

# MNS BUSINESS PRODUCTS

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## ABSTRACT

This paper is qualitative analysis. The objective is startup business. The MNS, headquartered in Pazhou Artificial Intelligence and Digital Economy Pilot Zone, Guangzhou, is a new consumer retail enterprise driven by design and R&D and jointly developed online and offline.

The financial results show that, Quick ratio is 2.21, Current ratio is 2.64, Total debt to equity ratio is 60.76%. The company will try to keep the debt to equity ratio not more than two times that represents the company is in a good position in terms of total debt to equity ratio, the company has low risks in debt.

**Keywords:** MNS, brand, product

## Introduction

On October 15, 2020, MNS, a private brand value retailer, officially landed on the New York Stock Exchange with the stock code of "MNS". On July 13, 2022, Mns was officially listed on the Hong Kong Stock Exchange, with the stock code of "9896. HK".

In 2022, the famous innovative and high-quality products officially launched the brand upgrading strategy, and launched a new brand slogan, "Lighting up a Better Life in 99 Countries". Now, famous innovative and high-quality products have successfully entered more than 100 countries and regions in the world, with more than 5000 stores worldwide, covering the core business circles of global famous cities such as New York, Los Angeles, Paris, London, Dubai, Sydney, Istanbul, etc. Relying on high-quality products and services, the MSO products continue to create a better and high-quality life experience for hundreds of millions of consumers around the world.

## Product

"High quality, creativity, low price and environmental protection"

Brand culture Life philosophy: "simple, natural and rich in texture", Brand proposition: "return to nature and restore the essence of products"

With the unprecedented prosperity of the world economy, on the one hand, luxury brands from Europe and the United States have been blindly pursued by consumers; On the other hand, the market is flooded with counterfeit low-quality goods.

These two aspects lead to a polarization phenomenon in the way people consume.

As a reflection and criticism of this prevailing situation, MNS famous innovative products were born

MINISO's famous innovative products focus on the real value of quality to the brand, and at the same time maintain a reasonable balance between life and the items that improve life, becoming a leading explorer and leader in the global consumer market for high-quality products.

1. Origin of product More than 80% of the product designs come from China and other places.
2. Design Design is a process of overall planning, which can fully tap the value of the product itself while satisfying the sense of consumption.
3. Material The high quality of products is the goal of MNS's famous and innovative products, and the material quality is the basis of high quality products. Through large-scale procurement, MNS famous innovative products select appropriate materials from all over the world.
4. Function In addition to aesthetic feeling, functional practicality is the root of the product. From the perspective of users, MNS's famous innovative products focus on the rationality of product functions and the durability of use.
5. Technology In addition to retaining the traditional process, MNS's famous innovative products continue to improve and innovate technology to improve productivity and reduce production costs through technology

## **External Environment**

### **1. POLITICS ISSUE**

Politics has been another source of trouble for MNS, MNS closed all 50 of its outlets in Hong Kong temporarily, a month after antigovernmental protesters On National Day, MNS closed all 50 of its outlets in the city for a period therefore lost revenue.

## **Environment Analysis**

**ECONOMICS ISSUE** GDP growth in financial year 2019 slowed to a two year low of losing the world's fastest-growing-economy tag. Because COVID-19. Capacity utilization in most of the manufacturing according to a survey, even as inventories pile up. Retail industry is struggling with lower sales.

**SOCIO-CULTURAL ISSUE** China is rich in varied social and geographical history. Chinese celebrate Chinese New Year MNS as for the retail industry, workers will also celebrate those festivals according to their religion. Employees will return to their hometown once the festival arrives. And salaries must be paid up to doubled during the festival as compensation for workers who work during holiday.

### **2. TECHNOLOGY ISSUE**

New Technology AI and Internet of Technology (IOT) and distributed intellect try to modify the retail landscape for the future. Customers today rely more on the web through online shopping rather than visit to physical stores.

Besides, Information Technology plays a significant function to manipulating the information and data as a way to get competitive advantages When a customer selects a product then decides to make payment Never the less , it capable of reduce client waiting during payment The effectiveness of barcode for supply chain short lead moment for warehouse operators, lower costs for division centres when fewer out of stock intended for retailers.

**ECOLOGY ISSUE** The COVID-19 pandemic, also known as the coronavirus pandemic. For now according to the coronavirus with social distancing policy.

The may

- a. Increase expenses like masks, gloves, alcohol gel, etc.
- b. Less customers because of social distancing policy.

- c. Discount promotion.
- d. Difficult for supplies transportation.
- e. Lost opportunity to invest in marketing.

### **3. Create an atmosphere to mobilize consumption**

The space utilization rate is very high, and the aisles are narrow, so compared with many traditional retail shops, the Mingchuang and Youpin stores are relatively busy and even hot. Under such a situation, consumers are easily excited and consume impulsively.

### **4. Networked management**

(fan operation, accumulating fans through WeChat activities, and the number of users of famous innovative and excellent products' WeChat subscription accounts exceeds 8 million at present)

Although it operates physical stores, Miniso is very good at network management, enabling all chain stores to realize the operation mode of "small front and large back". The front desk is responsible for store operation, while the back desk is responsible for market research, product design and development, commodity inventory control, brand marketing, logistics distribution and other aspects to support the normal operation of the store.

### **5. Design control**

Co founder Miyake Shun is also a contract designer of internationally renowned fashion brands, controlling the design core force of goods;

### **6. Joining in with capital**

Invest in the franchise, let the investors rent and decorate the stores, conduct unified distribution and sales management for famous, innovative and high-quality products, and the investors participate in the share of turnover to improve the speed of opening stores;

### **7. Global thinking**

The global design is exported to Japan, and the global procurement strategy is seamlessly connected. At present, 20% of the products on sale in the Chinese market are purchased from abroad. At the same time, the store layout is gradually becoming international, radiating from Tokyo, Hong Kong, Singapore and Dubai to the world.

