

Analyzing the Strategy for Maintaining Sales Popularity of Hongxing Erke

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Abstract: In 2021, the national epidemic in China will have reached a turning point before the country opens up. Hongxing Erke donated millions of yuan to the disaster area in Henan at this time. This article studied Hongxing Erke's fading out of the consumer's sight after the explosion. The purpose of this study was to explore how brands can maintain their popularity. This paper adopted the empirical research on Hongxing Erke and conducts further research with reference to brand-related papers. The conclusion of this study was that the brand needs to maintain brand popularity through perfect publicity, excellent update speed, and a special brand concept. If these conditions were not met, consumers would gradually forget the popular brand over time, and the brand would gradually lose its development opportunities. Brands need to skillfully use new media to increase popularity, greatly accelerate the update rate of products, deepen the brand concept, and ensure that their brand popularity can continue in all aspects.

Keywords: Hongxing Erke, brand marketing, marketing strategy

1. Introduction

1.1. Research Background

In 2021, the national epidemic in China has reached a turning point. Most cities are facing a lockdown situation. A large number of urban and rural enterprises have stagnated due to the epidemic, and a large number of enterprises are facing a semi-difficult state of recovery. In such a complex social environment, Henan province was caused by the storm, and many urban rescue teams received orders to set out to assist Henan province. Due to the long epidemic, most enterprises were empty, but Hongxing Erke donated 50 million yuan to the disaster area in Henan at this time. In the new media era of Internet circulation, the news has been forwarded, recognizing and praising the practice of Hongxing Erke. In just a few minutes, people poured into the broadcast rooms on various platforms to buy the products of Hongxing Erke, and the turnover exceeded 90 million yuan in two hours. After such an explosive, people's evaluation of Hongxing Erke seems to have reached the forefront in their hearts. People gradually define it as a domestic patriotic brand. Hongxing Erke has gradually changed from an unknown small brand to a hot star brand, but this image has not been maintained for a long time. Nowadays it seems to have returned to its original position.

In the past two years, some domestic research scholars have also paid attention to the Hongxing Erke brand and carried out research and exploration from different angles. For example, Ren studied

the online marketing event of Hongxing Erke in 2023, with Hongxing Erke as the research object [1]. In 2022, Li took "Hongxing Erke" as the research object and studied why the charity label that became popular overnight could not be copied [2]. Feng and others studied the brand value improvement strategy of Hongxing Erke under the background of wild consumption in 2022 with "Hongxing Erke" as the research object [3].

1.2. Research Gap

Although there is a lot of research on Hongxing Erke, due to the decline of Chinese fashion and the outbreak of the epidemic, the popularity of Hongxing Erke is gradually declining and has even disappeared from the headlines and people's hot lists. Therefore, what does Hongxing Erke need to do to maintain its brand popularity and improve its brand marketing after becoming an overnight hit?

In the above three examples and most of the articles on Hongxing Erke, it can be concluded that most of the articles have studied the reasons why Hongxing Erke's explosion and other brands cannot be replicated, but there is little mention of how Hongxing Erke made the brand maintain its peak of sales after the explosion. Brands need opportunities to become popular, but how to maintain the same height after obtaining valuable opportunities is the most important issue to pay attention to and the key to maintaining sales. If it can find a way to make Hongxing Erke continue to be popular, it will be of extraordinary significance to a domestic brand with mediocre sales performance, and it can also help Hongxing Erke expand into more markets. In terms of theoretical value, this not only provides a reference for Hongxing Erke's other brands. From the perspective of Hongxing Erke's company, if it could sum up experience and learn lessons from this protection practice, it will be more conducive to the company's understanding of the sales market and making products that are more in line with consumers.

In the following content, the official data from Hongxing Erke's official website will be used for analyzing the marketing strategy of Hongxing Erke. This paper will mainly focus on the means of product quality marketing and consumers' perceptions of the brand.

