

Reasons for the Failure and Revival Strategies of Garment Enterprises Taking Fuguiniao as an Example

Sijin Ma¹, Shiyi Wu¹, Lerong Chen¹, Wanling Wang¹, Deyu Li^{2, *}

¹School of Finance, Anhui University of Finance and Economics, Bengbu, Anhui, China

²School of Economics, Anhui University of Finance and Economics, Bengbu, Anhui, China

*Corresponding author: Deyu Li (Email: ldy0048@163.com)

Abstract: In the era of rapid development of science and technology information, Internet plus has gradually entered the public's vision. The deep integration of traditional industries and the Internet has created a new development ecosystem, and led the "new normal" of innovation driven development. In this context, we chose Fuguiniao, a leading enterprise in the clothing industry that was once popular all over the country, as the research object. Through the analysis of the enterprise's strategy, combined with the industry environment, using the methods of Porter's five forces model analysis and SWOT analysis, this paper finds the reasons for the failure of the garment enterprise, and puts forward the effective strategies to revive it.

Keywords: Garment enterprises, Development dilemma, Porter's five forces model, SWOT analysis.

1. Introduction

Fuguiniao has been in the stage of rapid development since its establishment. In 2011, Fuguiniao became one of the 500 most valuable brands in China, with a brand value of nearly 10 billion. In 2012, Fuguiniao became the third casual shoe brand in China. In 2013, Fuguiniao was listed in Hong Kong. It was the only leisure clothing brand with this honor at that time, with a market value of nearly HK \$10 billion. But in recent years, Fuguiniao has gradually faded out of people's sight. The explosion of news such as the filing and investigation of enterprises by the court and bankruptcy and delisting not only sounded the death knell of Fuguiniao, but also made people wonder what happened to Fuguiniao?

So, where does the problem of Fuguiniao appear? Based on our preliminary understanding of the Fuguiniao bankruptcy case, we have obtained the reasons for the enterprise from prosperity to decline. From the analysis of the failures in marketing, financing, products, management and technology, we have obtained many methods to solve these deficiencies and found the turning point for the enterprise to come back from the dead. Finally, we put forward a series of strategies to revive Fuguiniao.

2. Basic Information of the Enterprise

2.1. Development Process

Fuguiniao group, established in the 1990s, is one of the most influential large enterprises located in Shishi, the largest garment industry base in China. At the beginning of the group's entrepreneurship, it has always adhered to the business purpose of "innovation for development, quality for survival and management for efficiency", worked hard for governance and entrepreneurship, and has now developed into a large group company integrating leather shoes, leather goods and clothing. It has nearly 10000 employees, 425000 square meters of modern standard workshops, nearly 2 billion yuan of fixed assets and a brand value of 9.082 billion yuan (assessed in 2011). Fuguiniao's retail network covers 31 provinces, autonomous regions and municipalities directly under the central government, with 3127 stores, of which

2879 retail stores are owned and operated by dealers and third-party retailers, and the remaining 248 stores are directly operated.

2.2. Positioning and Products

(1) Positioning. 25-48 years old, a man from a middle-class family.

(2) Product positioning. Noble life men's wear.

(3) Its products. "Fuguiniao" brand series products have formed four series, including men's and women's leisure series, fashion shoes series, children's shoes series and leather goods series. They sell well in domestic and foreign markets with the advantages of "high quality, elegance, comfort and fashion".

2.3. Brand Characteristics

(1) Famous brand products are deeply rooted in the hearts of the people. When it comes to Fuguiniao, perhaps our first reaction is "famous brand products". Indeed, as a well-known brand in the industry, Fuguiniao has established its own brand image in the hearts of consumers through years of development. The products not only involve many fields such as "Fuguiniao", "FGN", "AnyWalk" brand men's and women's leather shoes and "Fuguiniao" brand men's business casual wear, but also won the honorary titles of "China's leading leather shoes king" and "China's well-known trademark", and has become a well-known supplier of shoes and clothing in China.

(2) Diversified market positioning and satisfaction. Fuguiniao represents a style of urban men and women pursuing high-grade life. The brand is positioned as elegant, fashionable and noble. Combined with the original classic, professional, traditional and other basic attributes, it has specially added the attributes of fashion, noble and elegant, forming a new urban commodity line suitable for the primary market, making the commodity project group of Fuguiniao brand more perfect and able to meet the medium and high-grade male and female consumer groups in primary, secondary and tertiary cities.

2.4. Enterprise Financial Status

In 2011, Fuguiniao's operating income was 2.037 billion yuan, in 2012, Fuguiniao's operating income was 23.83 billion yuan, in 2013, Fuguiniao's operating income was 2.919 billion yuan, and in 2014, Fuguiniao's operating income was 2.944 billion yuan. Among them, the net profit of Fuguiniao in 2011 was 310 million yuan, the net profit of Fuguiniao in 2012 was 378 million yuan, the net profit of Fuguiniao in 2013 was 519 million yuan, and the net profit of Fuguiniao in 2014 was 558 million yuan. According to the financial data from 2014 to 2017, the net profit of Fuguiniao in 2014 was 450 million yuan, a year-on-year increase of only 1.69%; In 2015, the net profit was 390 million yuan, a year-on-year decrease of 13.09%; In 2016, the net profit decreased by about 59.16% to RMB 163 million; In the first half of 2017, Fuguiniao lost 10.8873 million yuan.

