

A Study on Successful Brand Promotion Strategy of Coway

Dr. Padmalini Singh¹, Divya S², Lim Chee Shan³, Daisy Mui Hung Kee⁴, Lee Zhen Wei⁵, Hong Chin Yee⁶, Mao Xinyu⁷, Nurul Diana Binti Jamry⁸, Oh Zi Jian⁹, Nor Ramadhani Binti Arsathali¹⁰, Nurul Erni Athirah Binti Kamaruzzaman¹¹

RV Institute of Management^{1,2}

Bengaluru, Karnataka, India

Universiti Sains Malaysia^{3,4,5,6,7}

Gelugor, Pulau Pinang, Malaysia

Kolej Vokasional Batu Lanchang^{8,9,10,11}

Jelutong, Pulau Pinang, Malaysia

Correspondence Email: singh.padmali@gmail.com

ORCID ID: 0000-0003-3617-3774

ABSTRACT

The innovation of industrial technology is growing rapidly every day. One of them is The Coway company which produce air purifier and water purifier, whose main vision is to preserve an environment. This company has branches in India and Malaysia. For our research study, we have considered consumer products such as air purifier and water purifiers with marketing communication channel which will affect public's buying behavior on Conway products. There are various marketing promotion channels to be used by companies and however, the best way to reach the customers are always challenging. This study involves primary data through a survey and involves to identify the best promotion channels that the public in India and Malaysia would vote for. This study helps Coway to promote their products through best strategy so that they can increase the market share through consumers feedback in terms of promotion strategies.

Keywords: Marketing Research, Purifiers, Coway, Marketing Promotion Communication Tools, Consumer Preference, Word Cloud

INTRODUCTION

Coway is vacuum cleaners' company the Republic of Korea with headquarters and R&D in Korea, having 5 overseas subsidiaries, 4 Production plants, and Logistic center in Netherlands. Coway has 45% of the market share in South Korea in 2018. The products, such as water filtration, bidet, air purifier, and water softener with market share 55%, 47%, 44%, and 62% respectively. Coway's subsidiaries are located in China, Thailand, Malaysia, Indonesia, United States America, and Logistics Center in the Netherlands as of 2020. In May 2008, Coway successfully acquired "Saehan", a leading company in the R/O reverse osmosis membrane manufacturing industry. This has strengthened Coway's advantage and leading position in the world water appliance industry.

SWOT Analysis

Strength:

- Coway sells its product by leasing, where the customers can benefit from hire purchase method.

- The persons who are seeking a high quality of the healthy and clean environment to their family are the most suitable customers to purchase Coway's products.

Weakness:

- Less diversified distribution methods
- Not popular in India

Opportunity

- A worse changes environment and public awareness about the importance of health and clean environment.
- Growing need for fresh air and pure water.

Threat

- Cuckoo is one of the competitors for the market of the water filtration and air purifier products, using the same distribution channel to reach the customers.
- There are many competitors for Coway in Indian and Chinese Market.
- The Covid-19 pandemic greatly affected the incomes of the public, and some of them do not have stable incomes as previous and unable to afford the products.

Pest Analysis

1. Political Environment

The government of India is revamping up its network of air quality monitoring stations. The equipment comes from the foreign shores. Coway has received halal certification from the Department of Islamic Development Malaysia (JAKIM) for their products. This would be one of the reasons that Coway is the trusted brand in Malaysia. The Government of the People's Republic of China has launched the Belt and Road Initiative (BRI) which involves 138 countries. By this strategy, it will help China gains greater strength in the world economy.

2. Economic Environment

According to the World Bank data, the GDP per capita for China has increased from USD959.372 (2000) to USD10,261.679 (2019). World Bank data showed the GDP per capita in Malaysia was USD4,043.662 in 2000 and increased to USD11,414.838 in 2019. In India, the GDP per capita increased from USD 443.314 to USD 2,104.146 in the last 20 years.

3. Socio-Cultural Environment

- China, with the Capital of Beijing, is the second largest country in Asia with 9,596,961km area. In 2008, China held the Summer Olympic in Beijing.
- Kuala Lumpur is Capital of Malaysia which is located on Malaysia Peninsula. The official religion of Malaysia is Islam and Melayu is the National Language of Malaysia.
- India is the third largest country in Asia with a 3,287,263 km area. New Delhi is the capital of India which is the centre of Rashtrapati Bhavan (Presidential Residence), Parliament House, and the Supreme Court of India. India is a country with diversity.

