

Research on the Causes of Failure and Revival Strategies of Huiyuan Enterprises

Haolu Hu^{1,a}, Yajie Liu², Yuting Pi³, Zhifan Yin¹, Deyu Li^{1,*}

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

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

³ School of International Trade and Economics, Anhui University of Finance and Economics, Bengbu, Anhui, China

*Corresponding author email: ldy0048@163.com, ^a2531383158@qq.com

Abstract

Firstly, this paper analyzes the brand, product type and quality certification of Huiyuan enterprise, and introduces the development background of the enterprise. Then, it analyzes the internal and external reasons for the failure of Huiyuan enterprise. Finally, it puts forward the strategy of Huiyuan enterprise revival. First, accelerate internal management reform and improve operation efficiency. Second, reasonably plan the company's capital system. Third, improve the marketing strategy. Fourth, promote product diversification and clarify product positioning.

Keywords

Porter's Five Forces Model; Internal Causes; External Causes; Resurrection Strategy.

1. Company Profile

1.1. Brand Overview

Huiyuan Group was established in 1992. After nearly 30 years of development, more than 140 business entities have been established throughout the country, linking more than 10 million mu of planting and breeding bases for high-quality fruits, vegetables, grain, livestock and poultry, establishing a sales network basically all over the country, and building a national agricultural industrialization management system with close integration of agriculture, industry and Commerce and mutual support of primary, secondary and tertiary industries. Huiyuan Group takes the fruit juice industry as the main body, forming an industrial pattern of mutual promotion and common development of Huiyuan fruit juice, Huiyuan fruit industry and Huiyuan agriculture. Huiyuan Group was listed as the "top ten in China's beverage industry" in 1999.

Huiyuan Group has more than 200 world advanced production lines for fruit processing and beverage filling. The cold crushing of fruit produced by raw pulp, ultra-fine filtration of concentrated fruit juice, UHT ultra-high temperature instantaneous sterilization of beverage cans and aseptic cold filling are all in a leading position in the world. Huiyuan Group has passed ISO9001, HACCP, ISO22000, OHSAS18000, ISO14001 and other quality, safety and environmental management system certification, as well as FDA, GMA, BRC, SGF and kosher certification. Huiyuan Group's national market share of pure fruit juice and medium concentration fruit juice drinks has maintained a leading market share for many years. Concentrated fruit juice and some drinks are exported to more than 30 countries and regions on five continents.

Huiyuan Group has won such honors as China's well-known trademark, China's famous brand products, the first brand of product quality user satisfaction in China's beverage market,

national key leading enterprise of agricultural industrialization, national demonstration enterprise of agricultural product processing industry, national industrial tourism demonstration site, national advanced group of light industry, national advanced private enterprise of employment and social security, outstanding contribution award of corporate social responsibility [1].

Huiyuan fruit juice brand has a wide range of products, including 100% fruit juice series, medium concentration fruit juice series, fruit juice beverage series, children's fruit juice series, drinking water series and so on. Huiyuan 100% fruit juice products are the star products of Huiyuan Group. Huiyuan's 100% fruit juice products have orange, peach, grape, pear, tomato, apple, carrot, etc. Because the product does not add sugar, pigment or preservative, it is favored by consumers. Huiyuan 100% juice raw materials come from various high-quality fruit producing areas in the world. The world's advanced aseptic cold filling technology is adopted to better retain the nutritional components and flavor of juice.

1.2. Development Background

In 1992, Zhu Xinli, a young man in rural Shandong Province, gave up the opportunity to become an official and resolutely decided to set up an enterprise to undertake a small cannery that had not been paid for more than three months and was in debt of more than 10 million and was on the verge of closure. Through the introduction of foreign production equipment, Huiyuan hired senior food engineers to start the processing of concentrated fruit juice. Soon, the first batch of Huiyuan juice was successfully developed. In 1994, Zhu Xinli began to go to Germany to find sales channels and won an international order of US \$5 million at one stroke. It's not enough to show your head in the international market, and you have to increase your exposure at home. In 1997, Zhu Xinli spent all his money - 70 million yuan to buy a five second advertising space in CCTV's prime time. With the blessing of CCTV, Huiyuan juice has gradually become a national brand with high national popularity.

Over the years, Huiyuan juice has been the leading enterprise of concentrated juice in China, accounting for half of the high concentration juice market. Huiyuan Group sells all kinds of drinks, including fruit juice drinks, tea drinks, vinegar drinks, milk drinks and low content fruit juice drinks, and has increased the investment in advertising and publicized its characteristics of taking the road of health. In 2000, Huiyuan Juice ranked first in China with a market share of 23% for more than ten consecutive years. In those days, in addition to foreign Coca Cola and Pepsi Cola, only Wahaha, which relied on milk drinks such as purified water and AD calcium milk, could compete with it. However, such a beautiful enterprise ushered in a turning point in its career shortly after its establishment. Huiyuan Juice officially landed in Hong Kong stocks in 2007. The share price soared 66% on the day of listing, and the market value once exceeded HK \$30 billion. One year after listing, Coca Cola wants to buy Huiyuan juice at a price twice the market value. Faced with the olive branch thrown out by Coca Cola company, Zhu Xinli began a "self-sale" transaction, which made Huiyuan go downhill. The implementation of the anti-monopoly law in 2008 led to the emergency suspension of this transaction. The failure of the acquisition case caused great problems in Huiyuan's internal funds and buried hidden dangers for Huiyuan's bankruptcy [2].