3. Reasons for the Enterprise failure

3.1. Internal Causes

3.1.1. Reasons for Strategic Mistakes

For Fuguiniao, the internal reason for its failure is strategic error - when it has been mired in the mire, it joined the financial and other fields that it is not good at and full of dangers, and finally went astray, leading to irreparable consequences. At its peak, Fuguiniao once ranked among the third largest brand business casual shoes manufacturer and the sixth largest brand shoes manufacturer in China. It also won the honors of "China's real leather shoes king" and "China's well-known trademark", and was successfully listed in Hong Kong for financing expansion in 2013. Fuguiniao originally has a bright future and bright future. In 2009, Lu Yi was invited to speak for them, and their national degree can be called overlord. However, with the development of the Internet and e-commerce becoming more and more powerful, Fuguiniao is overwhelmed, reducing the existing main business operation with high share: shoes, and turning to unfamiliar and more risky financial and other fields. Since 2015, the company's operation has declined in an all-round way. In the first half of 2017, Fuguiniao's net profit turned to a loss of 10.8873 million yuan.

3.1.2. Reasons for Product Quality

There are some problems in the desperate Fuguiniao, such as disconnection from the consumer market, resulting in high enterprise inventory, relatively old and single products and so on. At the time of the birth of Fuguiniao brand, China was in the period of reform and opening up, and many people with an open mind went to the sea to start businesses. Lin Heping, founder of Fuguiniao, was no exception. Because the quality and style were popular at that time, the sales volume in the country had been on the rise, and the retail network was spread across 3127 stores in 31 provinces, autonomous regions and municipalities directly under the central government. However, with the development of the times, the public aesthetics is also constantly updated. The product positioning group of Fuguiniao is middle-aged men. With the continuous development of reform and opening up, the aesthetics of the older generation is gradually replaced by the new generation of young people, bringing aesthetic choices in the new era. In the survey, a consumer said: "these products are too old for young people." Fuguiniao is a childhood memory for some people. Why was this brand the first choice for parents to take you to choose shoes at that time, because

it is durable and does not pursue good-looking. However, with the rapid development of the domestic economy and the growth of the post-90s and post-00s generation, the aesthetics and needs of consumers began to change. People were more willing to pay for casual and sports shoes, and the business shoes focused by Fuguiniao gradually faded out of people's sight.

3.1.3. Human Resources Reasons

The continuous change of manpower makes the company in a state of disunity, resulting in internal disharmony and constant internal struggle, which makes it impossible to focus on the development of its main business. Since November 2016, Fuguiniao has successively issued announcements on personnel transfer, and two independent non-executive directors and auditors have been removed successively. At the beginning of 2017, the company secretary and authorized representative announced their resignation, and the chief financial officer also resigned in March. In June 2017, Fuguiniao announced that it received a resignation letter jointly issued by long Xiaoning and Chen Minhua on June 14, and they resigned as independent non-executive directors of Fuguiniao from June 14. From June 14, long Xiaoning no longer served as a member of Fuguiniao audit committee, nomination committee, strategy committee and special committee of the board of directors; Chen Huamin is no longer a member of the audit committee and special committee, as well as the chairman of the Remuneration Committee. Among the six reasons for resignation announced by long Xiaoning and Chen Huamin, it was mainly due to differences with the company on financial and announcement disclosure, including Fuguiniao's failure to reply to the inquiry of the Hong Kong Stock Exchange on factual information; Reasons for the company's delay in publishing financial reports and resumption of trading; Have different opinions on the company's financial data and 2016 interim results, etc. The investigation found that Chen Huamin and long Xiaoning were initially held jointly by shareholders, and the board of directors named them for dismissal. On November 22, 2016, Fuguiniao announced that the board of directors received a written notice from Chen Xianqin, Wu Guangyan, Cai lianyue, Huang Yinhe and Hong Yuhui requesting the board of directors to convene the general meeting of shareholders of the company and submit a proposal at the meeting for shareholders' consideration and approval, including proposing to dismiss Chen Huamin and long Xiaoning as independent non-executive directors; It is proposed to dismiss KPMG as the company's auditor and to appoint Kaiyuan Xinde certified public accountants as the company's auditor.

3.1.4. Reasons for Financial Control

According to the financial data from 2014 to 2017, Fuguiniao continued to operate poorly, suffered losses year after year, and its performance decline was difficult to curb. Performance has declined year after year, and even net losses have occurred, so they have to start borrowing from banks. However, Fuguiniao's credit rating has been lowered from AA to CC, which means that "it can get less protection in case of bankruptcy or reorganization, and it can hardly guarantee the repayment of debts". In 2015, Fuguiniao successively took shares in a P2P platform and financing platform, and also established a microfinance company. Originally, I expected to make a lot of money in the field of financial investment, but I didn't expect that with the frequent thunderstorms, I owed a huge amount of debt. The financial crisis was not properly

handled, which led to the continuous increase of the company's liabilities and finally led to bankruptcy.

