

# Marketing Plan for KEON Products Exhibiting at MosHome

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**Abstract:** *MosHome was a large international exhibition held in Moscow from March 28<sup>th</sup> to March 30<sup>th</sup>, which was attended by a large number of brand parties from all over the world. Shanxi Coking Coal Group International Trading Co., LTD (SCCGIT), an international trading company, is trying to expand its business on fast moving consumer goods (FMCG) to the Russian market through this exhibition. With the purpose of looking for new buyers and suppliers, Shanxi Coking Coal Group decided to bring its cooperative brand KEON to participate in the exhibition. KEON belongs to Nafine Chemical Industry Group Co., LTD, whose production and sales volume of products on detergent series rank high in China, such as laundry powder, soap, liquid washing. KEON owns a broad marketing and complete market service network system. At the same time, it has its own import and export companies with regular and established international customers. Its products have been exported to 27 countries and regions, creating an annual foreign exchange of 30 million U.S. dollars. As a large state-owned enterprise in Shanxi Province, SCCGIT mainly carries out import and export business of coal and its chemical products, mineral products and FMCG. The company's major business model is the effective integration of various supply chain services, such as enterprise technology issues, procurement and processing, warehousing and logistics. Moreover, under the strong support of the Group, SCCGIT has also developed new business field in basic living materials category. This plan aimed to help the exhibitor KEON to advertise and market the exhibition activities from the view of a trading company. It is hoped that the marketing program of this study could enable the brand KEON to find suitable buyers at the exhibition and lead to the formation of a new business chain for the trading company.*

**Keywords:** *KEON, home furnishing exhibition, international trade, marketing plan*

## 1. Introduction

The trade content of Shanxi Coking Coal Group International Trading Co., LTD is mainly focused on the wholesale and retail, technology development and services, import and export trade on coal, coke, steel, iron ore, chemical products, etc., market information consulting and services, road and sea cargo transportation, warehousing services, and logistics distribution. At present, under the strong support of the Group, it has opened up a new business field in basic living materials category. In order to support the development of the corresponding business unit, the Group has strongly encouraged the basic living business unit to tap into the markets of various industries around the world. It is also a new attempt for the company to sale daily chemical products. Since KEON is a reliable brand with strong competitiveness, the company believed that it was eligible for KEON to be an exhibitor in the MosHome, which will not only help KEON to further expand the Russian market, but also expand the company's FMCG business to the Russian market, so as to look for new purchasers and suppliers.

The main products of KEON in this exhibition include laundry detergents (aroma long lasting laundry detergent, lavender scented laundry detergent, vegetable soap extract, enzyme laundry detergent, de-bacteria laundry detergent, de-mite & anti-bacteria laundry detergent), soap powder (colorful vegetable soap powder and de-mite soap powder), laundry soap (underwear de-mite & de-bacteria soap, underwear anti-bacteria soap, premium de-bacteria soap, ginkgo moisture soap, premium whitening soap, sulphur soap, A3+ colorful soap) and some other products.

After analyzing the sales volume and production volume of KEON's products over the past two years, we believed that this exhibition was a good opportunity to expand the overseas market. The relative business units in the company also made a lot of preparations for MosHome, hoping that this study's planning could help KEON's products find suitable partners.

## **2. Planning Background**

### **2.1 Exhibition Introduction**

MosHome is an international exhibition for daily consumer goods, home decoration and hardware products, which is held once a year. MosHome provides a professional international trade platform for global enterprises to enter the market of Russia and its neighboring countries, where exhibitors could display new products and technologies, publicize their brands, establish business cooperation with buyers, and learn about the latest information of the industry.

Against the international background of sanctions against Russia from Europe and the United States, the prospects of cooperation between China and Russia are very broad. Meanwhile, Ruble and RMB could be directly settled, providing more convenience for China to explore the Russian market.

### **2.2 KEON**

#### **2.2.1 KEON Brand Background**

Nafine Chemical Industry Group Co., LTD, to which KEON belongs, has the world's third largest sulfuric acid Na-type salt pool, the Yuncheng salt pool. Its annual output of sodium sulphate could reach 4 million tons, ranking the first all over the world. International daily chemical giants, such as Procter & Gamble, Unilever, are all the clients of Nafine Chemical Industry Group Co., LTD buying sodium sulphate. As the domestic market tends to be saturated, KEON has gradually turned the development direction to foreign markets<sup>[1]</sup>.