By the end of 2017, Huiyuan's total liabilities were 11.4 billion yuan, with an asset liability ratio of 51.8%. Of the 11.4 billion yuan of liabilities, 8.35 billion yuan was borrowed. On April 3, 2018, Huiyuan was even more in financial doubt. Huiyuan juice has been suspended since April 3 on suspicion of violating the provisions of the Hong Kong Listing Rules on the declaration of connected transactions, shareholder approval and disclosure. In March 2018, Huiyuan Juice Group announced that the company would provide short-term loans to Beijing Huiyuan Beverage from August 15, 2017 to March 29, 2018, so that Beijing Huiyuan Beverage could meet the needs of temporary working capital and repay debts. However, the loan of more than 4

billion yuan was neither approved by the board of directors nor fulfilled the relevant disclosure obligations. Therefore, Huiyuan Juice violated the relevant listing rules of the Hong Kong Stock Exchange and was suspended by the Hong Kong stock exchange. In December 2019, according to China judicial documents network, the Beijing Fourth intermediate people's court ruled that about 4.1 billion yuan of assets of China Deyuan capital (Hong Kong) Co., Ltd. were sealed up, seized and frozen. The authorized representative behind Deyuan capital is Zhu Xinli. In addition, in addition to the freezing of 4.1 billion assets of Deyuan capital, Zhu Xinli himself has recently been listed as a dishonest executive again.

Huiyuan faces the risks of tens of billions of liabilities, collective resignation of senior executives and delisting. It is reported that if Huiyuan Group fails to complete the conditions for resumption of trading before January 31, 2020, it will be subject to delisting procedures. On the evening of February 14, 2020, Huiyuan Juice Group announced that the company received a letter from the stock exchange of Hong Kong Limited (hereinafter referred to as the stock exchange). Due to the suspension of trading of the company's securities since April 3, 2018, it was unable to fulfill the conditions for resumption of trading before January 31, 2020 and resume securities trading on the stock exchange. The Listing Committee of the Stock Exchange decided to cancel the listing status of Huiyuan Juice Group in accordance with article 6.01a of the listing rules. On January 13, 2021, the Hong Kong Stock Exchange announced that the listing status of Huiyuan Juice Group would be cancelled from 9:00 on January 18. In July 2021, due to the flood in Henan, Huiyuan donated 1 million yuan to Henan. Huiyuan Group pursues the corporate philosophy of "taking from the society and contributing to the society", and actively undertakes social responsibility. In the face of major disasters, Huiyuan has always been with the people in the disaster area to help the front-line disaster relief and actively fulfill social responsibilities by donating drinking water, beverages and other scarce materials. Under such severe circumstances, Huiyuan still shows its responsibility as a national enterprise.

Under the background of domestic and international double circulation and domestic goods tide, can Huiyuan still have a glimmer of vitality? This case study focuses on Huiyuan Group, analyzes the reasons for the failure of Huiyuan bankruptcy, and looks for the revival plan of Huiyuan.

2. Reasons for the Failure of Huiyuan Enterprises

2.1. External Reasons for the Failure

Porter's "five forces" model understands the basic competitive situation of the industry through the analysis of the bargaining power of consumers, the bargaining power of suppliers, the competitive power among enterprises within the industry, the threat of substitutes and the threat of potential industry entrants. The following uses Porter's "five forces" model to analyze the competitive environment and industrial development characteristics of Huiyuan enterprise industry, and analyze the reasons for its failure.

2.1.1. The Entry Threat of Potential Entrants

At present, soft drink products, marketing and channels are gradually diversified, and the registration of beverage related enterprises is increasing year by year. In 2020, the registration of beverage related enterprises in China was 441968, a year-on-year increase of 10.7%. In recent years, although the growth rate of new enterprises in the beverage market has decreased significantly, the market is still expanding. Huiyuan has established more than 140 business entities nationwide, linked more than 10 million mu of high-quality fruit, vegetable, tea and grain planting bases, and has a large production scale. As resources are limited, enterprises that enter the industry first can seize a large number of resources. The enterprises in the beverage industry belong to "equipment production" enterprises. Having a good equipment production line means that they have high production efficiency and low production cost. New entrants

enter either on a large scale or on a small scale with high cost, so the entry threat of potential entrants is small.