On March 23, 2018, Fuguiniao announced that the company received the investigation notice from China Securities Regulatory Commission on March 21, pointing out that due to the company's suspected illegal information disclosure and the use of bond raised funds, the company decided to file a case for investigation in accordance with relevant regulations. This incident undoubtedly poured a layer of oil on the raging fire.

3.1.5. Reasons for Lack of Innovation

One of the important reasons restricting the development of Fuguiniao is the single product structure, lagging development and lack of competitiveness in the new era. In the pre Internet era when e-commerce is not developed enough, Fuguiniao has swept major shopping malls. However, with the development of the Internet and the continuous growth of e-commerce, the market of shoes and clothing industry is saturated, the labor cost is high, and more and more young people join the consumer army and become the main force. Fuguiniao is too single and conservative to make it stand on its feet. First of all, Fuguiniao ignore the importance of e-commerce. When more and more enterprises invest in e-commerce and more and more consumers choose online shopping, Fuguiniao still insists on offline agent sales, which virtually loses some consumers. Secondly, Fuguiniao did not keep up with the trend of the times. In an increasingly open world, cultures all over the world exchanged and collided with each other, formed fresh ideas and were accepted by people. However, Fuguiniao's product design and development seriously lagged behind, the renewal cycle was long, and it lacked a sense of design, which was not accepted by young people. More sales markets are still middle-aged and elderly men, but their consumption capacity is limited and can not meet the development needs of Fuguiniao.

3.2. External Causes

3.2.1. Brand Competition and Various Choices

The increasingly open world enables shoes and clothing from all over the world to enter the Chinese market, and Chinese local brands are squeezed. Most consumers are willing to spend a lot of money to buy Nike, Adidas, Puma and other sports brands instead of casual shoes; There are also those who are keen on big brands, such as Louis Vuitton, Givenchy, Armani and so on, leaving behind domestic brands. In 2017, the total retail sales of clothing reached 1455.7 billion yuan. Although the consumption growth of China's footwear and clothing industry is stable, its share in China's commodity consumption market is decreasing, the simple market capacity is limited, and facing the challenges of foreign brands, the development of China's footwear and clothing industry is limited.

3.2.2. The Brand Is Backward and Gradually Forgotten

Another major reason for the failure of Fuguiniao is that its popularity and reputation are gradually declining. The brand slowly lags behind the concept and is not recognized and accepted by the public. It has been eliminated by young people in just a few years. The remaining market only occupies the middle-aged and elderly people, counties and towns, and is gradually forgotten by people. Among many leather shoes brands, Fuguiniao ranks 10th, and ranks lower in terms of clothing. Although Fuguiniao is involved in the footwear and clothing industry, its main business and known is leather shoes manufacturing, but its style is simple and its

structure is single. Under the impact of e-commerce, its stores are mainly distributed in third and fourth tier cities, counties or towns, and the audience is mostly middle-aged and elderly men. Fuguiniao has been forgotten by the main force of consumption - young people.

3.2.3. Market Saturation and Development Bottleneck

"Fuguiniao" brand series products have formed four series, and its upstream industries are raw leather, rubber, nylon, leather hardware and other industries. However, in recent years, the price of raw materials and labor price have risen, and there are development barriers in the whole leather shoes industry. Due to the rising cost, the profit has also shrunk. The same is true for the footwear and clothing industry. The target consumer group of Fuguiniao is: men aged 25-48 from middle-class families, but their purchasing power is far lower than that of women and children.

3.2.4. Changes in Consumer Attitudes

In terms of the shoe market alone, the prospect of the current shoe market is still relatively broad. The word "fried shoes" has become popular among many young men. Consumers no longer only pay attention to the use value of shoes, but also pay attention to the beauty, value preservation, and even the popularity and quality of shoes. Clothes and other products are the same. With the improvement of material living standards, people not only pursue the product attribute of durability, but also have more diversified and complex requirements for products.

3.2.5. Failed to Catch the Express Train of Internet E-commerce

In recent years, Internet e-commerce has developed rapidly, and Fuguiniao mostly develops its business in the form of offline franchise stores. The development process of Internet e-commerce continues to affect the sales of offline physical stores. When Fuguiniao officially settled in e-commerce, it has missed the dividend period for the development of e-commerce industry.

4. Company Strategy Analysis

4.1. Porter's Five Forces Model

Porter's five forces model gathers a large number of different factors into a simple model to analyze the basic competitive situation of an industry. The five forces model identifies five main sources of competition, namely, the bargaining power of suppliers and buyers, the threat of potential entrants, the threat of substitutes, and finally, competition among companies in the same industry. In a sense, competitive strategy stems from the deep understanding of the competition law that determines the industrial attraction. In any industry, whether domestic or international, whether producing products or providing services, the law of competition will be reflected in these five competitive forces. Therefore, Porter's five forces model is a strategic analysis tool often used by enterprises when formulating competitive strategy.

4.1.1. Model Analysis

(1) The competitiveness of existing competitors in the same industry. At present, the competition of existing competitors in the same industry is relatively serious. The existing enterprise competition is often reflected in price, advertising, product quality, product introduction and after-sales service. The main reasons for the weak competitiveness are as follows:

- ① The barriers to entry of the industry are low, the

competition is even, there are many competitors, and the participation of competitors is extensive. ②There is little difference in price. ③The market tends to mature and the demand for products grows slowly. ④Competitors provide almost the same products and services, and the conversion cost of users is low. ⑤Exit barriers are high.