2. Case Description

Hongxing Erke Group was established in June 2000 and successfully listed in Singapore in 2005, making it the first indigenous sports brand to do so. The company has two global brands, "Hongxing Erke" and "ERKE," which provide sports shoes, apparel, and a variety of sports accessories. In 2007, Hongxing Erke recommended that the "TO BE No. 1" brand spirit proposition, sponsored by the North Korean Olympic delegation with an international brand marketing strategy, pave the way for the Hongxing Erke brand to be internationalized. Hongxing Erke's corporate culture is one of people-oriented, scientific, and technical innovation. Hongxing Erke's unwavering goal is to build a century-old enterprise and a century-old international brand. Hongxing Erke sponsored the Olympic Games' first gold medal in the "women's weightlifting 48 kg class" in 2008. Hongxing Erke has extensively collaborated with international high-end sports events, landing in NBA competitions, collaborating with La Liga, and collaborating with the International Table Tennis Federation to sponsor the Qatar Open, laying a solid foundation for brand internationalization and actively advancing toward it. Open the way to internationalization for the Hongxing Erke brand with an international brand marketing strategy. Hongxing Erke is unpopular throughout the industry, and the general population believes it is just another domestic good.

On July 21st, 2021, Hongxing Erke's Weibo page reported that it had sent 5000 of goods to Henan to aid in the disaster's relief efforts. As soon as the news was broadcast, this braiset that had been silent for many years reappeared in everyone's vision. However, the abrupt appearance is certain to raise questions. A lot of people are wondering about it. Spend \$5,000 to demonstrate, Pay close

attention to marketing. But when people dug deeper, all in the belly of a gentleman in the heart of a villain, Hongxing Erke, as an old domestic brand, didn't have a lot of money to spend on marketing, and no capital was willing to help them. They are more concerned about international brand mergers. When you include Hongxing Erke in the pandemic in 2021, Hongxing Erke may confront more than simply an unprofitable and partially indebted scenario. When people realize that the truth has entered Hongxing Erke's studio, For wild consumption, what I did not expect was for the entrepreneurs to issue a statement encouraging consumers to act rationally. He stated that the product quality was great. People are buying as much as they can. It was an impulsive purchase. When the impulse passes, he agrees absolutely to a return. One of the most popular comments up to the evening of the contribution was, "It feels like you're going out of business, and you donated so much." Onlookers quickly liked the post, which earned 683,000 likes. TikTok sales yesterday exceeded 63 million, with a peak period of 855,000 people watching at the same time, for a total of more than 67 million people in the broadcast room [4]. In 2020, revenue will be only 2.84 billion yuan, but with the donation and revenue of 35.51 billion yuan from industry leader Anta, TikTok sales will be only 2.84 billion yuan in 2020 [4].

It is evident that the brand, which had practically vanished from first-tier cities previously, was neither the anchor nor the leader of the company poised to become famous. Hongxing Erke's popularity has now been restored to where it was before the donation event. And it has progressively disappeared from consumers' minds. Ten months after the incident, Hongxing Erke's popularity quickly faded, and it returned to its former brand image.

3. Analysis on Problem

3.1. Insufficient Brand Promotion

Hongxing Erke's brand publicity is not strong enough. After the incident, Hongxing Erke suddenly reported the goods, but because of the lack of advance preparation acient inventory, Hongxin Erke was once again sold off the shelves after a large number of customers poured into the live broadcast room. At this moment, the president of Hongxing Erke came forward to claim that he hoped that everyone would not be excited, consume, and consume rationally. However, netizens were extremely popular at that time, so thy still maintained a strong consumption ability. Hongxing Erke was very popular within a month, but in the follow-up process, Hongxing Erke did not actively follow up on the marketing strategy, did not withdraw from the updated marketing strategy on TikTok, Taobao, and other sales platforms, did not actively launch new products during this period, but broadcast live as usual, so it led to world fever. After passing through Hongxing Erke's consumption transaction volume, it returned to the past. Lots of researchers have proven the importance of publicity. For instance, Li and Hu mentioned that the publicity of new media can positively affect the brand value, improve the brand awareness of the company, and change consumers' views on the brand [5]. Hu also mentioned that authorized teahouses, economic interests, and cultural communication keep pace with the times, effectively increase publicity, and improve popularity [6].