4. Technological Environment

The Indian Government has a plan for India called, "Vision 2030". The government also created a Digital India to be successful in the digital economy. The government, with

digital technology take the initiative to make India a global manufacturing centre in the various fields such as automobile, electronic, national defence weapon, and medical equipment. Meanwhile, The Government of China is carrying out 2 plans, *Made in China 2025* and *China Standard 2035*. *Made in China 2025* more focuses on manufacturing. *Made in China 2025* aims to improve manufacturing and make China becomes the strongest country in economy. *China standard 2035* will focus on the technology, telecommunication industry and Artificial Intelligence (AI) industry such as 5th generation mobile networks (5G).

In Malaysia, the latest plan launched by the government was the Fourth Industrial Revolution (Industry 4WRD). This program also helps the SMEs to adopt and transfer to the industry 4.0 which has a high technology. In the end, the manufacturer will become stronger based on the technology.

The following literature reviews were collected from an authorized research paper or journals to understand and obtain more information on the topic.

1. S. S. Anugraha, Dr. E. Sambasivan - January 2018

The paper titled "A Study on Effectiveness of Promotional Strategies towards Relationship Marketing in Super Markets of Top Four Cities in Tamil Nadu" demonstrates promotion strategies to customers in order to understand the purchase decisions from the place, type and reason. This study has contributed majorly on the relationship marketing.

2. Syed Hasnain Alam Kazmi - November 2015

The paper titled "Developments in Promotion Strategies: Review on Psychological Streams of Consumers" demonstrates promotion at both brand and product level. The study related to sales promoting decline, their events & its consequences, while this study focuses on evaluating best promotion strategies.

3. Adeel Meo, Muhammad Daniyal Abbas, Muhammad Nadeem Sajjad, Muhammad Rizwan, Sayed shahbaz hussain bukhari, Muhammad Saad Hameed - June 2014

The paper titled "The Impact of Promotional Tools on Sales Promotion" demonstrates the buying behaviour and how sales promotion helps marketers to understand the best promotion techniques to increase sales and revenue. This study also helps the businesspersons to develop their business development plans to attain competitive advantage over their competitors.

4. Mwaawaru Laaru Sarah - 2009

The paper titled "Marketing Strategy in Terms of Promotion and Communication for Energy Drinks in Ghana" demonstrates various opportunities for right promotion and in addition some of the communication variables for energy drink market. The paper also outlines some of the cultural and social beliefs along with expectations associated with brand awareness. This study findings show that some of the most efficient and effective ways of marketing communication are TV advertisement, radio mediums followed by other variables such as personal selling and sales promotion.

5. Scott R. Herriott – 1997

The paper titled "Communication channels in markets: A definition and Conceptualization" elaborates the market mix by classifying marketing communications based on how well they are controlled by the market. The paper also defines the terms

“marketing communication” and “communication channels” based on customers centric rather than market focussed.

6. Robert Owen - 2010

The paper titled “The structure of online marketing communication channel” demonstrates both pros and cons of online marketing communication channels. The individual or consumers can efficiently broadcast the information or feedbacks about the products of the company. The paper also highlights how online communication channels are emerging and defines the elements of infrastructure for online marketing communication channels as technological, political, social and competitive.

7. Räisänen, Matias & Backman, Dunja – 2013

The paper titled “Marketing communication channels and their use in student recruitment at Laurea University of Applied Sciences” demonstrates the marketing mix and about strategies to gain new customers. The paper also highlights the 4P’s of marketing.

8. Robert Owen, Patricia Humphrey - 2008

The paper titled “The structure of online marketing communication channels” demonstrates how online marketing communication channels are evolving and how they could emerge in future. Along with this, it highlights viral marketing and its influence in social media which effectively increases customer growth.

9. Benedikt Frey, Stefan Rudloff - 2010

The paper titled “Social Media and the Impact on Marketing Communication” demonstrates how social media influences the marketing communication of companies. The study also highlights huge growth potentials of differentiation and specification of different platforms.

10. Rekha Dahiya - 2017

The paper titled “Digital Marketing communication and Consumer Buying Decision Process” demonstrates how digital technology has revolutionised communication of business towards customers. The study also highlights how buying, selling and communication have an immense growth through digital media.