(2) The ability of potential competitors to enter. Once potential competitors enter the industry, they will not only bring new production capacity and new resources, but also hope to win a place in the existing market divided by enterprises, which may compete with existing enterprises in raw materials and market share, and eventually reduce the profitability of existing enterprises in the industry. The severity of competitive entry threat depends on the following two aspects: ①The size of obstacles in new fields. ②Expected response of existing enterprises to entrants.

(3) Substitutability of substitutes. Due to the particularity of the garment industry, its substitutability is surprisingly high. It may be that the style is not satisfied, the price is unacceptable, or even the salesperson's introduction is not satisfied, which can become the reason for its replacement. We mainly examine the substitution ability of substitutes from the following two points: ①The growth rate of substitute sales. ②Production capacity and profit expansion of substitute businesses.

(4) Bargaining power of suppliers. Suppliers mainly affect the profitability and product competitiveness of existing enterprises in the industry through their ability to improve the price of input factors and reduce the quality of unit value. The strength of the supplier mainly depends on what input factors they provide to the buyer. When the value of the input factors provided by the supplier constitutes a large proportion of the total cost of the buyer's products, is very important to the production process of the buyer's products, or seriously affects the quality of the buyer's products, the potential bargaining power of the supplier to the buyer will be greatly enhanced. Generally, there are the following three evaluation criteria: ①whether the supplier industry is controlled by some enterprises that have a relatively stable market position and are not troubled by fierce market competition. In this respect, Fuguiniao has its own factory and its suppliers are stable and controllable. ②The products of the supplier's enterprises have certain characteristics. ③The supplier can easily carry out forward combination or integration, while the buyer is difficult to carry out backward combination or integration.

(5) Bargaining power of buyers. Buyers mainly affect the profitability of existing enterprises in the industry through their ability to lower prices and require higher product or service quality. The bargaining power of buyers is mainly affected by the following factors: ①Purchase quantity. Fuguiniao takes the retail road, they actually do not have a threat in the purchase quantity, and their bargaining power is weak in this regard. ②What buyers buy is basically a standardized product, and it is economically feasible to buy products from multiple sellers at the same time. On this issue, the bargaining power is also weak, because the shoe types and samples of each brand are protected by intellectual property rights. Unauthorized production by other manufacturers is an infringement and needs to bear legal liability.

4.2. SWOT Analysis

SWOT analysis method is also called trend analysis

method. It is to enumerate the main internal strengths, weaknesses and external opportunities and threats closely related to the research through investigation, arrange them in the form of matrix, and then use the idea of systematic analysis to match various factors and analyze them, so as to draw a series of corresponding conclusions, which are usually binding. Analyze Fuguiniao enterprises through SWOT method to help the former "shoe king" return to the top of the market.

4.2.1. Strengths Analysis

(1) It has the advantage of complete sales network. Fuguiniao enterprises have entered the market since the reform and opening up. They entered the market earlier and have a long history of development. We have already established a marketing network system with wide coverage and diversified channels. And the company has long adhered to the optimization and adjustment of marketing network [1].

(2) Multi brand scale advantage. Fuguiniao group has "AnyWalk", "FGN", "Fuguiniao" and other brands, and its wide range of brand resources can meet the different needs of diversified consumers

(3) The infrastructure is relatively perfect, and the R&D and production capacity of the enterprise is relatively high.

4.2.2. Weakness Analysis

(1) Brand benefits and recognition are reduced. With the increasingly fierce competition among enterprises, there is a serious homogenization phenomenon in products. For consumers, brand is more important than its products, and as a continuous core competitiveness and intangible assets. Although it is easy for competitors to imitate the production process and design of enterprises, the brand image already planted in the hearts of customers and the loyalty and recognition of customers for their brand can not be imitated by competitors.

(2) The efforts to build brand culture and publicity are relatively small. Although the image spokesperson of Fuguiniao products is a well-known artist, Lu Yi and others are mostly consistent with the artist image in terms of product style positioning. However, in terms of publicity, it has certain limitations. Generally, it is non mainstream media and specialty stores, which have no great market influence. Domestic mainstream media are not familiar with the figure of Fuguiniao. On the contrary, its main competitor Belle has invested more in publicity.

(3) Lack of talents, weak innovation ability, team building needs to be further optimized and improved. Fuguiniao group's marketing personnel have insufficient ability and no advanced marketing concept. When there are emergencies in the market, they do not have strong rapid response ability, and the efficiency of their marketing team is not high. Moreover, there is a lack of innovative design ability. Most of the products launched by Fuguiniao group are very traditional and the phenomenon of homogenization is serious. Lack of personalization can not meet the diversified needs of consumers.

(4) The default of corporate bonds makes its liabilities serious and its reputation decline. Fuguiniao group has a huge amount of external guarantee, providing a total of 1.414 billion yuan of external guarantee for seven companies, accounting for 55.21% of its net assets. According to relevant data, the registered capital of these seven companies is less than 30 million, which shows that their default risk is very high. Since the opening of the market on September 13, 2016, due to the undisclosed external guarantee of Fuguiniao group,

the trading of the company's bonds has been suspended for a long time, which is undoubtedly worse for Fuguiniao group. Because it is difficult to recover the huge amount of external guarantee, its monetary capital has been significantly reduced. According to Guotai Junan's disclosure in March 2018, the available demand deposits and working capital of Fuguiniao had been less than 100 million yuan by the end of 2017. Fuguiniao's capital continued to drain, leading to the depletion of its capital, and finally there was a bond default in April 2018. The capital loss and reputation of enterprises have decreased significantly [2].

