

## The Study on Marketing Strategy of LAIX

Qiuhua Ding<sup>1,a,\*</sup>, Shixin Zhang<sup>1,b</sup>

<sup>1</sup>School of economics and management, Lanzhou University of technology, Lanzhou, Gansu Province, China

e-mail: dqhua9986@163.com

\*Corresponding author

**Keywords:** Online education, Marketing strategy, Network marketing

**Abstract:**According to the data of CNNIC(43times report), up to December 2018, the scale of Internet users in China reached 829 million, among which the annual growth rate of online education users reached 28.7%, and the online education industry entered a period of rapid development. Taking LAIX as an example, through the analysis of its marketing environment, it is concluded that LAIX is faced with such existing problems as single product mix, Price has no advantage, insufficient marketing channel development and promotion strategy to be innovated. In response to the above problems, this paper proposes to build a diversified product mix strategy, develop a differentiated pricing strategy, combine multiple marketing channels and innovate promotion strategy, so as to improve the brand influence through constant publicity and promotion, thus enhancing the core competitiveness of LAIX.

### 1. Introduction

With the rapid development of China's national economy and the increasing efforts of opening up to the outside world, English, as the most extensive communicative language in the world, has become an essential communication medium in People's Daily life. At the same time, English is a compulsory subject for basic education and higher education in China, and the demand for social English training is unprecedented. With the development of Internet technology, the education industry has changed from entity teaching to online education. This form breaks through the limitation of time and space, has the characteristics of convenience, flexibility and low cost, and adapts to the demands of modern fast-paced life.

After reviewing the literature at home and abroad, it can be seen that there have been a lot of research results on online education marketing. However, most scholars focus on the whole industry of online education, and less on market segments.

Based on the existing research results, this paper comprehensively analyzes the development status of online English learning platform marketing, and puts forward corresponding countermeasures to enrich the vacancy of relevant theoretical research. At the same time, on the basis of analyzing the marketing status of LAIX, this paper provides feasible Suggestions, aiming to expand the market share of LAIX, improve the brand awareness of LAIX enterprises and promote the overall popularity development of enterprises.

### 2. Analysis of the LAIX Marketing Environment

#### 2.1. LAIX Internal Environment Analysis

LAIX was founded in 2013 with a registered capital of 50 million. After years of development, the company has been listed on the New York stock exchange. At present, the main products of the company are fluent in English, ranking among the top in all major professional software categories, and having a strong influence in the whole industry. At the same time, LAIX, as the industry leader, continues to create new products. LAIX launched the "fluent in English" product at the beginning of 2013, and was awarded the "2013 best application" by the APP store at the end of 2013, gaining 1

million users. Later, "IELTS fluent speaking" was launched in 2016, and the internal test of "children fluent speaking" was completed by the end of 2018. At present, LAIX owns English education apps such as "fluent in English" and "IELTS fluent speaking", and which is gradually expanding its product range.

## **2.2. LAIX Industry Environment Analysis**

By analyzing the competitive environment of online English education industry, this paper aims to understand the industry competition situation of online English learning platform and provide references for the development of LAIX marketing strategy.

LAIX's existing competitors are similar online English learning platforms and traditional English training. Similar online English learning platforms such as daily English listening app attract users by offering listening, speaking, reading and writing courses similar to LAIX, reducing the market share of fluent English to some extent. In the English training market, traditional English training still accounts for a large proportion. While gaining cost, time and geographical advantages, online English also loses the sense of authenticity and high effect of teaching, so there is a contradiction between traditional English training and online English in terms of efficiency and effect.

Potential competitors of LAIX are traditional English education institutions that take advantage of the Internet transformation. With the increase of mobile network users, traditional English education institutions use their own resources to make the transformation through the Internet in order to acquire more users. Compared with the pure online English learning platform, traditional English education institutions are close to users, convenient for communication, and able to timely adjust their business status.