2.1.2. The Threat of Substitutes

The substitution threat of substitutes largely comes from the buyer's belief that substitutes have comparable and better characteristics. Based on the analysis of the development trend of China's beverage industry in the future, consumers in the beverage industry will continue to pursue diversified, nutritious and delicious drinks. With the diversification of life elements and consumers' understanding of health elements, beverages gradually change from single type to compound type, and gradually change from fruit flavor type to fruit and vegetable type, which will pose a certain threat to Huiyuan. At present, the segmentation of beverage field is more obvious, and emerging beverage fields such as tea, fruit juice and bubble water release huge market potential. According to the data of prospective industry research institute, from 2014 to 2018, the compound growth rate of China's new tea sales was close to 30%, and the sales volume reached 40.82 billion yuan in 2018. During the same period, the retail volume of bottled fruit juice has been floating between 13-14 billion, with slow growth. The market space of new tea comes from stock substitution and incremental demand. The stock substitution includes the substitution of bottled fruit juice. There is also a fruit juice bubble water called "wanghawthorn" which has also become a new online red drink. Because of its sweet and sour taste, recognizable glass bottle packaging and the title of "good partner of Luchuan and hot pot", this drink is popular in modu area. In July 2019, hawthorn was officially listed. In just over a year, it pushed the sales to the level of tens of millions and quickly occupied its place in the field of "bubble water + fruit juice". The appearance of hawthorn is a change of traditional fruit juice, combining the concepts of "sugar free" and "bubble water" to capture the minds of consumers. In the face of the change of consumers' consumption habits, emerging beverages emerge one after another, and Huiyuan Juice with single product is slightly "weak" [3].

2.1.3. Competition of Existing Enterprises in the Industry

At present, there are three competitive forces in the fruit juice beverage market. Taiwan's representative enterprises include uni president and Master Kong, which are characterized by a long product line and win with packaging innovation and taste. Representative inland enterprises include Wahaha and Yangshengtang, which have absolute advantages in all channels. Internationally, the two Cola giants have invested a lot of money to enter the Chinese market. For example, the pure juice of Coca Cola, queer and Pepsi sell well in China. Huiyuan's competition in the fruit juice beverage market is a performance of not advancing or falling back. With the continuous development of China's economy, the increasing improvement of people's living standards and the strong demand of fruit juice beverage market, more and more capital flows into the fruit juice market, and the competition is becoming increasingly fierce. According to the incomplete statistics of gale finance, beverage giants at home and abroad, such as Coca Cola, nongnongshanquan and Master Kang, have laid out fruit juice product lines, while there are more than 40 second-line fruit juice brands. In the face of fierce market competition, other fruit juice brands continue to push through the old and bring forth the new, while the marketing means of Huiyuan fruit juice is "like a day for decades". Huiyuan Juice's main medium and high concentration fruit juice is a high-end product, but the marketing and advertising of Huiyuan products do not optimize the design and upgrade for the mainstream buyers of high-end fruit juice products. The product packaging has been the same for decades, and there has been little change and innovation. At the same time, there is no innovation in its marketing mode. Now young people watch less and less TV, and new media marketing is becoming popular. However, Huiyuan Juice advertising is still dominated by TV, which is farther and farther away from the vision of young consumers.

2.1.4. Bargaining Power of Buyers

From the perspective of sales model, in the first tier cities, dealers have more information and less product differentiation. Therefore, dealers have greater bargaining power. In the second tier cities, they mainly rely on dealers to obtain the market, but the profit and enthusiasm of dealers are low, resulting in strong bargaining power of buyers. From the perspective of retail terminals, for hypermarkets such as Wal Mart and Carrefour, their paving fees and entry fees are very high, and the shelf selection of PET bottles of fruit juice drinks is very strict. Most of them choose fruit juice drinks with considerable brand effect. Such stores also need to participate in the formulation of product retail prices according to their own interests. As for small and medium-sized stores and small shops, they are very price sensitive, have many alternative products, and buyers have strong bargaining power. Huiyuan's buyers or clients are minors under the age of 20 and single young people under the age of 30 who live independently in large and medium-sized cities. They have a middle income or above, advocate a healthy life and adopt a fashionable or elegant lifestyle. At present, the Internet is popular, and most of Huiyuan's customers are young people, who have a comprehensive grasp of the dealer's information. If Huiyuan has price changes or problems with quality or internal experience, as well as problems with after-sales service, it will greatly affect the sales volume. To sum up, buyers in the fruit juice beverage market have strong bargaining power.

2.1.5. Bargaining Power of Suppliers

From the perspective of raw material supply, China is rich in fruit resources. Huiyuan fruit juice beverage enterprises have their own production base, and the bargaining power of raw material suppliers is not strong. However, as China's low-cost, high-quality and highly competitive fruit juice enters the international market, it has attracted a large number of domestic and foreign capital to gather in the industry. In recent years, the state's "de capacity" plan for the manufacturing industry has been continuously promoted, resulting in tight supply. From the perspective of packaging bottle supply, PET bottles used for packaging have the characteristics of small unit value, light weight, large volume and centralized use by manufacturers, which makes their transportation cost higher, which once led to strong bargaining power of pet suppliers. In this regard, Huiyuan adopts IPD mode. IPD is an advanced product R & D process, which makes the whole production system more efficient and lower cost. Huiyuan also adopts alternative methods such as aseptic cold filling to reduce the packaging cost. The strict control of packaging costs by Huiyuan enterprises makes the beverage packaging squeezed by the profits of the upstream industry, the competition of the same industry and the downstream beverage enterprises, resulting in low profits and weak bargaining power of the beverage packaging industry.

2.2. Internal Reasons for the Failure

We will analyze the internal causes of Huiyuan's failure from four aspects: enterprise management, capital, marketing and strategy.

2.2.1. Family Management, Brain Drain

Talent is the foundation of an enterprise and one of the most important core resources for enterprise development. Huiyuan Group was founded in 1992. After more than 20 years of development, it has established more than 140 business entities across the country, linking more than 10 million mu of planting and breeding bases for high-quality forest fruits, vegetables, grain, livestock and poultry. Almost all these achievements were created by Zhu Xinli, which also led to Zhu Xinli's absolute voice in the enterprise. He himself also showed a strong local complex and strong personal arbitrariness in recruitment and employment.