4.2.3. Opportunities

With the sound economic development trend of China, the policy support of the state and the continuous improvement of per capita consumption level. Under the background that the State advocates expanding demand, the driving trend of consumption on economic growth is becoming more and more obvious. Thus, with the improvement of people's economic ability, consumer demand is becoming more and more diversified and personalized. Provide more opportunities for the development of footwear enterprises.

4.2.4. Threats

(1) Strong competitors, fierce competition. Fuguiniao's main competitors are Belle, Kangnai, Aokang and Daphne. Belle was founded in Hong Kong and entered the mainland in the 1990s. Now it has formed a footwear group with the development model of integrating production and marketing, and its brand enjoys a high reputation in the mainland market. Daphne shoes adopts a diversified production mode integrating R & D, production, processing and sales. Adhering to the business philosophy of "being a brand, not a famous brand", it adheres to the production of mid-range products loved by the public with a wide range of target consumer groups. Kangnai has won the title of "China's shoe king" for four times since its establishment, and won the special prize of China leather shoes design competition for three consecutive years, as well as the only leather shoes enterprise in China that can enter the world SATRA center. Aokang Group takes "the first brand in China's footwear industry and striving for an international brand" as its core strategy. Now it has established more than 3000 specialty stores and more than 30 provincial companies in China, with a large scale of development.

(2) The industry threshold is low and the market is easy to enter. Shoemaking enterprises are essentially labor-intensive enterprises with low technical content and no high access threshold. Coupled with the entry of foreign well-known brands into the domestic market, the competition is becoming more and more fierce. Consumers' purchase behavior is becoming more and more rational. They will shop around before buying. In addition, they also have a strong sense of rights protection, have higher and higher requirements for the cost performance of goods, and most of them tend to foreign goods in terms of brand consumption.

5. Revival Strategies of the Enterprise

5.1. Overall Strategy

With the rapid increase of Chinese shoe and clothing enterprises and the influx of foreign shoe and clothing enterprises, the market of shoe and clothing products tends to be saturated. In the fierce market competition environment, Fuguiniao's strategic transformation, the policy of wanting to engage in financial investment and the implementation of

diversified management meet its development requirements, but Fuguiniao's desire to turn from shoes and clothing enterprises to financial investment enterprises is undoubtedly going astray in the strategic direction. Making such a move without pursuing the development of its own industry is undoubtedly self destruction. Therefore, Fuguiniao enterprises need to reposition themselves. The key to the revival of Fuguiniao enterprises is divided into three periods: initial stage: positioning to the shoe industry. Medium term: specialized production. Later stage: diversified production.

5.2. Customer Selection and Market Positioning Strategy

5.2.1. Market Segmentation

Market segmentation is the process of dividing the market into parts according to relevant standards and then positioning the enterprise's target market based on the difference of customers' purchase desire and their target goods. Different consumers or consumer groups are an important part of the market. Consumers' expectations, preferences, income, attitude and service are all important sources of consumer market division standards. Careful market division can enable enterprises to accurately locate consumers and groups of goods, make different market plans and Countermeasures for different consumer groups, provide consumers with satisfactory products and services, achieve a win-win situation of mutual benefit between enterprises and consumers, and help enterprises better grasp the development trend of the company.

In the process of market segmentation, Fuguiniao should accurately locate the target consumer groups and master the scope and purchasing power of the target consumer groups. Fuguiniao needs to launch the expected products of target consumers according to different consumer groups, supplemented by the development of marginal products. In addition, after market segmentation, Fuguiniao may be combined with their own resource allocation. It is necessary to consider various factors such as production technology, human, material and financial resources, and carry out market segmentation according to their own advantages to avoid greater losses [4].

5.2.2. Market Choice

The positioning of target market is for enterprises to find suitable target consumer groups and target market choices. Product positioning is for enterprises to launch what products have reached the expected consumption effect of target consumers, that is, the selection and positioning of target market from the perspective of enterprises and products.

(1) Expand the scope of consumer groups. For different stages of consumer groups, according to their consumption characteristics and consumption psychology, design different product styles, formulate appropriate product prices, launch more novel and fashionable products on the premise of product quality to meet diversified consumption needs, accurately locate consumer groups, seize the opportunity, innovate and develop, and strictly grasp the market development trend. Expand the range of target consumer groups, expand the range of middle-class men aged 25-48 to the whole consumer market group, obtain more development opportunities, develop marginal products in addition to products with their own competitive advantages, enhance the self competitive strength of enterprises and lay a foundation for the comprehensive development of enterprises.

(2) Combination of domestic and foreign markets. In the

saturated domestic market, the competitive pressure is huge, and the choice of foreign market is also a marketing way. With the continuous strength and development of China, China has attracted much attention and welcome from the world. Fuguiniao can use China as a huge brand to develop its own foreign market, combine domestic and foreign markets, compete and develop, and transfer risks and competitive pressure. In 2001, Fuguiniao cooperated with Italy FGN Clothing Co., Ltd. Fuguiniao enterprises can cooperate with some small brand companies and develop steadily from some small European countries.

