After 20 years of rapid development, China's furniture industry has shown a sustained, stable and healthy development trend. China's furniture production accounts for about 25% of the world's total, and has become a major producer and exporter of furniture in the world. In the process of fierce international competition, gradually eliminating the furniture brands of serious homogenization, low quality but high price and those that do not meet mass consumption, leaving the high-quality furniture brands to continue to maintain a virtuous cycle of development, will also become the new trend of the furniture industry. Therefore, this study takes LOGIC as the research object, and analyzes the problems and causes in its marketing. Clarifying the marketing problems faced by the enterprise in the course of its development and proposing countermeasures.

### 2. Analysis of the current state of marketing for LOGIC

#### 2.1 Market positioning

According to the overall view of Lizhi 's sales orders, the target market is still mainly positioned in enterprises, office buildings and shopping malls, hotels and other office areas. The market for office furniture is relatively stable. Many well-known companies have multiple office locations, so furniture companies can be able to receive new orders on a regular basis, as well as fully understand the needs of their customers and be able to maintain a long-term relationship. The other market, although smaller in comparison to the office field, is very large in terms of the volume of work per project, and the final benefits in all areas are far beyond the average order. This type of market is a public service area, there will be some government projects, such as rail transit. The amount of office furniture needed is very large, and the requirements of the product is more stringent. A small proportion of the residential furniture market consists of furniture that is specifically designed for individual needs. Orders of this type are relatively small and the demand for such products is also very small.

Since each completed order promotes the company's brand, this type of market cannot be ignored.

## 2.2. Market Size

As an integrated furniture manufacturer under the China Resources Company, LOGIC has become one of the largest listed office furniture companies in Hong Kong and Mainland China. After more than ten years of journey, LOGIC has set up branches and distribution organizations in thirty-three cities in China, Hong Kong, Macao, Southeast Asia, Europe and the United States. These organizations have strong production capacity and a mature sales network, and has become one of the largest-scale suppliers of office furniture and cabinets in China. It has many excellent customers at home and abroad. It has completed large-scale office furniture supporting projects for Intel, Citibank, General Motors, Bosch, Vanke Group, COFCO Group, People's Bank of China, State Nuclear Power and other companies many times.

## 2.3. Competition Situation

LOGIC's main competitors are AURORA, Midea and Haworth. The threat of AURORA furniture lies in the design aspect, which has won foreign awards. The products will be more attractive to the new generation of consumers. Midea focuses on environmental protection, and is a strong competitor to LOGIC, which also focuses on environmental protection. Haworth is a foreign-funded company, which is very different from domestic furniture companies in terms of business philosophy and product design. And Hayward's also has its own factories, self-produced and self-marketed, which can attract more consumers who are looking for fashionable and trendy, which is one of LOGIC's stronger competitors.

## 3. Analysis of Problems and Causes in LOGIC Marketing

### 3.1. Lack of innovation in product style

Nowadays, the mainstream consumer groups are getting younger and younger, the new generation of consumers, not only concerned about cost-effective, but also willing to spend more money to focus on the appearance of the product design and other creative aspects. Domestic furniture brands are not dominant in terms of design, but some foreign-funded furniture companies have become the choice of more young people, their designs are more unique and fashionable. The styles of LOGIC's products are more modest, and are basic, simple, classic styles. The reason for the lack of innovation, on the one hand, due to the company's own neglect, blind pursuit of efficiency and imitation of some foreign imports of advanced products. On the other hand, is the result of the lower competence of the designers themselves.

### 3.2. Single product promotion

The usual promotions are just a slight discount on the total price and nothing more. Some customers will care a lot about the final amount, so a discount on the price will surely make them happy. But some customers don't care much about the total amount spent on all the products, and that's when a discount on the amount is not an effective measure. The reason for the single form of discount is that LOGIC does not have a special promotional program design. Instead, it only uses the simplest and most direct discounts to promote its products. LOGIC lacks an independent commissioner to formulate promotional programs. It adopts the most traditional way of promotion, which lacks novelty and makes

it difficult to highlight its competitive advantages.

### 3.3 Limited product distribution channels

LOGIC's sales channels are still mainly through word-of-mouth, i.e. referrals from regular customers and acquaintances. Although it is possible to discover new customers in this way, the number is relatively small and it is not possible to discover more new customers at the same time on a large scale. It is primarily due to the fact that LOGIC still follows the traditional channels for sales development, which are stable through word-of-mouth, so there are no plans to broaden them.

### 3.4 Unreasonable product pricing

Solid wood products, the cost of the material itself is high, the demand is not large too. If the discount concessions on this basis, is not a wise move. Some products are produced in the company's own factories and can be sold at low profit margins. But some products that are not available in the factories will be purchased through other suppliers. Although the cost has risen, the price will be lowered in order to be able to cooperate with customers. As a result, the company's product prices are generally low.

## 4. Recommendations for countermeasures

### 4.1. Suggestions for product style strategies

On the one hand, they should choose better designers, break through traditional styles, and not just apply them. For the designer, requirements are more in favor of the ability to innovate. On the other hand, customers can be involved in the entire design, including product style, color, fabric, by the customers themselves to decide. Afterward, communicate and exchange with the designer, present the first draft, and combined with the designer and the customer's comments for modification, and finally delivered to the factory for production.

### 4.2. Suggestions for product promotion methods

The form of promotion can be chosen in the form of giveaways and combination purchases. Sell a combination of a particular product that the customer is interested in, or add some useful accessories, small furniture, and so on. Developing a reasonable and feasible promotional plan requires the use of different promotional methods for different types of customers, so it is recommended to increase the number of specialized marketing staff.

### 4.3. Suggestions for channel operation

For individual customers and customers with small product requirements, online purchases will be the most effective. In order to change the traditional way of doing business, an e-commerce platform could be created and specialized positions would be created to operate the platform. Although the individual customer demand is small, the overall customer base mentioned is very large. The e-commerce platform can eliminate the intermediate repeated marketing communication and other links, allowing more individual consumers to provide choices.

### 4.4. Suggestions for product pricing strategies

Prices should be appropriately raised for higher cost products and excluded from the discount range. Keep the original pricing unchanged by using the higher volume products as the main discounted products. Conduct a survey of all

products to understand the level of pricing for each product category in this industry. Lower pricing is not necessarily better; instead, it may leave customers wondering why the price is lower, if there are quality issues, etc.

## 5. Summarize

The fierce competition in the domestic home furnishing market has put forward higher requirements for the marketing strategy of domestic furniture enterprises. This paper takes LOGIC as the research object, through the analysis of the current situation of the marketing strategy of this enterprise to find out the problems existing in the product design, promotion, channel and pricing of this enterprise, and puts forward the solution countermeasures. Hopefully, there will be some inspiration for domestic furniture enterprises.

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