

## **A CASE STUDY OF THE MARKETING MANAGEMENT OF MUJI BRAND STORE IN NANJING, JIANGSU PROVINCE, CHINA**

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**Abstract:** MUJI, as a Japanese company operating in China, has been leveraging China's rapid development and expansive growth. However, it is currently facing sustained downturns. Therefore, this paper conducts a comprehensive analysis of MUJI's marketing strategies based on its current marketing situation. The objective is to deeply analyze the sustainable development of MUJI's 4C marketing strategy, using the flagship store in Nanjing, Jiangsu Province, China, as a case study. This paper is based on the 4C marketing management theory and employs both quantitative and qualitative analysis methods. It focuses on conducting a case analysis of MUJI's brand marketing strategy in Nanjing, Jiangsu Province, China exploring the current branding strategies related to consumers, costs, convenience, and communication in this market. Through detailed descriptive statistical analysis, correlation analysis, and analysis of the SLF index values of 4C marketing mix variables, the study revealed the relationships among key variables in MUJI's brand marketing. The research identified significant positive correlations between brand image and customer satisfaction, strong positive correlations between cost and convenience, and significant impacts of convenience on communication effectiveness. However, the study also highlights several issues in MUJI's marketing strategy, including ineffective promotion communication, inadequate staff product knowledge, simplistic advertising strategies, indifference in brand crisis management, and heightened market competition pressures. Recommendations include emphasizing the enhancement of customer experience through improved convenience and communication effectiveness, strengthening staff training and management, refining promotion communication methods, and enhancing capabilities in brand crisis management. These findings are of significant reference value for MUJI's future marketing strategy.

**Keywords:** MUJI Brand Image; Brand Marketing; Current Status of Marketing Strategy; 4C Theory

### **Introduction**

In the context of economic globalization, the international market has fully demonstrated profit opportunities and huge market demand, which has attracted many enterprises to engage in

cross-border operations (Amit & Zott, 2012). However, due to the complexity of the international market, multinational corporations face higher risks and fierce international competition. In order to enhance the competitiveness of enterprises and solve cross-border problems, multinational enterprises should have practical and feasible marketing solutions and strategies that meet the local needs of the host country. Muji Ryo Pin is a retail brand developed by Seiyō Corporation and is currently the largest Lifestyle Store in Japan (Tsuchiya et al., 2022). Muji products entered the Chinese market and quickly became popular and prosperous (Chu, 2020). Unlike the pragmatic values advocated in the past, MUJI advocates "quality first". It can be said that MUJI products are renowned for their excellent quality. The MUJI brand emphasizes product quality and environmental protection, striving for every product to be of high quality and also the most practical. They have won consumers with the simplest concept. And marketing strategy is a framework that outlines how a company creates, delivers, and obtains value (Coenegrachts et al., 2021). With exquisite products and high-end price positioning, it quickly captured the Chinese middle class. Therefore, this paper selects the third world flagship store in China - MUJI stores in Nanjing, Jiangsu Province, China - as the case study object. It has certain practical significance to investigate it, understand the factors that have a positive/negative impact on the brand image of the fast-moving consumer goods industry, and combine various methods in management and 4C theory analysis tools to conduct specific research on the management mode of MUJI, obtain inspiration and thinking brought by the management of relevant MUJI, and provide experience and reference for other similar industries.

### **Research Objectives**

The purpose of this study is to analyze and evaluate the marketing strategies of MUJI stores in Nanjing, Jiangsu Province, China. And analyzed how the 4C theory strategy attracts consumers of the brand. Specifically divided into two aspects:

- 1) To analyze the brand image marketing status of MUJI stores in Nanjing, Jiangsu Province, China.
- 2) To verify the impact of 4C theory (customer, cost, convention, communication) on optimizing the brand image (BI) of MUJI stores in Nanjing, Jiangsu Province, China.

### **Literature Review**

#### *Brand Marketing*

The concept of brand marketing is to use a brand for marketing, which can help consumers understand the value of their products, save time and costs during the purchasing process, and also help consumers select good products (Zott et al., 2011). Therefore, the role of brand marketing is to increase product value and image value (Rajagopal & Davila, 2020). And brand marketing can to some extent enhance market advantages, enabling products to gain competitiveness and thus have a

certain position in the market.

#### *Current Status of Marketing Strategies for Muji Good Products*

As a Japanese company based in China, MUJI has taken advantage of China's rapid development and expansion. But today, MUJI is facing a sustained downturn. MUJI has taken a different path by adopting a "minimalist" brand strategy, showcasing the characteristics of minimalism in the packaging of its products. MUJI chooses to minimize or lighten product labels as much as possible, with colors that are more suitable for the bare color of product materials (Ratnadianti et al., 2020). MUJI's marketing channels are mainly divided into online and offline channels. Its online marketing not only has an official website, but also opens a flagship store on Tmall and uses an app for customers to shop.