Shandong people account for 70% of the whole company. Even when recruiting, Zhu Xinli will ask the native place of the candidate in advance, and give priority to the hometown of Shandong.

The Zhu family is in charge of the development lifeline of Huiyuan Juice, and all members of the family work together. They have devoted their efforts to Huiyuan Juice, which is why they have today's Huiyuan juice. However, this rough corporate governance has left hidden dangers for the further development of Huiyuan juice. The son-in-law Gao Yong was later exposed as suspected of making huge profits from the advertising business of Huiyuan Juice and gradually faded out of Huiyuan. Then his nephew was dismissed by Zhu Xinli due to a trademark licensing dispute. Due to the inherent trust of family enterprises, family enterprises often do not pay much attention to governance issues, such as internal levels and rules, as well as the ability to abide by and abide by external company law. Undoubtedly, such a management mode has brought considerable damage to Huiyuan Group. Moreover, due to Zhu Xinli's arbitrary power, most of the invited executives stayed for a short time and left sadly. In the face of such a serious brain drain, it is impossible for Huiyuan Group to estimate the loss.

2.2.2. Cash Tight, Debt Laden

Cash is the blood of enterprise survival and development, and profit is an important source for enterprises to accumulate and expand reproduction. However, government subsidies have always accounted for the majority of Huiyuan's profits, which is tantamount to standing on the edge of a cliff for Huiyuan. In 2011, Huiyuan's net profit was 310 million yuan, but it included 201 million yuan of government subsidies, accounting for 64% of the total net profit; In 2012 and 2013, the amount of government subsidies was 251 million yuan and 225 million yuan respectively, even exceeding its total net profit. In the nine years from 2008 to 2016, Huiyuan's non net profit deduction was a loss for seven years, and it has been a loss since 2011. In fact, government subsidies can only improve the profitability of enterprises in the short term, and do not play a substantive role in improving their profit quality.

In the face of financial pressure and performance crisis, Huiyuan Juice did not sit idly by and carried out a series of self rescue policies. As early as September 2008, Huiyuan Juice planned to sell itself to Coca Cola for \$24. If the acquisition is successful, Zhu Xinli will cash in HK \$7.4 billion directly. In order to meet the acquisition conditions of Coca Cola, Huiyuan took the initiative to reduce nearly 75% of its sales team and distribution network, and cut down the sales system established in 16 years. At that time, 21 provincial managers in 21 sales regions of Huiyuan basically resigned. In order to improve the appraisal value of assets, nearly 2 billion yuan was invested in two months.

Since 2011, the net profit of Huiyuan Juice deducted from non parent has been negative for six consecutive years. By the end of 2017, the company's total liabilities had reached RMB 11.402 billion. At the end of 2016 and 2015, the total liabilities of the company were RMB 9.995 billion and RMB 7.662 billion respectively. The high debt of the enterprise will cause the operating profit of the enterprise to be unable to bear the high financial expenses, which is bound to cause the loss of the enterprise and the decline of operating performance.

In order to save the declining trend of tight cash flow, Huiyuan is ready to "sell" Tiandi No. 1 with an amount of 3.6 billion yuan in April 2019. It is reasonable to say that in terms of volume, brand awareness and market share, Tiandi No. 1 is far less than Huiyuan Juice, which can be seen from the difficulty of Huiyuan at that time. Unfortunately, the final cooperation ended ahead of schedule in three months. In July 2019, Huiyuan Juice announced: "the company believes that the conditions for further promoting the transactions to be carried out under the agreement may not be ripe." This also means that Huiyuan Juice's second "selling plan" was blocked again after the Coca Cola acquisition. On December 11, 2019, China Deyuan capital (Hong Kong) Co., Ltd., as the authorized agent of Zhu Xinli, was sealed up by the court. China Merchants Bank applied to the court to seal up, seize and freeze the equity, bank deposits and other values held by Deyuan capital, with a total of about 4.1 billion yuan of assets. As a director and authorized agent of Deyuan capital, Zhu Xinli has become a dishonest executive.

2.2.3. Conservative Marketing, Fade Out of Sight

In 1996, before the popularity of television, Zhu Xinli angrily smashed 70 million yuan and bought a five second advertising space for CCTV. The sentence "drink Huiyuan Juice and take the road to health" has made a name for Huiyuan juice. For a time, it was in the limelight, and its products firmly occupied half of the market share. Later, the "New Year's Eve with Huiyuan" is a household name, which has become the early childhood memory of a generation and the standard for new year's Eve dinner for several years. Huiyuan, which enjoyed the huge dividends brought by advertising marketing early, has not been transformed and upgraded for target users in advertising investment for decades. Today, with the rapid development of media, an important reason why Huiyuan is far away from the vision of young people is that advertising is still dominated by TV, always hovering in a single CCTV advertisement and ignoring the development of emerging channels. The lack of popularity of spokesmen is also an important problem of Huiyuan marketing. As early as 2006, Huiyuan spent 15 million to invite Quan Zhixian to endorse the "real fresh orange" series products. In 2007, Yuan Quan became the spokesperson of Huiyuan. In 2013, Na Ying, a pop diva, and Guo Degang, a crosstalk actor, became spokesmen for Huiyuan's new products. According to the situation at that time, the above-mentioned people were all people with strong strength and good reputation in the industry. In terms of current influence, these spokesmen in the past were not as hot as popular flowers and fresh meat, which was not enough to attract the attention of young people [4].