## **INTERNAL ENVIRONMENT**

### **1. ORGANIZATION CULTURE**

The main organizational culture of MNS is the term "family" : employees treat customers as their family, and they are considered as family members to each other in this big company.

Under this organization culture, employees are engaged to share their feeling and problems and gain support from work. Additionally, employees are encouraged to give suggestions and feedback from work, and promotion and bonus were awarded to employees who shared creative and effective recommendation and made contribution to the company.

In conclusion, we can summarize the organizational culture into two parts. The one is Clan culture and the other is market culture. According to the clan, MNS turns employees into bosses, that is why they can freely and confidently use their talents at works. From market culture, because of the market culture of MNS, they can

develop so rapidly around the world. MNS can learn the culture in different countries by the market culture and diversified culture can accept MNS.

### **SWOT Analysis**

The company most concentrated on product development about design and technology. MNS got many bad reputations for employee management from reviews on the internet. That means the main factor that drives the business is products. The company tries to set a system which self-sufficient and fewer people skill needed. Anyway, Msn started the new measures to gain feedback from employees who resigned or retired to improve the employee incentive.

#### **1. Salary system**

##### **1. Strengths**

- Who works more, earn more.
- Who works more intelligent way, promote quick.
- Less staff turnover

##### **2. Weakness**

- Intensify the internal conflict
- Vicious internal competition

##### **3. Opportunities**

- More chance to improve without external factors and human factors (unfair letter of recommendation, etc)
- Who has real leadership can be promoted

##### **4. Threats**

- Psychological problems on employees with high strength content of daily work.

### **MARKETING MANAGEMENT**

#### **1. Segmentation**

Demographic: Teenagers aged between 18 to 35 years old who are middle and upper class around the world. Behavioral: people who love quality products with affordable prices and trendy or technology style. Geographic: people who live in urban areas. Psychographic: people who appreciate cuteness and brand image.

#### **2. Target Market**

MINISO's distinct consumers are those between the ages of 18 and 35 in urban areas. With tinier budgets, but good design, these consumers have gathered to MNS around the world for its low prices and sensible design for lifestyle products in beauty, fashion, and consumer electronics.

#### **3. Position**

MINISO also positioned itself as a "fast fashion designer" brand in Japan because they show creativeness and innovativeness which brings specialized products with good quality and prioritized the health and safety of the products and materials.

#### **4. UNIQUE MARKET ENTRY STRATEGY**

MINISO makes a new product style at a low price, high quality with amusing design in the sense of products to meet the needs of today's customers called "three high and three low". The three low refers to low price based on low cost and low margin while the three high means higher efficiency, higher technology, and higher quality.

The company's gross profit margin is controlled by about 8%, while the gross profit in shops is controlled below 38%, in order to guarantee the really low prices.

#### **5. MARKETING COMMUNICATION STRATEGY**

MNS. also set its brand position as the "fast fashion designer". Its marketing will focus on brand awareness in local areas and also globally. User Generated photo contest on MNS social media accounts and websites, MNS uses advertising and mass media promotion, word of mouth referrals, customer relationship management, and sales promotions and discounts.

#### **6. COLLABORATION STRATEGY**

Collaborations give brand reach to a whole different customer base of another brand. MINISO collaborates with other brands to expand its brand reach

#### **7. HUMAN RESOURCE MANAGEMENT**

##### **1. COMPETITIVE COMPENSATION**

Employees in MNS normally have levels of satisfaction as the company offers competitive compensation. MNS keeps and motivates employees and more structured pay levels than other companies, providing more opportunities for career development.

##### **2. DEVELOPING AND MOTIVATED SYSTEM**

New employees in MNS need to go through a month-long trial including three day orientation to help them understand the culture of MNS and job skills training. In an attempt to motivate employees overall enthusiasm.

##### **3. PROVIDING REWARDS**

MNS management in order to decrease turnover rate. This point is the strength point of the company and one of all points that the company focuses on. This method gives authority to employees that can solve problems in various situations, but the weakness is that the scope of authority is not clear enough.

#### **Task External Environment**

##### **1. Customers**

Bargaining power of customers is moderate. Because MINISO is unable to respond to the needs of any clients. But natures of MNS's service focus on customer service and try to respond to needs of different customers and It is MNS's opportunity to use development in artificial intelligence to better predict customer demand. Respond to specific groups.

##### **2. Suppliers**

Bargaining power of suppliers:

MNS adopts the volume quotation system to enhance the bargaining power of large scale procurement.

MNS implements the buyout customization which puts an end to the supplier on the possibility of a final product pricing.

### 3. COMPETITORS

- a. COMPETITION OF EXISTING COMPETITORS IN THE DUSTRY
- b. THREATS OF NEW ENTRANTS
- c. THREATS OF SUBSTITUTE

### FINANCIAL AND ACCOUNTING MANAGEMENT

Financial planning is an implement that helps to prepare and lead the company for financial stability. from forecasting of investing and compensation, forecasting of income statements which can indicate the situation of the company. It can also access opportunities and risks in order to manage working capital. It is an efficient and stable business to operate in the long term.

#### Conclusion

- 1.) Quick ratio 2.21 represents the company has no risk of lack of liquidity in the short term.
- 2.) Current ratio 2.64 represents continued from quick ratio, but will be considered more than quick ratio about inventory and carrying cost, it is a long term consideration of liquidity.
- 3.) Total debt to equity ratio 60.76% Generally, the company will try to keep the debt to equity ratio not more than two times that represents the company is in a good position in terms of total debt to equity ratio, the company has low risks in debt.

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