Previously, KEON has released some products in some chain retailers and supermarkets in Russia. According to research data, it was shown that detergent products in the supermarket price was about 139 rubles, equivalent to 12.7 yuan. It was basically the same as the price in China's domestic market and it was cheaper than the local daily chemical products in Russia, thus owning a certain advantage in the price. This exhibition was also aimed at cooperating with more downstream customers and further promoting the share in the Russian market.

#### **2.2.2 Brand Positioning and Brand Advantages**

As a brand with high quality and cheap price as well as favorable performance in washing and cleaning effect, KEON is a national inspection-free product and a Chinese famous brand product. Its raw materials are taken from the company's own resource base, so the products have unique advantage in high quality, low cost and market competitiveness. At the same time, KEON, supported by a state-owned enterprise, has strong financial support, standardized production systems and huge production scales. As a national product boutique entering into Russia, KEON has got the protection and support of the relevant national export foreign trade policy.

#### **2.2.3 Existing problems of the brand**

Production aspect: Compared with the main competitive brands, the product power is weak, and the link space is insufficient. Besides, the product structure adjustment is slow.

Channel aspect: The quality and the number of customers have declined. The number of effective stores for customer service has declined. Moreover, the development of blank markets and the integration of online and offline are slow.

Market operation: The effect of the use of online system, the effectiveness of the expenses, and the quality of the key work need to be improved.

## **2.3 Current Situation of Cleaning and Toiletries Industry**

### **2.3.1 Current Situation of the Cleaning and Toiletries Industry in the Chinese Market**

The rapid expansion of advanced production capacity in the industry and the low-cost competition brought about by large-scale production are the main features of the current competition in the daily chemical industry. The detergent category is also accelerating its iterations according to consumer demand, which is mainly manifested in the gradual diversification of functions and fragrances, including de-bacteria, de-mite, fragrance retention and odor removal (As shown in figure 1).

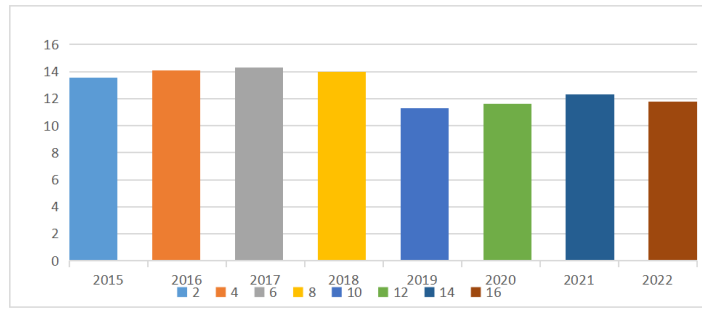


Figure 1. Output of China's cleaning industry during 2015-2022 (unit: million tons)

The statistics in the figure above were issued by China Cleaning Industry Association (CCIA)<sup>[2]</sup>. One could find from the figure that due to COVID-19, the demand for residential and public washing increased significantly in 2020 with the output of detergent products rising to about 12.8 million tons, which is the highest output over the past four years. In 2021, the output of detergent products in China was 11.7 million tons with a year-on-year decline of about 8.6% (As shown in figure 2).



Figure 2. Month-on-month trend of clothes cleaning and care industry

According to the figure above, the clothes cleaning and care Industry basically showed a growing trend in visitor index and business opportunity index from the end of last year to the beginning of this year. The visitor index rose from the lowest of 2,500 in December 2022 to nearly 3,500 in March 2023. The business opportunity Index rose from the lowest of 510 in December 2022 to nearly 700 in March 2023. One could find that the industry situation of the clothes cleaning and care industry has been improving since the end of 2022. With the economic recovery, there is an increase in demand among consumers. Meanwhile, with more business opportunities, competitors are becoming active again.