Objectives of The Study

- 1) To analyse the best preferred Marketing communication tool for Coway products from market research
- 2) To understand the factors influencing the purchase decision of Coway products along with values.
- 3) To understand the level of attention on importance of pure water among respondents

RESEARCH METHOD

Convenience sampling is used for the study with Sample size of 107 samples from India, Malaysia and China whose age group is in between 18-60 years. The questionnaire was circulated using Google Form.

RESULTS AND DISCUSSION

Analysis of the Survey

Table 1. Demographic of Respondents (N=107)

Respondent	Frequency	Percentage (%)
Age		
18-25	67	62.6
26-30	11	10.3
31-50	17	15.9
51-60	10	9.3
Above 60	2	1.9
Gender		
Female	59	55.1
Male	47	43.9
Prefer Not to Say	1	0.9
Education Qualification		
Secondary Level	14	13.1
Bachelor's Degree	70	65.4
Master's Degree	23	21.5
PhD Degree	0	0.0
Country		
India	26	24.3
Malaysia	34	31.8
China	47	43.9

Table 1 shows that the 107 respondents were collected from different age, gender, education qualification and country. As much as 63% of the respondents are young people aged between 18-25 years old and 55% of them are female. For the education qualification, 65% respondents are pursuing their Bachelor's Degree. There are three countries has been selected to do the survey, they are India, Malaysia and China. The majority of the respondents are from China, amount of 44%.

Table 2. Respondents' Knowledge of Water and Air Purifiers

Respondent	Frequency	Percentage (%)
Do you use an Air Purifier/ Water purifier at home?		
Yes	59	55.1
No	48	44.9
Types of organizations you would consider to trust purifiers		
National Institute of health	35	32.7
Environmental Protection Agency	35	32.7
National Council for Air Pollution	35	32.7
Other Universities	2	1.9

What type of pollutant you are concerned about? (multiple choice)

Food Odors	72	67.3
Dust Mites	65	60.7
Carbon Monoxide	63	58.9
Tobacco Odors	66	61.7
Ozone	57	53.3
Bacteria, Viruses	77	72.0
Dust	66	61.7

Note: Food Odors = 72 means 72 out of 107(67.3%) respondents concerned about food odors pollutant

How much do you know about Air Purifiers and Water Purifiers?

Nothing I know	20	18.7
Partially know	66	61.7
I know it clearly	21	19.6

Pure Air is important to me

Strongly disagree	7	6.5
Neutral	34	31.8
Strongly Agree	66	61.7

Pure Water is important to me

Strongly disagree	8	7.5
Neutral	25	23.4
Strongly Agree	74	69.1

Which ways do you wish Air Purifiers and Water purifiers to be advertised?

Social Media Channels	53	49.5
Traditional Advertisements	23	21.5
Personal Selling	11	10.3
Trade Shows	9	8.4
Press Release	7	6.5
Newsletters	3	2.8
Email Marketing	1	0.9

What are the factors you consider before purchasing Air purifiers and Water Purifiers?

Brand	26	24.3
Size and Capacity	6	5.6
Color	5	4.7
Price	19	17.8
Design	11	10.3
Quality	31	29.0
Features	9	8.3

What are the values you look into for the purchase of these purifiers?

Type of Technology used	37	34.6
Lifespan	23	21.5
Clean/ Replace type	31	29.0
Filter type	16	15.0

Have you ever heard about Coway, a home wellness appliance industry?

Yes	60	56.1
No	47	43.9

Coway is a technology brand with Air purifiers, Water Purifiers. If you wish to buy these products in the near future, where would you buy it?

Home	72	67.3
Office	2	1.9
Home & Office	33	30.8

Table 2 shows that the research summary on the respondent's cognition of the air and water purifier. There are 59 respondents having an air or water purifier at their house. Since air purifier and water purifier has become common among all the houses, Coway has become the leader in the water and air purifier in both Malaysian and Korean. It requires a marketing strategy to be successful in India. In a competitive environment, better marketing strategies definitely provide lasting solutions to challenges companies face. The trend of using an air purifier and water purifier has also driven Coway towards the continuous improvement in the water quality and air purifier industry.