2.2.4. Failed to Sell Myself, be Thrown into Jail

In 2007, Huiyuan juice was successfully listed in Hong Kong, raising more than HK \$2.4 billion (HK \$1, about 0.9 yuan), becoming the largest IPO of the Hong Kong stock exchange that year. However, chairman Zhu Xinli is not satisfied with the current situation and wants to do great things together with capital. In September 2008, only one year after Huiyuan's listing, Coca Cola announced that it would purchase all the issued shares of Huiyuan juice for HK \$17.92 billion. At that time, this was the largest acquisition plan of Coca Cola outside the United States. However, in Zhu Xinli's view, this acquisition, which is "certain", was rejected because it touched on the newly promulgated anti-monopoly law. The acquisition case failed, and Huiyuan juice was difficult to re-establish a sales team in a short time. Since then, its vitality has been greatly weakened. The failure of M & A has become the starting point of Huiyuan's decline. Not only the share price has fallen continuously, but also the performance has gradually suffered losses.

3. Revival Strategies

Through the analysis of the reasons for the failure, although the external reasons have a very important impact on Huiyuan, the internal reasons are the root cause of the failure of the enterprise. We should adopt the corresponding Revival Strategy on its management, capital, marketing and strategy. In view of the problems of Huiyuan management, adopt internal management reform to improve its operation efficiency. Aiming at the capital problem, establish a reasonable planning company's capital system, and improve the marketing strategy through three aspects. In view of strategic issues, promote product diversification strategy.

3.1. Accelerate Internal Management Reform and Improve Operation Efficiency

As for the current situation of Huiyuan, while bearing the pressure of huge debts, there are also the criticisms of family enterprises that have been harbouring filth for many years. Huiyuan juice has many internal policy variables, irrationality and disorderly management. For the revival of Huiyuan enterprises, it is essential for large-scale personnel transfer and reform of internal management.

3.1.1. Pay Attention to the Construction and Improvement of Internal Control Environment

First, remove the management mode of "paternalism" and change the property right and ownership structure of Huiyuan. To change the current property right, we need to absorb public investment for property right flow in order to optimize the property right structure. Secondly, the combination of ownership and management is one of the biggest characteristics of family enterprises. Zhu's equity must be diluted or sold, and then the members of the board of directors can be re established. Thirdly, improve the overall management level of the enterprise, and motivate and assess the management cadres above the middle level from the four perspectives of finance, customers, business process, learning and innovation. By means of external introduction and internal training, we can make full use of competitive salary to attract a large number of elites to fill the management posts, continuously improve the ability and quality of the management team, and truly improve the overall operation and management level of the company. All links in the internal control system integrate the idea of risk management and strengthen the risk management awareness of managers and operators. After managers have a comprehensive risk awareness, enterprises should consider integrating this idea into the construction of corporate culture and internal control.

3.1.2. Establish a Powerful Control System and Improve the Enthusiasm of Dispatching Management

In terms of channel construction and management, we should strengthen the management of channel members, strengthen the cooperation with other channel members, and establish a good channel relationship, so as to improve the competitiveness of channels. For internal marketing personnel, it is necessary to develop in coordination and continuously improve the enthusiasm of internal personnel through various incentive measures; For distributors, it is necessary to establish a long-term cooperative relationship based on trust, loyalty and mutual benefit, so that distributors can obtain more benefits while expanding product sales, have great dependence on Huiyuan Group, establish a long-term and good interactive bond relationship, and realize a virtuous circle of benefit sharing and coordinated growth; For customers, we should actively and effectively develop, motivate and manage customer relations, cultivate and establish the business philosophy of "customer-centered", strengthen marketing guidance, timely understand market changes and customer needs, and report the investigation to the customer relations department of the headquarters at any time, so that the headquarters can timely understand the situation and make corresponding strategic adjustments, and implement the marketing strategies formulated for various markets. Strengthen the dissemination of corporate cultural values with control awareness and mobilize everyone's enthusiasm for management and operation. Infiltrate the corporate culture into the daily life and work of employees, summarize and refine the "Huiyuan culture" and "Huiyuan spirit" and spread them to the public, so as to make "Huiyuan culture" and "Huiyuan spirit" become the spiritual force to inspire all Chinese people to forge ahead and strive for self-improvement in this era. Huiyuan Juice shall establish an internal unified control culture to support the implementation of control activities. For internal employees, regular training and education shall be carried out, a series of control activities shall be formulated, values and work objectives shall be unified, reporting, feedback and communication channels under special circumstances shall be made public, so as to promote employees to supervise each other, give full play to their abilities and perform their duties [5].