5.3. Industrial Innovation and Development Strategy

5.3.1. Industrial Structure Upgrading

Through the integration of their own resources, enterprises can optimize, upgrade and adjust the industrial structure, build a complete and perfect industrial chain, build their own economic ecosystem and promote their own comprehensive strength. In the process of industrial structure optimization and upgrading, in addition to the strategy of product upgrading, Fuguiniao can implement strategic transformation, develop manufacturing enterprises into service enterprises, integrate manufacturing and services to reduce costs, increase the added value of products, extend the industrial chain, improve customer satisfaction and explore new profit growth points. In addition, in the process of operation, Fuguiniao should adhere to the combination of industrial development and capital operation, accelerate the reform, adjustment and reorganization of enterprises, and realize the priority of industrial layout and cluster development. Moreover, Fuguiniao enterprises need to strengthen the connection between various brand industries, establish a strong and perfect industrial chain and production line, take the industrial chain economy as the development model, expand the product series through horizontal integration and vertical extension, and establish the relationship of mutual growth and mutual benefit between upstream and downstream products. Diversify, develop new businesses, increase profit growth points and enhance the competitiveness of enterprises.

5.3.2. "Internet Plus Industry"

With the progress and development of Internet, big data and artificial intelligence, the "Internet plus" traditional industry has become a hot new industry. If enterprises want to get more long-term development, we must seize the opportunity of "Internet plus", and combine their advantages and resources to innovate and develop. The electricity supplier is an Internet plus representative industry, and it is an advanced productivity. The electricity supplier industry has great room for development. It has made a lot of innovations in Internet finance, big data and intelligence, O2O, cross-border electricity providers, rural electricity providers and mobile shopping. These innovations will greatly promote the rapid upgrading and transformation of traditional industries, and form a new enterprise ecosystem and value chain with the core of Internet and electricity supplier. Lay the foundation and provide power for the long-term development of the enterprise.

Due to the great differences in the maturity of Fuguiniao in similar markets, there should be different market development strategies. For the relatively mature original footwear brand business, the focus of store network development is on the second and third tier cities with low penetration rate, and gradually occupy the footwear market in

the third and fourth tier cities. Try retail channels with different business forms. A series of new business forms spawned by economic and social development have led to the failure of Fuguiniao enterprises. Fuguiniao needs to learn lessons, so it is necessary to constantly pursue new business models, actively explore sales channels and business forms. For the business forms such as shopping centers with rapid development in first tier cities, we need to try in the format of retail stores. For the first-line shopping centers in the core business district, strive to open a certain number of single brand stores, focusing on improving the brand image and customer cognition. For urban sub centers and community shopping centers, more consideration should be given to selling multi brand, multi category and multi-year-old goods in one store, so as to meet the needs of consumers for one-stop consumption, effectively share expenses and improve efficiency.

5.3.3. Diversified Development

Diversification strategy refers to the strategy that enterprises selectively enter new business fields in order to occupy more markets and explore new markets, or avoid the risk of operating a single business. Appropriate diversified development can improve the comprehensive strength of enterprises and reduce market risks. However, too much diversified investment and development will also lead to enterprise failure and crisis.

Through its position in men's shoes, Fuguiniao has constantly borrowed money for investment and cross industry investment, which has brought huge liabilities and fallen into the quagmire of diversified operation. From 2015 to 2017, Fuguiniao's investment enterprises, include Mining companies, Microfinance companies, etc. However, it is very easy for traditional enterprises to get out of control when they get into the needle of financial investment. Because there is no financial management experience at all and the amount of investment is large, the final capital chain is broken and the amount of debt is huge, which makes Fuguiniao deeply involved in debt disputes. In the diversified investment and development, Fuguiniao group implements the product diversification development strategy to make its own enterprise products span different industries, assist in the development of market diversification, give consideration to domestic and foreign markets, appropriately and reasonably diversify investment, and expand and invest on the premise of the operation of its own enterprise funds. In addition, develop new markets on the basis of the original market, carry out technological changes on the basis of inherent products, and develop horizontally diversified.

5.4. Product Marketing Strategy

5.4.1. Product Strategy

(1) Differentiated product strategy. Product differentiation strategy means that after production and processing, enterprises should face the majority of consumers with the characteristics different from other similar products and give them different freshness and consumption experience. Fuguiniao should start with the technological innovation of enterprise products, change the inherent image of products, enrich product types, meet the different needs of consumers, and make breakthroughs in product appearance, function and quality by formulating product differentiation strategies. According to different levels of consumers, produce products with their own characteristics and functions, such as the proportion of casual shoes and leather shoes, men's leather

shoes and women's leather shoes, flat heels and high heels; At the same time, starting from the source of products, starting from the aspects of production technology and raw materials, we can produce products with different levels of productivity and price to ensure that the range of products produced covers different consumer classes. Fuguiniao has three brands, Fuguiniao, fng and anywalk. The market positioning, product advantages and target consumer groups of these three brands are different, which is the specific manifestation of Fuguiniao group's differentiation strategy. In the follow-up development of the enterprise, we will continue to maintain the communication and cooperation between brands and enhance the comprehensive strength of the enterprise.