As much as 33% of respondents considered to trust the purifier from the organizations that have National Institute of Health, Environmental Protection Agency and the National Council for Air Pollution. Consumers are more confident that the products already certified by these three organizations, National Institute of Health, Environmental Protection Agency and The National Council for Air Pollution. It gives a future direction to Coway to go forwards to maintain the lead in the water and air purifier. The pollutant concerned the most by 72% respondents is bacteria and virus, followed by the food odors amount of 67.3%. Food odors, bacteria and viruses are harmful to our health and cause illness.

Amount of 62% of respondents knows about the air and water purifier. Coway have its agents to sell the products. They introduce to customers the most suitable products for them so that they only pick the recommendation product from agents. There are 66 respondents or 62% who are strongly agreed that pure air is important, and 74 respondents or 69% who are strongly agreed that pure water is important. In other words, pure air and water both are important to the majority of the respondents in their daily life due to rapid development of China, India and Malaysia, which lead to the air and water pollution in the countries. According to the statistics, from 2015 to 2019, some of the cities such as Ahmedabad, Delhi, Patna, Gurugram, and Lucknow in India achieved above 200 AQI (An Air Quality Index) in daily life. Besides, National Institution for Transforming India (NITI) recorded that 70% water in India are contaminated. According to the statistic, Szechwan, a city in China recorded that over RMB 34 billion of loss is caused by environmental pollution especially air and water pollution. Malaysia also has air pollution problems, especially in the city that has a higher population such as Kuala Lumpur. Therefore, it is important for them to have a pure air. In Malaysia, there are many rivers polluted and influenced citizens' health.

Below were the hypotheses testing result:

Hypothesis Testing:

Variable1: Gender

Variable2: Select your preferences: Pure water is important to me.

Null Hypothesis: Respondents care and are concerned about pure water

Alternate Hypothesis: Respondents do not care or are concerned about pure water

Soln:

t-Test: Two-Sample Assuming Unequal Variances		
	Gender :	Select your preferences : [Pure Water is important to me]
Mean	1.457943925	1.38317757
Variance	0.269441016	0.389525657
Observations	107	107
Hypothesized Mean Difference	0	
df	205	
t Stat	0.952722393	
P(T<=t) one-tail	0.170926362	
t Critical one-tail	1.652320556	
P(T<=t) two-tail	0.341852725	
t Critical two-tail	1.971603499	

Inference: As p value is more than 0.05. Accept the Null hypothesis and reject the Alternate Hypothesis and conclude that respondents care and are concerned about pure water.

The number of 50% respondents considered that social media are the preferred ways to promote the air and water purifier, because it can reach more people. Nowadays, most of people around the world use social media to contact each other and also as an entertainment. When using social media channels to promote air and water purifiers, the public may take a time to know about the products and it is convenient and easy to reach the public. In contrast, email marketing is rarely preferred by respondents, people only use email for formal letter or when it is necessary.

The quality of the air and water purifiers is the factor considered by 29% of respondents. Air or water purifier are the home appliance those provided a healthy lifestyle and operated a long time per day. Quality must be guaranteed to make sure that it would not bring a risk when using it.

Moreover, 35 % of respondents looked at the type of technology used while purchasing the air and water purifier. The quality of the air and water purifier products depends on the technology. It also leads to the good function of the air and water purifier.

Amount of 56,1% of the respondents said that they have heard of Coway. But in fact, from this data, Coway's brand penetration rate is not too high, because on the contrary, 44% of people have not heard of Coway. Table below showed that the respondent's countries and their answer:

	YES		NO		Total	
	Frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
China	20	42.6	27	57.4	47	100
Malaysia	33	97.1	1	2.9	34	100
India	7	26.9	19	73.1	26	100
In Total	60	56.1	47	43.9	107	100

From the table above, among the 107 people have participated in the adjustment, there are 47 Chinese, 34 Malaysians and 26 Indians. From the 47 Chinese, 20 people said that they knew of Coway, but there are 27 people who said they never heard about this brand. As far as the survey is concerned, the penetration rate of Coway in the Chinese market is amount of 42.5%, not even more than half the ratio. In Malaysia, there are very different results. Among 34 Malaysians who participated in the questionnaire, only one person said that they never heard of Coway. Coway achieved an overwhelming victory with a 97% penetration rate in the Malaysian market. In the comparison of the three countries, Coway has the lowest penetration rate in India. Among the 26 Indians interviewed, only 7 people said they knew Coway, which only reached a penetration rate of 26.9%. It can be concluded that Coway has a very good influence in the Southeast Asian market represented by Malaysia, but its influence is not high compared to China and India, plus other multi-factor reasons. The selling of Coway products in China and India markets will be largely limited.