3.2. Product Design Requires Real-time Follow-up

The product design update rate of Hongxing Erke is not fast enough. Hongxing Erke is an old brand in China. Before it became popular, the speed of product upgrades was actually slow. After getting rich overnight, the brand is not ready for a large number of consumers to consume it. Judging from the current market, the products of most brands are updated very quickly. For sports brands, product diversity has also become one of the most important reasons for consumers to choose them. In the two popular months, Hongxing Erke did not vigorously launch new products or lay the foundation for the promotion of its brand's new products. On the contrary, it blindly caught up with the number

of previous orders, so that consumers had no products to buy or consumption places to go during the period of high consumption desire and missed the best marketing period. In addition, Hongxing Erke's products do not reach the best level in appearance and quality, so when people's enthusiasm passes, Hongxing Erke no longer has an absolute advantage.

Ou and Wang once mentioned that brand renewal is to constantly stimulate consumers' curiosity and maintain brand value and life cycle while maintaining core values [7]. Update the inner essence and external design of the brand so that consumers can recognize and accept it and maintain brand value and life cycle while maintaining core values [7]. Update the inner essence and external design of the brand so that consumers can recognize and accept it. Tian mentioned that in investigating high-tech products, the results showed that all businesses hope to get the greatest benefits from the short life cycle of high-tech products [8]. It is very important to have product awareness [8].

3.3. A Strong Brand Concept Is Needed

The Hongxing Erke brand was unable to finish consolidating its own brand concept on its own. The idea of a brand is an immensely significant component, and it has a huge impact not only on whether or not customers want to buy a certain product but also on which brand they choose to purchase when they are seeking the same thing. This is because people place a great deal of importance on the reputation of the company behind the product. As soon as the name Hongxing Erke is mentioned in the same sentence as other locally produced goods, people's minds will automatically go to the brand since the idea that drives it is so compelling. In fact, Hongxing Erke is in a better position to play a more clarifying role in presenting their brand concept, as well as the national belief and unity of domestic products, in order to develop a brand concept that is both long-lasting and sustainable. This is because Hongxing Erke has been in business for a longer period of time and has more experience. In the article that Yao wrote, it is said that the easier it is for customers to identify and be loyal to a brand, the clearer the concept of the brand is. If the idea is firmly ingrained in people's hearts, it will have a powerful influence on the market, and customers will be more likely to identify with and be loyal to it. If the idea is thoroughly ingrained in the minds of the population, it will have a significant impact on the market. It is simple to replicate modeled products, but an organization's intangible culture is where the actual competitive advantage lies [9]. According to the findings of Sun's research, culture helps the industry, and cultural packaging items generate obvious and distinct brand advantages. Because of this, the concept of a brand is extremely significant [10].

4. Analysis on Problem

4.1. Using New Media to Promote

Cleverly use new media to increase publicity. Hongxing Erke can make up for its publicity defects by increasing publicity on various platforms. In today's era, the flow of information is fast, and most consumers will trade on electronic platforms such as Taobao and TikTok. Therefore, it can skillfully use new media to complete online marketing and publicity, which is very important for Hongxing Erke. For example, Guizhou Moutai used new media to carry out its own publicity. Instead of sticking to the promotion of the brand itself, he cleverly joined the national plan and used the new media era and the national brand to have a significant positive impact. The promotion of new media has enabled more consumers to learn about Guizhou Moutai. I also have a deeper and more comprehensive understanding of this product. In turn, it strengthens the competitiveness of brand enterprises in the industry.