3.1.3. Improve the Efficiency of Internal and External Communication and Information Transmission

For Huiyuan Juice, an efficient information communication system is not only limited to the information data of the internal financial system, but also includes the information data of the

external market and major decisions. At present, Huiyuan has lagged behind in obtaining external market information, taking measures and losing the opportunity to occupy the market, which is also caused by problems in the internal management system and untimely acquisition and analysis of data. Therefore, we must improve the ability of the company to grasp timely and effective information and make strategic adjustment and planning in time according to the information of the market and customers. Therefore, Huiyuan Group should use advanced information technology to establish a huge database system, study the different needs of various customers, propose different marketing strategies for different customers, and formulate effective implementation plans according to the actual situation, so as to provide valuable information support and guidance for the marketing department to implement marketing activities.

3.2. Reasonably Plan the Company's Capital System

3.2.1. Establish and Improve the Early Warning Mechanism of Financial Crisis

A perfect financial early warning system plays a positive role in enterprises to deal with possible financial crises in the future. Huiyuan juice should reasonably select early warning indicators and build a perfect early warning system. The latter selects appropriate early warning models according to its own characteristics for crisis early warning analysis of enterprises, such as Z-score Model and F-score model improved by Chinese scholars. Huiyuan should increase the management awareness of financial crisis early warning, further strengthen the ability of background personnel to analyze data information and processing, and timely feed back the information to the departments where Huiyuan needs to make corresponding work plans, so as to improve the early warning efficiency, so that Huiyuan's early warning system can timely and accurately predict risks and deal with the arrival of financial crisis.

3.2.2. Look for Strong Acquirers

Zhu Xinli has always been inclined to develop the upstream industrial chain business, invest in fruit and vegetable cultivation and other businesses nationwide, establish a number of fruit and vegetable cultivation bases, and invest a lot of money in production lines, production equipment and plants. Huge operating costs and radical investment strategies make it difficult for Huiyuan juice to maintain the operation of the company only by relying on its main business income. It has to make up for the deficit through external financing. However, the excessive growth of production capacity can not be fully digested by the company, and the investment is not proportional to the income, which makes a large amount of production capacity of Huiyuan Juice idle and the utilization rate of production capacity is low. At the same time, the annual depreciation and amortization expenses will also have a great impact on the company's profits, which will have a negative impact on the company's profitability, further worsen the financial situation of Huiyuan Juice, and has lost the ability to return blood quickly. According to the current situation, the most difficult problem of Huiyuan juice is how to solve the survival problem of the company. It is difficult to maintain its normal operation only by relying on the internal operation of the company. Looking for a strong and well funded acquirer is not only the first choice of the company, but also an effective means to solve the company's debt crisis and other financial difficulties. At the same time, with the support of strong acquirers, Huiyuan Juice boosted business confidence and is expected to return to the track of high-speed growth.

3.2.3. Optimize Financing Structure

Huiyuan should avoid over reliance on a single financing channel, make rational use of the financing portfolio in combination with Huiyuan's own business characteristics and development stage, and use a variety of financing channels to disperse risks. Huiyuan can hedge

the risks brought by debt financing by non-public offering of shares or introducing strategic investors while carrying out debt financing by weighing risks and benefits.

3.3. Improve Marketing Strategy

3.3.1. Expand Advertising Methods

Today, with the rapid development of media, Huiyuan should broaden the way of advertising and spend money on the blade.

(1) Promotion of we media. Make rational use of the promotion of we media, increase the exposure of Huiyuan and strengthen the publicity of Huiyuan quality. Cooperate with some bloggers to shoot product evaluation, product grass planting, new product unpacking and other contents, focusing on the taste and composition of the product; Publish topics such as "looking for Huiyuan wild spokesperson" and "n drinking methods of Huiyuan" on we media to arouse national interest; Create Huiyuan's official accounts on various social media, push new products in time, actively interact with fans, invite fans to become new product experience officers, and "dream linkage" with the official accounts of other brands.

(2) Implant advertisements in film and television dramas. As early as 2011, Zhu Xinli appeared in "rural love 3". Huiyuan Juice in the play reached a cooperation with Xie Yongqiang's orchard, pushing the implantation of Huiyuan to a climax. If you want to strengthen the popularity and recognition of users, it is a good way to implant advertisements in film and television dramas. The most valuable market segment of Huiyuan juice sales has the following characteristics: minors under the age of 20 living in large and medium-sized cities have more than medium income, advocate a healthy life and adopt a fashionable or elegant lifestyle for single youth under the age of 30 living independently. Therefore, in terms of theme selection, you can choose film and television dramas related to the city, healthy life and high-end, which can achieve twice the result with half the effort.

(3) Advertising design. First of all, in the content design of the advertisement, in addition to showing the excellent materials of Huiyuan, it can also show you the story of Huiyuan helping fruit farmers get rid of poverty, reflect Huiyuan's corporate responsibility, shape the brand image and win the favor of consumers. Secondly, Huiyuan should design some interesting advertising language, which can deepen consumers' impression through homophonic stem and so on. Secondly, in the choice of advertising space, Huiyuan should not only focus on CCTV advertising. In terms of physical advertising, Huiyuan can choose more places with a large number of people such as bus stops and shopping malls, so as to make it closer to the daily life of the public; In terms of TV advertising, Huiyuan can choose well-known satellite TV such as Oriental satellite TV and Zhejiang satellite TV to cooperate. No matter how much advertising investment is, it is effective to be seen by consumers.