### 2.3.2 Cleaning and Care Industry in the International Market

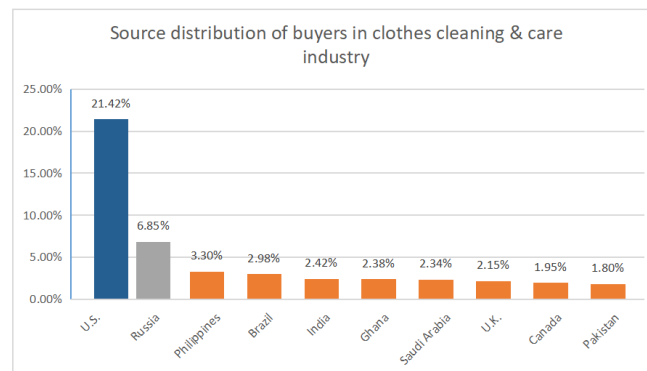


Figure 3. Source distribution of buyers in clothes cleaning & care industry

Major buyer sources: NO.1 U.S., NO.2 Russia, NO.3 Philippines, NO.4 Brazil, NO.5 India. Among them, the buyer index is 1,679 with a year-on-year growth of 52.24%. Seller index is 150, registering a year-on-year decline of 6.35%. Product index is 661 with a year-on-year decline of 8.51%. Business opportunity index is 3157 with a year-on-year growth of 42.95%. Buyers mainly from the US, Russia,

Philippines, India, and Saudi Arabia prefer searching the following hot terms: household clean tool accessory, laundry product, clean product, laundry detergent.

As can be seen from the figure 3, among the top ten countries that are the major buyers of clothes cleaning and care industry globally, the United States occupies about a quarter of the share with around 21.42%, followed by Russia which occupies the second largest share with around 6.85%. Therefore, the U.S. and Russia could be regarded as the two countries with the largest demand for clothing cleaning and care products worldwide, and also the two countries with the largest market.

**3. Planning Objectives**

We aimed to increase brand awareness and reputation, and increase product sales at on-site points of sale. Meanwhile, we also aimed to seek new cooperative traders to broaden the Russian market and gain a certain market share. Besides, we planned to cultivate key customers and focus on strategic users to lay a sound foundation for the long-term development of the enterprise.

KEON's offline retail sales target was to reach an annual total sale of 20 million RMB in the first year and nearly 30 million RMB in the second year. We hoped to build up the operation and sales team in Russia and publicize the brand image with minimum investment and fastest speed, so as to ensure the company's strategic goals.

**4. Strategic Planning**

**4.1 Strategic direction**

Combining the current business environment, industry development trend and consumption trend in China and Russia, we planned to build a market-oriented operation mechanism in two-tier. Marketing empowered by digitalization was taken as the key to building channel networks. By focusing on breakthroughs, and increasing sales and efficiency, we actively planned to expand the business of new retail channels and comprehensively improve our product power, channel power and branding power, so as to achieve sustainable and high-quality development of daily chemical products for the brand<sup>[3]</sup>.

**4.2 Market Development**

We planned to change our ways of thinking from customer thinking to development thinking. We should define specific goals, establish market integration consciousness, and accelerate the development of blank market share. We should also develop a path to focus on the store, select and determine business, divide channels, create products for the channels, and ultimately realize the sale of products.

We would carry out potential mining. When developing hard areas in the blank market, we should prioritize clients with business sense and development potential, so as to achieve the target of entering rate according to the main principles of blank market development.

We would promote flexible operation. The newly developed market operation should unlimitedly amplify sales as long as the baseline of gross profit is secured. The sale model in which top-selling products would be sold with complimentary high gross profit products should be utilized and the terminal systems should be operated as clients.

**4.3 SWOT marketing theory**

Table 1 shows KEON's SWOT analysis:

*Table 1. SWOT analysis[4]*

KEON	Strengths	Weaknesses
	1.Large number of factories and workers 2.Excellent advertising and promotion 3. High product quality and variety of products 4、 Low to medium price to meet market demand 5, Good financial situation to support large orders	1.Slightly poor on network marketing 2.Many more powerful competitors 3.A potential increase in transportation and storage costs due to domestic production