(2) Product portfolio strategy. At present, Fuguiniao's brand series mainly include four: Men's and women's leisure series, fashion shoes series, children's shoes series and leather goods series. The sales department can classify the products according to the relevance of the products and the same sex, and launch different product combination schemes and product combination series for different consumer groups according to the data analysis of market product demand survey, which can better meet the consumption needs of consumers, Men's and women's leisure series are combined with children's shoes to launch parent-child combination, men's wear and leather shoes, belts, leather bags and other related series combination strategies.

(3) Product R & D strategy. In the company's product R & D process, the company needs to formulate strategies, including the strategy of learning innovation from similar products of other companies, the strategy of self-development of creative products and the strategy of joint development of new products by all parties. Fuguiniao enterprises need to choose appropriate product R & D strategies according to their own scientific research strength, technology R & D and capital investment. In addition, in the research and development process of new products, it is possible to comply with the modern development trend and cater to the preferences of consumers. According to the interview of online media, many people feel that the products of Fuguiniao are too old and the styles are not novel enough. Although the quality is considerable, they are still not popular with consumers. Therefore, in the later stage of product research and development, Fuguiniao enterprises can innovate the product style, quality and function, and launch new models and new products.

5.4.2. Brand Strategy

(1) Brand positioning. The first step for brand marketing is brand positioning. Accurate positioning has laid the foundation for the success of brand strategy. Fuguiniao enterprises can finally determine the positioning of their own brands in the market through data analysis of the market, consumers and competitors, and then distinguish their own brands from other brands through characteristic marketing means to attract more consumers' attention. In the past 25 years of development, the shoes and men's wear of Fuguiniao brand have been deeply rooted in the hearts of the people. On this basis, Fuguiniao needs to make an accurate positioning according to the analysis of market survey data and its own strength, and further develop under the strength of the original brand.

(2) Brand promotion. Carry out brand promotion, including shaping and spreading the good image of products and enterprises, and establish the reputation of the brand in the hearts of consumers through major media publicity. In the

publicity and promotion of its own brand products, Fuguiniao group establishes a friendly and interesting product image from the publicity channel to the publicity content. It should not only open the sales volume of products, but also strengthen the extension and building of the enterprise brand image. On the basis of the original brand image, Fuguiniao group establishes a new brand image through the formulation and implementation of communication strategies, gradually goes deep into the thoughts of consumers and continues the brand loyalty of consumers, Enhance the vitality of the brand. The tiktok enterprises can promote and promote their own media platforms through jitter, micro-blog, WeChat and other new media, and increase interaction with new and old customers, attract consumers and enhance brand publicity.

(3) Dislocation brand advantage. At present, the homogenization competition of China's shoe industry is serious, and the excess capacity of the shoe industry can only be digested through price war. At present, the fierce price war of Aokang, red dragonfly and other footwear products has exposed the contradiction of fierce product homogenization competition and high product inventory ratio in the footwear industry. In this regard, Fuguiniao has established a misplaced brand advantage to avoid competition with the same type of shoe enterprises. Specifically, the advantages of misplaced brand can be divided into three points: first, misplaced price range. Fuguiniao sets the differentiated product price range above the competitors or reduces the coincidence degree of price range. At the same time, it strengthens the control of footwear product quality, which is obviously different from the competitors in terms of product quality. Second, misplace the target groups and set special target groups. For example, young middle-income people like fashion with full personality. The target products of this type of customers should focus on "fashion" and "comfort", while older career men prefer business and generosity. The elements of "maturity" and "self-confidence" should be integrated into the products designed for them. Designing products for different customers can effectively distinguish their opponents and occupy a broader market. Third, the regional range is misplaced. Due to regional and climatic reasons, the eastern, Western and northern regions have different living habits, and have different preferences for different shoes. In addition, the customer demand levels of the first tier, second tier and third tier cities are different. Fuguiniao can carry out differentiated production and sales.

5.4.3. Promotion Strategy

(1) Advertising. Advertising is a more effective means of product promotion. Through this means, we can expand the popularity of enterprise products, obtain certain brand popularity and brand advantages, and improve competitiveness. However, the cost of advertising is high, so enterprises need to pay attention to advertising. Appropriate publicity should be carried out according to their own funds. It is appropriate and not too much. The publicity of Fuguiniao group should not only focus on the publicity and popularity of products, but also focus on the brand culture of the enterprise and the characteristics of shoes and footwear products, so as to improve the reputation of its own brand and make consumers trust, so as to expand the popularity and increase the sales volume of products at the same time. Create a brand image with its own characteristics, not just imitation. The tiktok enterprises can use TV, magazines and Internet platforms such as micro-blog official account, small voice video, WeChat public number and other diversified

propaganda methods to promote their promotional activities, which are different from other commodities, increase their own characteristics and promote product sales.