The last, as many as 67% of respondents want to buy the air and water purifier in home. Most people more appreciate the family's ecological environment and health. Among them, as far as the technical brands of air purifiers and water purifiers are concerned, the current sales and technical focus should be placed more at home.

CONCLUSIONS

This study found that Social Media is the best strategy for promotion for water purifiers segment, and also gives the insight that the brand is the important factor and type of technology as the value for this study. There are some suggestions given to Coway company. First, Coway has to increase the exposure of air purifier and water purifier products by increasing their brand awareness in the current market. Consumers' expectation is not only in quality of the product, but also the design of the product to fit their house interior. Furthermore, Coway can register social media accounts in India to reach more public. In addition, Coway also can diversify its advertisement methods through social media channels to be closer to the public. Coway can post and promote its products and announce the coming soon events through these channels. Coway also can use these social media channels to answer the questions asked by public as the manual customer service platform, so that the public who have interested in purchase the products or having the problem while using the products can easily contact the company.



REFERENCES

- Anugragha, S. S., & Dr, Sambasivan, E. (2018). A study on effectiveness of promotional strategies towards relationship marketing in super markets of top four cities in Tamil Nadu. *International Journal of Management Studies*, 5(1-4).
- Dahiya, R. (2017). A research paper on digital marketing communication and consumer buying decision process: An empirical study in the Indian passenger car market. *Journal of Global Marketing*, 31(2), 1-23.
- Frey, B., & Rudloff, S. (2010). *Social media and the impact on marketing communication. [Published Bachelor Thesis]*, Sweden: Lulea University of Technology. Retrieved from <https://www.diva-portal.org/smash/get/diva2:1030631/FULLTEXT01.pdf>.
- Herriot, S. (1997). Communication channels in markets: A definition and conceptualization. *Journal of Marketing Communications*, 3(3), 139-149.
- Internet World Stat. (2020, March 3). *The world population and the top ten countries with the highest population*. Retrieved from <https://www.internetworldstats.com/stats8.htm>.
- Jin, Z. Y., Saif, M. B., Kee, D. M.H., Basis, G. A., Quttainah, M. A., Afifah, A., . . . Huang, Q. (2020). A miss-step of innovation and marketing strategies plan: Can OPPO find a way out? *International Journal of Accounting & Finance in Asia Pasific*, 3(3), 89-97.
- Kazmi, S. H. A. (2015). Developments in promotion strategies: Review on psychological streams of consumers. *International Journal of Marketing Studies*, 7(3).
- Meo, A., Sajjad, M. N., Rizwan, M., Bukhari, S. S. H., Hameed, M. S., & Abbas, M. D. (2014). The impact of promotional tools on sales promotion. *Journal of Public Administration and Governance*, 4(2), 1-202.
- Ministry of International trade And Industry. (2018). *Industry 4WRD: National Policy on Industry 4.0*. Retrieved from https://www.miti.gov.my/miti/resources/National%20Policy%20on%20Industry%204.0/Industry4WRD_Final.pdf.
- Owen, R., & Humphrey, P. (2010). The structure of online marketing communication channel. *Journal of Management and Marketing Research*. 1-10.
- Räisänen, Matias & Backman, Dunja. (2013). Marketing communication channels and their use in student recruitment at Laurea University of Applied Sciences. Retrieved from https://www.theseus.fi/bitstream/handle/10024/61944/Thesis_Raisanen_and_Backman.pdf?sequence=1&isAllowed=y.
- Sarah, M. L. (2009). Marketing strategy in terms of promotion and communication for energy drinks in Ghana. Retrieved from <https://core.ac.uk/download/pdf/37991128.pdf>.
- The World Bank. (2000 & 2019). *GDP per capita (current US\$) – China*. Retrived from <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?end=2019&locations=CN&start=2000>.
- The World Bank. (2000 & 2019). *GDP per capita (current US\$) – Malaysia*. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?end=2019&locations=MY&start=2000>.
- The World Bank. (2000&2019). *GDP per capita (current US\$) - India*. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?end=2019&locations=IN&start=2000>.