<p><b>Opportunities</b>                  1.Favorable market environment                  2.rapidly growing market capacity                  3.Some competitors' production is not so good as KEON                  4.Part of the market has not been occupied by all brands                  5.Having domestic policy support</p>	<p><b>SO Strategy</b>                  1. Utilizing advantageous conditions such as advertisement and promotion to occupy the rapidly expanding market share                  2. Selecting products that meet the needs of Russians, attracting local buyers and occupying the untapped market.                  3. Increasing publicity at exhibitions and increasing investment in advertising and promotion in the future to enhance the competitiveness of products</p>	<p><b>WO Strategy</b>                  1. Maintaining the basic offer of the product, and adjusting it according to the reality.                  2. indicating in the negotiation that the Russian market would be prioritized on the basis of stabilizing funds and production capacity in the domestic market, so that rapid feedbacks could be obtained after the products are put on the market, and the core competitiveness of enterprises could be enhanced.                  3, clarifying to the buyer that warehouses in Russia has been set up to facilitate logistics directly into the warehouse.</p>
<p><b>Threats</b>                  1. The Russian-Ukrainian war situation remains uncertain. The situation might change in the future to affect the market capacity                  2. Due to rapid expansion of some brands, market share was seized by competitors in advance.</p>	<p><b>ST Strategy</b>                  1. For market whose capacity may decline due to potential war factors, a certain market share should be occupied in advance. It is appropriate to improve advertising and promotions to ensure that consumers would ultimately choose KEON products                  2. By enhancing research and development, we should promote the competitiveness of the company's products, stabilize its market share against the giant companies</p>	<p><b>WT Strategy</b>                  Making a sound capital budget, controlling corporate cash flow, and establishing risk and contingency mechanisms</p>

**5. Detailed Plan**

**5.1 Product Strategy**

Our products, as cleaning products, mainly face the furniture consumption area such as families and hotels. Combined with the actual situation in Russian market, we planned to select a few products as breakthrough products. These breakthrough products were aimed to promote sales and play a role of securing basic sale scale and increasing sales in the rapid recovery of the basic size of sales (As shown in table 2).

*Table 2. KEON product planning*

Category	Product Planning
Powder	Selecting quick-fix powder of (2600g + 300g) * 4 and quick-fix powder with nozzle packaging bag of (4.5Kg + 500g) * 2 as exhibition products.
Soap	Selecting combination products with 202g*3*12 of KEON Colorful Laundry Soap (three mixed color for antibacterial and de-mite). Planning to be featured and differentiated for display in omni-channel stores to quickly capture soap sales.
Dishwashing detergent	Selecting Lemon rejuvenating dishwashing detergent of 1Kg and 1.5Kg to participate in the competition of the transparent category of the market hotspot in the omni-channel. Selecting dishwashing detergent of 20Kg to participate in the competition to cater food market and channels.
Laundry detergent	Selecting Aroma antibacterial Laundry Detergent of 3Kg (upgraded bottle). Adopting 5Kg Vantage Laundry Detergent for terminal channels. Using Fabric Softener of 2.5Kg with the brand new package.

Powder was assumed to play a basic scale role. we planned to mainly focus on the two series of quick-fix and lavender. On the basis of maintaining a stable price level, we would focus on accounting for the balance between sales and price, selecting single products to put into the market in turn, so as to achieve sales breakthrough on the single product. Soap was assumed to undertake differentiated product promotion and channel incremental tasks. We planned to focus on sales breakthroughs on underwear soap, whitening soap, colorful laundry soap. Dishwashing detergent was assumed to undertake the task of expanding the scales in the circulation channel. While we planned to stabilize the lemon ultra-clean dishwashing detergent sales, we would also focus on sales breakthroughs by rapidly putting the

transparent series of new products into the market. Liquid washing is the development direction of the washing industry, and is the main position of the category of omni-channel competition. While stabilizing the sales of existing single product, we would focus on developing individual single products. Meanwhile, we would constantly supplement and improve the category specialization products to cultivate new sales growth points.

At the same time, according to investigation online and offline, we found that many of Russia's local cleaning and toiletry brands attach great importance to environmental protection and natural additive-free ingredients. Besides, the state requirements in this regard are also very strict. Among KEON's products exhibited this time, the underwear soap, laundry soap and powder all choose to use natural soap base, coconut oil extract. All these ingredients are natural and pollution-free, which is in line with the Russian people's purchasing needs and preferences.

### **5.2 Price Strategy**

In this study, we agreed with the KEON's basic price strategy and believed that the price should be set basically at the same level as in China and slightly lower than the Russian brands in the same industry. KEON intended to use more personalized advertising to achieve flooding coverage, increase the strength of publicity, and increase the strength of holiday promotional activities. Through the activities, the emotional connection with consumers could be enhanced, so as to shape a more visceral brand value<sup>[5]</sup>.

Under the premise of ensuring the interests of the brand, we planned to ensure that the link profit of the retail stores, improve promotion enthusiasm among the retail stores and increase product promotion. Operation prices should be managed and controlled under the group according to the corresponding channel. Meanwhile, we also planned to launch online purchase channels in Russia, so as to ensure online and offline retail price control and to achieve the same product and the same price online and offline.