(2) Preferential promotion. Merchants attract more consumers to consume by appropriately lowering the price of goods, or offering gifts and member points when selling goods, or maintain a certain source of customers. In the promotion strategy of Fuguiniao, special price promotion, coupon promotion and discount promotion can be adopted. Special price promotion is the most widely used way of promotion, which is to reduce prices in a specific period of time; Coupon promotion mainly refers to that businesses issue certain coupons to consumers, attract consumers to consume, increase the customer base of businesses and bring potential growth of consumption capacity to businesses; Discount promotion is generally aimed at seasonal goods and limited time special price goods. In addition to these sales promotion methods, while promoting sales, enterprises should also pay attention to the display and decoration of sales stores and store services, grasp consumers' consumption psychology, seize the opportunity and increase sales.

5.4.4. Establish and Improve Offline Physical Marketing Channels

(1) Manufacturer distributor consortium. This composition process refers to the contact between the production department of the enterprise headquarters and specific dealers in different regions, so as to form an integrated company, which bears risks and economic benefits. Its joint ventures are mainly direct stores and exclusive stores, which can effectively reduce production costs, improve economic benefits and stabilize market prices.

(2) Combination of regional agency and franchise. This can realize that the sales sites of enterprises in a certain region can form a brand network, and adopt the sub brand mode to make the network intensive and expand, so as to realize a virtuous circle.

(3) Combination of dealers and agents. In the first mock exam, the brand strategy and market will be effectively extended. This is an essential step for the expansion of enterprises. The agency and distributors will enhance the overall development of enterprises and achieve the healthy development of enterprises and expansion and promotion of enterprises.

5.5. Enterprise Organization Management Strategy

5.5.1. Enterprise Leadership, Management and Personnel Construction

Throughout the development process of Fuguiniao group, when the e-commerce opportunity came, the enterprise leadership and management were not keenly aware of the enterprise business opportunities and did not find the changes in the market in time, which eventually led to the decline of enterprise performance. In the follow-up diversified development process, the leaders and managers of Fuguiniao group have unshirkable responsibility for the debt crisis caused by the blind diversified expansion of Fuguiniao group. Fuguiniao group needs to strictly screen and assess in the process of division and distribution of enterprise management and leadership personnel, and choose the best to build an elite leadership group and management group. The leadership should have keen market observation and market development awareness, introduce excellent senior management talents, and strengthen the daily training of

management personnel.

5.5.2. Marketing Team Construction

When building a marketing team, enterprises should pay attention to the training of employees and the tacit cooperation between them. The organization and management strategy of Fuguiniao group can be started from the following aspects.

(1) Select excellent marketing personnel. When selecting personnel, Fuguiniao enterprises need to take the existing scale and development speed of the enterprise as the premise, build a marketing team suitable for the scale and speed of enterprise development, focus on high-quality and professionalism, focus on internal recruitment, pay attention to the allocation of internal resources, combine internal recruitment with external recruitment, and recruit and excavate talents from the human resources market or the Sales Department of the same industry, which can enrich the enterprise marketing team.

(2) Strengthen the training and management of team members. Strengthening the training and management of employees will help to improve the production and operation capacity of enterprises. In the process of employee training and management, Fuguiniao enterprises should carry out targeted training according to the characteristics of employees. In terms of training content, in addition to important professional knowledge and enterprise skill training, they should also pay attention to the training of enterprise culture, national industry development, safety system and management rules and regulations, so as to cultivate excellent marketing talents with comprehensive quality and professional ability.

(3) Improve the employee incentive, reward and punishment system. A fair and reasonable enterprise incentive, reward and punishment system helps to stimulate employees' work enthusiasm and create a positive working atmosphere. Improve the incentive, reward and punishment system, make the enterprise system management more fair and reasonable, protect the basic rights and interests of employees, and form a more standardized company system management. In the process of system reward and punishment system, enterprises should follow four basic principles: target incentive principle, reward and punishment incentive principle, spiritual incentive principle and accountability incentive principle.

(4) Establish and improve the marketing guarantee system. In the process of establishing and continuously improving the enterprise marketing team, a complete marketing guarantee system is very necessary. A good marketing model is not only reflected in the reasonable formulation of marketing strategies, but also reflected in the enterprise operation on the premise of a complete marketing guarantee system. In the strategy of establishing and perfecting the marketing guarantee system, Fuguiniao enterprises should first establish the marketing incentive system to stimulate employees' work enthusiasm and improve production efficiency. Secondly, the improvement of the post responsibility system of sales personnel is an important part of the marketing guarantee system. In addition, enterprises also need to establish a communication guarantee system to pay timely attention to the thoughts of sales personnel, so as to ensure that sales personnel maintain a good attitude and prevent the loss of customers.

References

- [1] Wu Xiaoru. An analysis of the diversification strategy of enterprises from the decline of Fuguiniao [J]. Tax, 2019 (30): 169-170.
- [2] Xiao Linuan. Research on the causes and Enlightenment of Fuguiniao financial crisis [D]. Overseas Chinese University, 2020.
- [3] Guan Jian. Those who are big and happy will be crazy -- the inevitability behind the defeat of HNA, Huiyuan and Fuguiniao [J]. International brand watch, 2022 (07): 68-69.
- [4] Sun Yilin. Business strategy choice of family enterprises under the background of economic transformation -- a study based on the transformation performance of Fuguiniao [D]. Wuhan Textile University, 2021.
- [5] Liu Yun. Research on identification and control of capital chain risk of Fuguiniao [D]. Chongqing Industrial and Commercial University, 2021.