If Hongxing Erke could adopt this publicity method, it will let more people know that Hongxing Erke would be still working hard in the general environment of the sports brand. It would also let more consumers know the difference between Hongxing Erke products and other products. A well-

known person with a certain fan base can also effectively attract consumers to speak for Hongxing Erke. When consumers repeatedly watch promotional videos, it can greatly stimulate consumers' purchasing power.

4.2. Speed up Producing

The product update ought to be moved up a significant number of notches by Hongxing Erke. Because the day-to-day demand for a brand's products among consumers is continuously growing, brands are under greater pressure to promptly refresh their offerings. For instance, in this day and age of new media, several well-established firms have revamped their product lines. Put up a lot of effort to create things that people like. Create a picture that is more stunning. Increase the depth of the relationship between the components of the brand and the traditional culture. In addition, the purpose of the product update is to establish new objectives. The market no longer adheres to the market in which it was initially established but instead concentrates on a more long-term perspective and concentrates on more consumer markets. to acquire more brand resources for mastery.

If Hongxing Erke were to put this plan into action, the finished product would have a higher perceived value on the international market, which would make potential customers more interested in purchasing it. In terms of the product's functioning, it should strive to improve and modernize the consumer's perception of the need to repurchase the product. This allows for the popularity of the brand to be preserved.

4.3. Deepen the Brand Concept

The Hongxing Erke brand concept has to be developed further. The development of a profound brand concept is essential to the creation of a successful brand. A powerful brand aura will be created as a result of the brand concept, which will result in consumers having a strong sense of devotion to the brand and also attracting people around them to buy. Uji Tea, which is produced in Japan, employs the "quality-based" tea-making idea in order to apply the processes of each brand. Additionally, the company has consistently produced co-branded items in order to enhance the impression that consumers have of their brand, which helps them to solidify their brand image and brand concept.

If Hongxing Erke were to follow this recommendation, they would begin by cultivating their own domestic image and brand concept, which would allow them to establish a brand concept with deep roots and promote their own brand image in an all-encompassing manner.

5. Conclusion

The purpose of this research was to investigate the problem of Hongxing Erke within the context of the outbreak of the pandemic. This was done in light of the fact that Hongxing Erke rose to prominence after donating 50 million yuan to the relief effort for the flood that occurred in Henan in 2021, but then disappeared from public view afterward. After combining the pervious studies on brand, this paper found out the reasons of Hongxing Erke's problem. The primary issue is that there is not enough publicity being given to the event. The latest iteration of the product design is not without flaws, and the brand concept does not go far enough. In the end, it was established that in order for a brand to maintain its popularity once it has achieved success, the brand in question needs to have excellent public relations (PR) capabilities, a high rate of product updates, and a brand concept.

This article offers a theoretical investigation of the ongoing development of the brand in an effort to bridge the existing knowledge gap. This article examined, from the perspective of marketing strategy, the question of how companies such as Hongxing Erke retain the appeal of their brand after having enjoyed a brief period of notoriety in the marketplace. This is extremely important for both a brand and a company because the only way to ensure the continued existence of a brand is to choose

the appropriate marketing strategy and development plan. This brand is also capable of competing for a significant amount of time in a variety of brand competitions. This brand has the ability to supply customers with an ongoing feeling of freshness, which in turn can improve the customers' desire to make a purchase. This is obviously very important for the development of new brand ideas.

The negative is that the data analysis and application are not very perfect, which may result in data that is not fine enough. As a result, the analytical findings may differ from the most realistic market response. Because the entire piece includes less data application, the conclusions of many consumer and market surveys may lack some persuasiveness. Imperfect analysis will result in biased results, and the applicable steps performed may not be appropriate for the brand's present development. In other words, when the brand experiences unexpected issues, it is unable to provide a decent, perfect, and timely answer. Future development for the brand will also be considered. There are several limits, so future research should focus on improving data application, obtaining real customer interview reports, and analyzing the essence of real market data. It is more persuasive to utilize more models and scientific analysis methods while conducting research, to use as many distinct models as feasible, and to examine the same problem to get the same result.

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