### **5.3 Place Strategy**

We should seize the market gap period, increase publicity, and put the product in large quantities to fill the market gap. We should achieve breakthroughs by locking key customers and key stores. In this way, the local market breakthrough could be achieved through point breakthrough. After finding a stable customer base and ushering in the maturity period, more different kinds of products could be added to test consumer preferences during the process of placement, so as to avoid pain points. Meanwhile, capabilities on research, development and innovation should be enhanced to improve the core competitiveness of the brand.

At the same time, attention should be paid to the publicity role which online platforms played. By using the integration of online and offline channels to give full play to each advantage, we could gradually form an omni-channel development pattern. Firstly, we should distinguish between product functions. As for products aiming at online promotion, we should hold a high hit to show the brand image. As for products to increase online sales, we should hold the bottom line of gross profit, and rapidly release the sales scale. Secondly, we should distinguish between online and offline product series or specifications to avoid internal conflict.

Before this study, we also surveyed and analyzed part of the Russian supermarket. Taking chain of small supermarkets of "Raz Dva" as an example, we found that "Raz Dva" are mostly concentrated in residential areas with a closer distance compared to large supermarkets. At the same time, the supermarkets could ensure that customers can buy all the daily necessities and realize a high level of service with cheaper prices than those in commercial zones. Besides, the shopping environment is always comfortable and bright. It is suitable for KEON's product placement as it meets the pricing of KEON's products and the concentration area of the consumer group. Therefore, in this study, we intended to try to achieve cooperation with these major Russian superstores to expand offline retail outlets to cover cities and towns.

### **5.4 Promotion Strategy**

As for supermarket chains, we planned to promote vigorously in various large international festivals, supermarket membership days, anniversary celebrations and other events. For example, on March 8<sup>th</sup>, International Women's Day, we would add extra discounts for female consumers, and offer additional promotions on the basis of discounts in supermarkets. Meanwhile, we planned to introduce family combinations and the specific benefits would be determined according to the actual situation. For hotels

and other customers who need to buy large quantities of products at once, corresponding preferential prices could also be set, and product specifications could be reset according to different requirements.

At the same time, we planned to take the network platform publicity. a professional team should be set up to dock with the third-party platform to study the operation of community group purchasing and livestreaming marketing business. By cooperating with Russian livestreamers, we should solidly conduct the job of trial, selection and finalization of products, and actively communicate to quickly amplify the scale of sales. We should also communicate brand personality and brand characteristics accurately to buyers and arouse their interest in purchasing.

## **6. Planning and Design**

### ***6.1 Time and Task Schedule***

January: We planned to negotiate with the brand, select several products with favorable sales performance currently in the domestic market. We would choose representative products among the soap, powder, liquid products. In this study, we decided that the product packaging is still showed in Chinese, keeping the same external packaging as that in the domestic market. KEON decided to participate in the exhibition, and provide quotations, so as to offer more direct and rapid quotation in the exhibition as well as a price positioning for clients. After that, we planned to dock with the factory and select the products to be exhibited, and the factory provided the product parameters and prices, which would be made into a table for easy statistics.

February: We planned to contact the person in charge of the exhibition, and provide the exhibition party with the business situation of Shanxi Coking Coal Group International Trading Co., LTD, relevant information of the person in charge and relevant information of Nafine Chemical Industry Group Co., LTD to which KEON belongs. Meanwhile, we also planned to help our company to complete the exhibition enterprise registration. After that, the quantity and quality assurance of the exhibited products were determined, and the company filled in a series of forms such as exhibitors' forms, invoice packing lists, shipping marks, product descriptions, exhibits warehousing lists, product quotation forms, etc. Moreover, we planned to send the samples of the exhibited KEON products to the exhibition ports in Shanghai and Shenzhen. After that, all the exhibited products would be uniformly dispatched to Russia by the personnel who are in charge of the exhibition.

Besides, we planned to make exhibition brochures, covering company introduction, brand history, brand introduction, product categories, product features and other aspects of the production of the number of pages. The brochure covered a total of 12 pages including the wrapper and back. The content was presented in Chinese, English and Russian to ensure that domestic buyers, international buyers and local Russian buyers could all clearly understand the content of the company's and brand's introduction. After writing a good document and docking with brochure designers, we planned to adjust the layout, design sections, determine the number of printed copies as 200, and send to the Shenzhen port of exhibition. After that, all the brochures would be sent to Russia in a unified way.