According to the 2017 summer report of mobile Internet released by Quest Mobile, 54.2% of users who are LAIX under the age of 24, 22.0% are in the age of 25-30, 16.7% are in the age of 30-35, and the rest are in the age of 36-40. It can be seen that LAIX users cover a wide range. In the face of diversified market environment, users have strong bargaining power and the right to choose.

## **3. LAIX Marketing Strategy Problems**

### **3.1 Single Product Mix**

In product design, LAIX features artificial intelligence. According to the learning motivation and personal characteristics of users, specific learning content is pushed. However, from the perspective of English learning scope, LAIX focuses on oral practice, which is too monotonous. In many current online English learning platforms, most of the learning content is subdivided into primary and secondary education, graduate education and professional needs and so on. The learning content includes "listening, speaking, reading and writing", which can quickly meet the needs of exam-oriented examinations. However, LAIX has launched fluent English speaking, IELTS speaking and children speaking. Only fluent IELTS speaking is targeted at the test, which is out of touch with the actual needs. At the same time, LAIX's AI teachers lack realism. The LAIX product mix is too single for the diverse English learning market.

### **3.2 Price Has no Advantage**

To attract users, LAIX uses a unified pricing strategy. On the one hand, the pricing with the tail number of 9 and time-limit discount strategy is adopted. However, in the face of fierce competition, such pricing method is highly homogeneous, and the time-limit discount strategy is repeatedly used in the same course, which will give users an unreal sense. On the other hand, LAIX courses are priced higher than their competitors, compared to industry-only online English learning platforms. At the same time, there is no distinction between off season and peak season, only set the price as a uniform standard. Although uniform pricing will create a sense of fairness for consumers, but it is not conducive to increasing LAIX's market share, nor effectively improve LAIX's profits in the long run.

### **3.3 Insufficient Development of Marketing Channels**

The promotion channel of LAIX is to use social tools to promote through users' daily clock in their circle of friends. Although this marketing method will gain a lot of attention in the short term, but it will be difficult to realize user retention for users who cannot keep learning for a long time. In addition, the LAIX marketing channel focuses on the Internet and LAIX also does not cooperate with educational institutions of offline entities, nor does it establish learning bases offline. The coverage of educational population is not broad enough to combine online and offline.

### **3.4 Promotion Strategies Need to be Innovated**

In terms of promotion, LAIX focuses on video advertising. It use short videos of different scenes to create multiple resonances. This kind of scene immersive marketing can quickly spread the brand publicity, but in the era of fragmentation, the effect of obtaining users' long-term memory through short videos is not satisfactory. LAIX should combine online and offline approaches, instead of focusing only on online advertising. The way to leave long-term memories for users is experiential marketing and planning for hot spots.

## **4. LAIX Marketing Strategy Improvement Suggestions**

### **4.1 Build a Diversified Product Strategy**

In the face of fierce market competition, product differentiation and diversification can continuously meet the diverse needs of users. According to the needs of users, the English learning market is divided into English for young learners, English for primary and secondary school students, English test for graduate students, studying abroad, and professional English. On the theoretical basis of market segmentation, LAIX should fully understand the characteristics of each market segment, pay attention to the changes in user needs, and develop a diversified course mix that is suitable for the actual needs of users. In addition, LAIX will continue to create new products and gradually cover different market segments, enabling users to choose LAIX as a learning platform at different stages. At the same time, we will expand the number of teachers, combine teachers with AI teachers, and make full use of our huge voice database to provide users with pre-class positioning, course assistance and after-class answer questions, so that users can truly feel the learning effect. Whether learning products can be accepted by users, the key lies in whether users can achieve the expected learning effect. Therefore, LAIX needs to constantly innovate its products and services to gain a competitive advantage.

### **4.2 Develop a Differentiated Pricing Strategy**

Price is a key indicator for users to decide whether to buy. To develop a differentiated pricing strategy, LAIX needs to fully understand the current competitive situation in the online English learning market, fully understand the user needs of products, design products and services suitable for the English learning market, and improve users' recognition of product value and services. Because different users have different sensitivity to price, differentiated pricing strategies are developed for users with different needs, such as distinguishing the off and peak season. By developing differentiated pricing strategies, consumers can find suitable product categories based on their own needs and prices they are willing to accept.