#### *Current Status of Research on Brand Image of Muji Enterprises*

Since Muji entered the Chinese market for development, there have been many case studies focusing on Muji products. Brand, as the most important intangible asset of a company, is crucial for its development. In the research cases of MUJI, there are many explorations focused on its brand shaping. Seuffert (2023) proposed that in the consumer market that overly emphasizes brand, MUJI has taken a different approach by proposing the concept of "no brand", proving to consumers that brand establishment is not only based on advertising promotion, but also on high-quality products. Focusing on advantages to produce products that truly meet consumer needs is the best practice (Ratnadianti et al., 2020). The brand concept of MUJI is not to some extent minimalist but achieves simplicity through the pursuit of natural simplicity and performance, based on philosophical principles of simplicity (Rajagopal & Davila, 2020). In terms of brand design, some have proposed that the brand design of MUJI products is promoted through "MUJI" to promote "quality" (Prianka, 2021). Litovtseva et al. (2022) proposed that the value of a brand lies in its dissemination, while the promotion of Muji products is through consumer promotion to encourage consumers to actively perceive and interpret their brand. In terms of brand image, MUJI focuses on the long-term, using the "Good Product Plan" to trigger new consumer awareness and pursue new lifestyles, rather than short-term brand effects.

## **Methodology**

This paper adopts a mixed research method, using qualitative and quantitative methods to conduct a research questionnaire survey and collect data. This study used a quantitative questionnaire survey method (Beardsworth & Bryman, 2001). Data processing and analysis are crucial steps in research, directly affecting the validity of research conclusions and arguments. The data processing and analysis process of this study first involves preliminary cleaning of the collected data, including checking data integrity, handling outliers, and filling in missing data.

Secondly, conduct basic descriptive statistical analysis on the data, including frequency

analysis, mean and standard deviation calculation, to understand the basic characteristics of the sample. Then, based on the theoretical framework of the study, identify the independent and dependent variables, and conduct regression analysis using professional SPSS 20.0 software. Finally, based on the analysis results, explain the meaning and trends behind the data, draw research conclusions, and propose marketing management suggestions or further research directions for the 4C theory. The analysis of the 4C theoretical model is helpful for this study, which combines clarifying the independent and dependent variables of this study as an identification framework to ultimately determine the relationship between the factors,

### Research Hypotheses

Hypotheses are based on the quantitative analysis results of the impact of customer cost, convenience and communication effectiveness on brand image in the study, which helps to deeply understand the key factors in the optimization process of MUJI 's brand marketing strategy in its flagship stores in Jiangsu Province and Nanjing City.

Hypothesis 1: Customers have a significant positive impact on MUJI 's brand image (BI).

Hypothesis 2: Cost has a significant positive impact on MUJI 's brand image.

Hypothesis 3: Convenience has a significant positive impact on MUJI 's brand image.

Hypothesis 4: Communication Effectiveness has a significant positive impact on MUJI 's brand image.

### Results

#### 1). Descriptive Statistical Analysis

The sample size of 126 respondents was determined, as sufficient sample size can reduce sample errors, improve the reliability of statistical results, and make research conclusions more convincing. Most of the respondents are relatively young and come from Jiangsu Province and Nanjing City. The overview of descriptive statistical analysis can be found in Tables 1 to 3.

**Table 1:** Sample age analysis

Variable	Group	Frequency	Percentage
Age	Under 25 years old	17	13.49%
	26-30 years old	25	19.84%
	31-35 years old	51	40.48%
	36-40 years old	21	16.67%
	Over 40 years old	12	9.52%
	TOTAL	126	100

According to the data in Table 1, the frequency and percentage of age distribution are shown. The highest age group in the distribution is 51 people in the age group of 31-35 years old, accounting

for 40.48% of the total sample, followed by 25 people in the age group of 26-30 years old, accounting for 19.84% of the total sample. The above data table. There are 17 people in the age group under 25 years old, accounting for 13.49% of the total sample. There are 12 people in the age group of 40 and above, accounting for 9.52% of the total sample. The total sample size is 126 people, and the sum of these percentages is 100%. These data can help understand the distribution of different age groups in the sample and help further analyze and compare the performance or characteristics of different age groups on a certain variable.