(4) Choice of spokesperson. In terms of the choice of spokesmen, it is not difficult to see that Huiyuan's spokesmen are strong enough, but lack a certain heat. Nowadays, the purchasing power of fans is very strong, the fan economy can not be ignored, and the power of stars to bring goods can not be underestimated. If Huiyuan wants to open up a world among young people, it should combine its brand positioning with the choice of spokesperson, select a young artist with strength, good reputation and solid work, and convey its willingness to enter the young market [6].

3.3.2. Implement a More Perfect Marketing Strategy

Huiyuan should launch different marketing strategies according to the "local" conditions. When conducting online marketing, it should be carried out in an all-round way, from single account to topic release and then to multi platform interaction. In Huiyuan's donation, love and other activities, we responded in time, actively contacted the media, shaped the corporate image and won the praise and favor of consumers. Every festival, Huiyuan should seize the opportunity,

accurately locate, link its image with some online hot words, such as integrating competitive culture into its own brand culture, deeply communicate with consumers, and make differences with other brands at the same time.

Offline, offline stores can be opened to let consumers experience Huiyuan's corporate culture. In South China, we should refine the marketing units and target groups, correctly match the marketing strategies according to the market segments, and enable Huiyuan to grasp the dynamics of the market and reach long-term cooperation with customers through comparative analysis; Conduct certain training for the service personnel of stores and supermarkets engaged in sales Huiyuan, strengthen personnel sales promotion, improve service attitude, achieve the purpose of in-depth distribution and improve customer satisfaction; Deeply combine Huiyuan's cultural concept with urban development and consumer life concept to meet the spiritual demands of consumers, resonate with consumers and carry out cultural marketing.

3.3.3. Look for Cross-border Co Branding

In 2022, cross-border co branding has become a new generation of traffic passwords. To open up the youth market, Huiyuan's cross-border joint brand is essential. As a generation of old domestic brands, Huiyuan should properly carry out some cross-border joint names, so as to break the traditional cognition of consumers. Huiyuan can jointly slobber products with shampoo, perfume, mouthwash and other products. Jointly with the city to launch flavor drinks with hometown characteristics; Launch a co branded gift box with the snack gift bag, so that consumers can match Huiyuan in the leisure environment of eating snacks and pull into the distance from consumers; According to the founder characteristics of Huiyuan juice packaging, small hairpins, beauty puffs and cosmetic bags similar to Huiyuan packaging box can be designed. At the same time, measures of "only sending but not selling" can be introduced to arouse consumers' curiosity hunting psychology. In addition, Huiyuan can cooperate with painters to personify the image of Huiyuan Juice, make it more vivid, grow into an independent IP and show its corporate culture.

3.4. Promote Product Diversification and Clarify Product Positioning

For the beverage industry, the category of fruit juice is too narrow. If the demand for this category decreases or disappears, the brand will also be fatally affected. Increasing product categories may lead to more product extensions, more possibilities for product line innovation, and better prevent the decline of subdivided categories.

3.4.1. Develop New Products

Huiyuan juice brand has five product categories, including 100% juice series, pulp series, children's beverage series, low fruit series and water series. Among them, 100% juice series is its star product. It can be seen that Huiyuan basically specializes in fruit juice. In contrast, Coca Cola has 23 brands alone, and its products cover fruit juice, carbonated drinks, tea, mineral water, dairy products, functional drinks and other categories. In contrast, Huiyuan's product categories appear too thin.

(1) Make full use of the advantages of enterprise scale and give full play to the role of external economies of scale. The theory of external economies of scale holds that, under the same other conditions, the production in areas with large industry scale is more efficient than that in areas with small industry scale. The expansion of industry scale can lead to the increase of scale income of manufacturers in this area, which will lead to the large-scale and high concentration of a certain industry and its auxiliary departments in the same or several places, forming an external economies of scale. Huiyuan can make use of its relatively complete industrial chain and large enterprise scale to increase the utilization efficiency of resources. Through

reasonable category segmentation, Huiyuan can produce different types of drinks at the least possible cost, so as to enrich its brand image.

(2) Use brand reputation to launch key products. The main products have competitive advantages over their peers, such as price, quality, novelty, etc. It is more popular with customers, that is, the popular and hot models in the store. When Huiyuan chooses to build its flagship products, it must be products acceptable to most customers in the target customer group, rather than niche products. During the selection, product data test should be done. At the initial stage, the product should be given a relatively small promotion flow, observe the data status, and select products with high conversion rate and less geographical restrictions.

3.4.2. Market Segmentation and Audience Oriented

"Fruit and vegetable 5 + 7" is a children's exclusive fruit and vegetable juice specially developed by Huiyuan for children aged 3-6, and "fruit 100" is a 100% fresh juice specially designed for young people aged 18-35. "Festive" series of compound fruit juice drinks are aimed at Chinese wedding banquet, engagement banquet, birth banquet, birthday banquet, University banquet, housewarming banquet and other festive banquet drinks, which are basically for middle-aged people. In general, Huiyuan has a wide audience and has no fixed sales target. However, according to different market divisions, the consumption types of different types of people are also different.

(1) Segment the market according to income and lifestyle. Because consumers' income and lifestyle are different and changing, it will inevitably affect consumers' consumption quantity, quality, structure and consumption mode. It can be seen from table 1 that the fashionable and elegant middle and high-income groups are more likely to consume fruit juice drinks than other groups.