March: We planned to make production budgets. The budget of boxing for product export declaration in the FOB was 433 U.S. dollars. The budget of insurance and freight was 25,516.53 U.S. dollars while the budget of CIF was 25,949.53 U.S. dollars. The budget for making brochures was 3,000 RMB while the final offer of the product is subject to the site. We planned to submit the budget and report to finance. After that, we would arrange the relevant colleagues to take charge of it and go to Moscow together. They would make an appointment with the Russian colleagues to set up the exhibition in advance. The exhibition was held from March 28th to March 31st.

### ***6.2 On-site and Publicity Planning***

#### ***6.2.1 Pre-exhibition Preparation***

We planned to set up products on site and design posters and advertising wallpaper to attract customers. Whether all the contents of the exhibition are in place should be checked, including exhibition products, product information, publicity materials and equipment and tools, etc. A booth with two sides open located at the intersection was chosen so that exhibitors coming from both sides can see the products we put up. The overall design of the booth and the preparation of materials, such as brochures and samples, are checked. Exhibitors must wear uniformed formal attire during the exhibition, wearing the company's license plate and the exhibition work card. The division of labor among the exhibitors should

be determined clearly in terms of setting up and taking down the exhibition, distribution of exhibition materials, logistics of attending the exhibition, and classification, storage and collection of goods.

### **6.2.2 During the exhibition**

On the day of the exhibition, there would be professional colleagues in charge of investment promotion to help KEON conduct product introduction and publicity on the spot. They would explain KEON's brand concept and price standard to buyers, and conduct general business negotiations on details such as export freight mode and payment method.

Implementation of exhibition promotion policy:

(1) For potential customers with a very strong intention, a certain percentage of discounts would be given, which could be discussed in detail in the contract signing afterwards.

(2) A discount of 2% off would be given to those who place an order of one million RMB on the spot, and a discount of 5% off would be given to those who place an order of three million RMB.

(3) A discount of 30% off on single products would be offered during international festivals and supermarket store celebrations.

Media reports:

(1) The News center in SCCGIT would prepare a related report with the theme of " SCCGIT participated in MosHome together with KEON" and was expected to be issued on April 2<sup>nd</sup>.

(2) Related reports on Zhihu, the Group's official website and Sohu would be published.

Activity planning on mobilizing the popularity of the booth on site:

(1) Sweeping a QR code for gifts. We planned to give away a bottle of detergent for each person who swept the QR code. The number of people taking part in the daily activities was expected to be 10 people, so the number of daily distribution was a total of 10 bottles. Thus, a total of 20 bottles of two days' activity would be given away. Since the dishwashing detergents were products within the budget and would not be shipped back, the cost was included in all products. They would be given away until the end.

(2) Free product samples for trial. The underwear soap and colorful soap would be given as a gift to customers who were interested in cooperation as well as confirming cooperation on the spot. Those soaps could be provided for trial. On the second day of the event, customers interested in any product could choose to pick samples to bring back to try. All products would not be shipped back at the end of the exhibition and would be distributed until the end.

### **6.2.3 Post-exhibition**

According to the feedback from the exhibition, clients could be prioritized and organized. For example, it could be classified into A, B and C levels. Clients in the A level could confirm the purchase or have immediate purchasing intention. Clients in the B level have to consider purchasing in the next six months. Moreover, clients in the C level aim to collect information for future purchasing. Furthermore, we should follow up and track potential clients, keep in touch with customers, and build a group to communicate with clients who have reached a preliminary agreement with the person in charge of KEON. Complete product information and prices, detailed parameters, product categories and other information should be provided to clients, so as to follow up on the subsequent client access and contract signing.

## **7. Conclusion**

In this study, we docked samples with factories and selected some products that could meet the demands of the Russian market, satisfy the preferences of consumers, and reflect the brand concept and technological innovation. We also communicated with the exhibition staff, registered enterprise information, applied for booths, and filled out relevant documents and information. Pre-publicity work was mainly focused on the production of exhibition brochures. Besides, we also sent the brochures and exhibited products to the warehouse in Russia, waiting for the exhibition. This study believes that the above scheme is helpful to open up the market of KEON products.



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