**Table 2:** Occupational Analysis

Variable	Group	Frequency	Percentage
Occupation	Student	34	26.98%
	Enterprise unit	36	28.57%
	Government-affiliated institutions	11	8.73%
	Liberal professions	39	30.95%
	TOTAL	126	100

According to the data in Table 2, the frequency and percentage of individual types in the sample are presented. Specifically, there are 34 students in the category, accounting for 26.98% of the total sample; There are 36 individuals in the category of enterprise units, accounting for 28.57% of the total sample; There are 11 individuals in the category of public institutions, accounting for 8.73% of the total sample; There are 39 individuals in the freelance category, accounting for 30.95% of the total sample.

**Table 3:** Revenue Analysis

Variable	Group	Frequency	Percentage
Revenue	Below 2000 yuan	33	26.19%
	2000-3000 yuan	32	25.40%
	3001-5000 yuan	39	30.95%
	5000 yuan	22	17.46%
	TOTAL	126	100

According to the data in Table 3, these income level data show the distribution of different income groups in the sample. It can be seen that the number of people with incomes between 3001 yuan and 5000 yuan is the highest, accounting for 30.95% of the total sample; Next is the number of people with incomes between 2000- and 3000-yuan, accounting for 25.40%. The number of people with incomes above 5000 yuan is relatively small, accounting for only 17.46%. These pieces of information are of great significance for understanding the preferences or characteristics of income distribution in the sample, which further improves the quality.

*2). Reliability and Validity Analysis of the Scale*

Due to the self-designed questionnaire questions for this study, reliability and validity analysis is required to ensure that the questionnaire can be used. Reliability and validity analysis is applicable to attitude and opinion surveys of respondents, usually distributed and designed in the form of scales (Pitri & Gunarto, 2020). Generally speaking, the final obtained confidence factors need to be higher than 0.8, 0.7, and 0.8 respectively, with sub scale confidence factors all higher than 0.7. Generally, reliability analysis needs to ensure that the values are concentrated within an acceptable numerical range: 0.6~0.7 (Zou & Zou, 2020). If the factor is less than 0.6, a new investigation should be considered; Table 3-2 provides a detailed indication of the reliability values, as follows:

**Table 4:** Reliability Analysis

Questionnaire items	Cronbach $\alpha$ Coefficient
15	0.719

From the above table, it can be seen that the reliability coefficient value is 0.719, which is greater than 0.7, indicating that the reliability quality of the research data has reached the standard and is reliable.

**Table 5:** Validity Analysis

Sample a sufficient Kaiser-Meyer-Olkin metric.		0.746
The sphericity test of the Bartlett	Approximate chi square	531.822
	df	120
	Sig.	0.000

Validity analysis is an important component of empirical analysis, and KMO and Bartlett's tests are used to verify validity: the KMO value is 0.746, ranging from 0.7 to 0.8. This research data is applicable for information extraction.

### 3). Correlation Analysis

As shown in Table 6, this study conducted correlation analysis between various variables and found that there is a correlation between the variables. The dependent variables: customer, cost, convenience, and communication are positively correlated with the independent variables of brand image. Therefore, this study will further test the research hypothesis through regression analysis.

**Table 6:** Correlation Analysis of Various Variables

	Mean	SD	1	2	3	4	5
1	3.77	0.57	0.44**				
2	3.20	0.72	0.37**	0.56**			
3	3.90	0.59	0.57**	0.33**	0.43**		
4	3.64	0.69	0.55**	0.44**	0.72**	0.35**	
5	3.49	0.73	0.41**	0.36**	0.37**	0.39**	0.59**

Note 1: 1 Brand image, 2 customers, 3 costs, 4 convenience, and 5 communications.

Note 2: \* $p < 0.05$ , \*\* $p < 0.01$ .

Data source: This study is organized.

The mean and standard deviation of each variable reflect the average score and distribution of each variable in the sample. For example, the mean of brand image is 3.77, with a standard deviation of 0.57. The correlation analysis results show that the correlation coefficient between brand image and customers is 0.44, with a significance level of  $**p < 0.01$ , indicating a significant positive correlation between the two. The correlation coefficient between customers and costs is 0.37, with a significant level of  $**p < 0.01$ , indicating a moderate positive correlation between customers and costs. The correlation coefficient between cost and convenience is 0.43, with a significance level of  $**p < 0.01$ , indicating a significant and strong positive correlation between cost and convenience.

The correlation coefficient between convenience and communication effectiveness is 0.59, with a significance level of  $**p < 0.01$ , indicating a significant and strong positive correlation between convenience and communication effectiveness. These correlation results help to understand the degree of correlation between various variables and provide a basis for further analysis and strategic recommendations. The impact of brand image on customers is relatively weak. It is recommended to further strengthen the shaping and dissemination of brand image. The strong correlation between cost and convenience indicates that service convenience needs to be considered when setting pricing strategies to improve overall customer experience and satisfaction. The positive correlation between convenience and communication effectiveness emphasizes the importance of improving customer satisfaction and loyalty through effective communication and convenient service methods.