### **4.3 A combination of Multiple Marketing Channels**

Innovate marketing mode and expand marketing communication channels. At present LAIX has traditional media channels, new media channels. Traditional media channels are mainly news dissemination, seo bidding rank, advertising. New media channels are mainly microblog and wechat and douyin. Marketing channels are narrow, so we need to continue to expand marketing communication channels and find ways to improve customer satisfaction. Discover and focus on the actual or potential needs of target customers, so as to design and combine products and services.

Meanwhile, pay attention to effective communication and interactive communication to improve brand image.

#### **4.4 Innovative Promotion Strategy**

In terms of promotion strategy, LAIX should constantly innovate and establish diversified marketing methods. On the one hand, the establishment of online and offline integration of marketing. As a pure online education platform, LAIX should combine its unique Internet resources with offline entities to make up for the shortcomings of traditional English education institutions and realize diversified promotion methods. On the other hand, it can improve the planning ability of explosive events, make users participate in marketing, improve users' interest in English learning, and enhance the core competitiveness while gaining public recognition.

#### **5. Conclusion**

At present, the development prospect of online English industry is good, but in the face of fierce market competition, how to choose the best marketing strategy for online English enterprises, improve their economic benefits, and achieve sustainable and healthy development is the key problem. This article selects LAIX as the research object, through the analysis of LAIX marketing strategy of the existing problems, it is concluded that online English enterprises to ensure the long-term stable development, online English business operators should attach great importance to the problems existing in the marketing, starting from each segment of the market, build a diversified product mix strategy to meet diverse customer needs. Continuously develop marketing channels, carry out experiential marketing, expand brand awareness, increase user stickiness. At the same time, we should attach importance to the combination of online and offline resources, provide personalized content for users, and promote the sustainable and healthy development of enterprises.

#### **Acknowledgments**

Thanks to my tutor for the smooth completion of this work, Mr. Zhang gave me a lot of help in my writing. At the same time, I would like to thank my classmates for their help in the translation process. Without their help, I couldn't have finished the work smoothly.

#### **References**

- [1]Lior Turgeman,Otis Smart,Nili Guy-Ifergan,Unsupervised learning approach to estimating user engagement with mobile applications:A case study of The Weather Company (IBM)[J] . Expert Systems With Applications.2018
- [2]Syed Zeeshan Zahoor,Ishtiaq Hussain Qureshi,Social Media Marketing and Brand Equity:A Literature Review.The IUP Journal of Marketing Management .2017
- [3]Cowley,The BuzzFeed Marketing Challenge:An Integrative Social Media Experience[J] . Marketing Education Review . 2017 (2)
- [4]Jason Howarth,Steven D'Alessandro,Lester Johnson,Lesley White,Moocs to University:A Consumer Goal and Marketing Perspective. Journal of Marketing for Higher Education . 2017
- [5]Kelly Price,Julia Price,Satisfaction and Dissatisfaction-Formulating Digital Marketing Strategy for Online Faith-based Education. Journal of Academic Administration in Higher Education . 2016
- [6]Gerald D. Dodd,David M. Naeger,Radiology Online: Information, Education,and Networking—A Summary of the 2012 Intersociety Committee Summer Conference[J].Journal of the American College of Radiology. 2013 (5)
- [7]Zainal Fikri Zamzuri,Mazani Manaf,Yuzaimi Yunus,Adnan Ahmad,Student Perception on Security Requirement of e-Learning Services[J] . Procedia - Social and Behavioral Sciences . 2013Reference to a chapter in an edited book

[8]Johanna Annala,Marita Mákinen,Páivi Svárd,Kirsi Silius,Thumas Miilumáki,Online community environment promoting engagement in higher education[J].Studies for the Learning Society . 2012 (2-3)

[9]Darin T.Kapanjie,Sense of Community of Practice in Online Education:A Case Study of an MBA Program.2011