Table 1. Income and lifestyle segments

Consumer	Simple type	Fashionable type	Elegant type
Low income	The lifestyle is more traditional and simple. Most of the diet is self-made food, and few drinks are used. Pay attention to frugality in consumption.	Lifestyle is more willing to pursue fashion, irregular diet, willing to advocate fashion to buy drinks, but the purchasing power is very limited.	
Middle income	The traditional way of life, the content of life is relatively monotonous, the diet is regular, and the consumption is moderate.	Modern lifestyle, often eat out and consume all kinds of drinks, and the consumption capacity is relatively stable.	Life advocates health, good taste, regular diet, high requirements for drinks, large consumption and stable consumption capacity.
High income	Simple living tradition, regular living habits, focus on the quality of life and high economic ability, but pay great attention to controlling consumption.	The lifestyle is modern and fashionable. It focuses on dining out and pursues leisure and fashionable fruit juice drinks. It has strong consumption ability and is willing to pursue consumption.	Elegant lifestyle, regular diet, very high requirements for drinks, large consumption and strong consumption ability.

(2) Segment the market according to age, family and life cycle. The family status of consumers can be divided into different life cycles because of different age, marital status and children's status. At different stages of the life cycle, consumers' behavior presents different mainstream characteristics. It can be seen from table 2 that the groups with large consumption of fruit juice are minors under the age of 20 and single youth under the age of 30. Firstly, most minors under

the age of 20 are easy to accept new things and consume a lot of fruit juice. Secondly, single young people under the age of 30 live alone, are busy with work, have irregular diet and are under great pressure. The consumption of fruit juice is very high.

Table 2. Age, family, life cycle segment

Consumer	Under 20	20-30 years old	30-40 years old	40-50 years old	Over 50
Unmarried (living with parents)	Regular diet, with parental care, drink juice under parental supervision, and consume a large amount.	Under the care of parents, eat regularly, drink fruit juice under the supervision of parents, and eat in large quantities.			
Unmarried (not living with parents)	Manage their own diet, poor regularity and drink more fruit juice.	Manage their own diet, poor regularity and drink more fruit juice.	The regularity is good, and the consumption of fruit juice is general.		
Married without children		They also worship fashion in diet and drink more fruit juice.	The daily consumption is very small, and the consumption will increase during the Spring Festival.	The daily consumption is very small, and the consumption will increase during the Spring Festival.	Daily consumption is very small.
Married with minor children		The consumption of fruit juice is average.	The consumption of fruit juice is average.	Daily consumption is small.	Daily consumption is very small.
Married with minor children				Daily consumption is small.	The daily consumption is very small, and the annual consumption will be large.

(3) Segment the market according to regional scale. Residents in different scale areas have consumption differences in consumption scale, consumption environment, consumption behavior and consumption structure, which leads to different consumption. ① Rural and urban areas. Hardly drink fruit juice. The consumption of fruit juice is very small. Most people don't take fruit juice into consideration. ② Small cities. Most people don't drink fruit juice on weekdays. They only buy it during Chinese New Year holidays or hospitality. ③ Medium sized cities. On weekdays, often drinking fruit juice has become a daily consumption habit. ④ Big cities, mega cities. The amount of fruit juice purchased each time is large, and there are many occasions where fruit juice is used. In addition to daily use, it is used in many commercial and entertainment occasions, which has high requirements for the quality of fruit juice. From the above analysis, it can be seen that consumers living in large and medium-sized cities consume a large amount of fruit juice, while the consumption heat of fruit juice in small cities and rural towns is far less than that in large and medium-sized cities.

(4) Pursue market segmentation according to the interests of consumers. The different pursuit of interests will lead to different product attitudes of consumers and make completely different evaluation and purchase decisions for the same commodity. ① Fashion, taste and nutrition are high. Consumers want to buy delicious, nutritious and fashionable fruit juice drinks, and refuse products with poor taste or lack of modernity. Therefore, advertising demands should include fashion and nutritious and delicious. ② High fashion, low taste and nutrition. Consumers tend to buy simple and fashionable fruit juice drinks, reduce the requirements for taste and nutrition, and do not excessively exclude products with poor taste. ③ Low fashion, high taste and nutrition. Consumers only pay attention to nutrition and delicacy. As long as the taste is good, it doesn't matter whether it has a sense of modernity. They deny empty fruit juice products with a sense of fashion and poor taste, and reject products with low nutrition. ④ Fashion, taste and nutrition are low. The requirements for taste, nutrition and fashion are both low and dispensable. No matter which of these two points is difficult to attract this part of consumers.

When consumers buy fruit juice drinks, they mostly pursue two kinds of interests: nutritional taste and fashion. Therefore, we divide the market consumers into four groups according to the different attention of consumers to these two aspects. It can be seen from the analysis in the above table that the key consumption target should be the group that pays attention to both nutrition and delicacy and fashion.

To sum up, Huiyuan should make use of its brand advantages in "health", "high quality" and "natural", and increase factors such as "taste", "Youth", "refreshing" and "leisure enjoyment", so as to target young urban people, mainly office workers and student party, to meet their needs for quality and taste. To get out of the tight encirclement, Huiyuan must do a good job in product positioning and make popular products that are in line with their taste for their target consumers.

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