4). *Analysis of SLF Indicator Values for 4C Marketing Mix Variables*

After understanding the impact of variables and which indicators have the greatest impact on marketing mix variables (through the highest SLF value of indicators), the results of this study contribute to improving the brand image (BI) of MUJI stores in Nanjing, Jiangsu Province, China, as shown in Table 7.

**Table 7:** Summary of SLF indicator values for 4C marketing mix variables

Variable La-ten		Indicator	SLF
Customer (X1)	X1	Brand reputation	0.82
	X2	commodity price	0.86
	X3	Product quality	0.79
	X4	Service attitude	0.75
	X5	In store environment and layout	0.75
Cost (X2)	X1	Style types and update speed	0.24
	X2	Convenient online and offline delivery	0.89
Convenience (X3)	X1	brand image	0.69
	X2	Details of MUJI product normalization	0.80
Communication (X4)	X3	Product Environmental Protection	0.78
	X1	Convenient communication between the platform and users	0.85

## Recommendations

*1) Expand channels for customers to obtain preferential information and strengthen employee knowledge assessment*

In Jiangsu Province, Muji flagship store in Nanjing attaches great importance to WeChat official account as an important information communication channel (Jayant et al., 2020). Customers usually get preferential information through the official account before deciding to buy, so it is necessary to pay attention to the operation and management of the official account, especially to find and solve the existing problems from the perspective of customers. For example, adding new products to subscription promotion articles can help customers arrange their purchase time more effectively. At the same time, ensuring the comprehensiveness of promotional information, providing detailed information for different products through classification sections, and improving user experience.

*2) Clarify advertising and brand differences, optimize localized advertising strategies*

In the context of cross-border operations, there are fundamental ethnic and cultural differences between different countries, which clearly requires adaptive changes in the advertising model of enterprises. Companies with significant brand differences are more likely to attract consumer attention, and users of the brand will be given a higher degree of loyalty, trust, and following. MUJI products have entered the international market, and their advertising should allow for some changes in local differentiation.

*3) Enhancing crisis awareness and conducting crisis management*

No matter how well-known the enterprise is, every enterprise cannot avoid crisis. For enterprises, crises can occur at any time. If the measures taken to handle the crisis are not appropriate, it will bring a fatal blow to the brand image and corporate reputation (Hidayah et al., 2021). Therefore, enterprises should have pre-control, post-processing, and crisis summary for brand crises. In the pre control stage, enterprises should recognize the importance of media and establish good relationships with the media. The root cause of the crisis is not the media, but it may be an amplifier of corporate crisis. After the incident, enterprises should resonate with the media, let them know the truth, and guide them to objectively and fairly report and evaluate the incident.

## Conclusions

This paper uses the 4C theory as a theoretical framework to analyze the marketing performance of MUJI stores in Nanjing, Jiangsu Province, China under brand image. Through the analysis of consumer, cost, convenience, and communication, this paper explores how the flagship stores of MUJI stores in Nanjing, Jiangsu Province, China have achieved success in these areas. The specific summary is as follows.

The mean of brand image is 3.77, with a standard deviation of 0.57, indicating that the majority of respondents have a high level of evaluation of brand image, and the evaluation fluctuation



is small, indicating that brand image is generally stable and positive in the sample. The correlation coefficients between variables display the strength and direction of their linear relationship. The correlation coefficient between brand image and customer satisfaction is 0.44, with a significance level of  $p < 0.01$ , indicating a significant positive correlation between the two. The correlation coefficient between customer satisfaction and cost is 0.37, with a significance level of  $p < 0.01$ , indicating a moderate positive correlation between the two. The correlation coefficient between cost and convenience is 0.43, with a significance level of  $p < 0.01$ , indicating a significant and strong positive correlation between the two. The correlation coefficient between convenience and communication effectiveness is 0.59, with a significance level of  $p < 0.01$ , indicating a significant and strong positive correlation between the two.

**Brand image and customer satisfaction:** Although the impact of brand image on customer satisfaction is weak, it is still significant. It is recommended to further strengthen the brand's market communication and image construction on the basis of maintaining the existing brand image. **Cost and convenience:** The significant positive correlation between them indicates that when formulating pricing strategies, the improvement of service convenience should be considered to enhance customer acceptance of costs. **Convenience and communication effectiveness:** The strong correlation between them highlights the strategic importance of improving customer satisfaction and loyalty by providing convenient services and effective communication.

In summary, MUJI has successfully applied the concept of 4C theory and achieved significant market performance, which can further improve and optimize the brand marketing strategy of MUJI flagship stores in Jiangsu Province and Nanjing City under the 4C theory, enhance customer experience and brand value, and enhance market competitiveness.

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