

# Competitive Strategy for Malaysian Health Food Brands: A Case Study of Tonkin Health

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**Abstract:** Against the backdrop of increasing health awareness, the Malaysian health food market is rapidly developing, and competition among various brands is becoming increasingly fierce. This article takes Tonkin Health as an example and uses SWOT analysis to explore its competitive strategy in the Malaysian market. Firstly, Tonkin Health's advantages in the market include its high brand awareness, reliable product quality, and extensive product line, which enable it to attract and maintain customer loyalty. In addition, Tonkin Health has also been very successful in its marketing strategy, utilizing online and offline channels to increase brand exposure and enhance market penetration. Through SWOT analysis, it can be seen that Tonkin Health has a good competitive foundation in the Malaysian health food market, but also faces many challenges. Brands need to strengthen market research, enhance their flexibility and adaptability, and increase research and development investment to promote product innovation in order to better adapt to market changes. Through effective competitive strategies, Tonkin Health is expected to achieve sustained growth in the future market.

**Keywords:** Malaysia; Health Food; Competitive Strategy; SWOT Analysis; Tonkin Health

## 1. Introduction

In the Malaysian market, consumers' demand for healthy food is increasing, especially in the post pandemic era, as more people realize the importance of health management. Based on this trend, I have chosen to launch BY-HEALTH's "Immune Boosting Functional Food" as the first health consumer product to enter the Malaysian market. This product focuses on improving consumers' immune system function, making it particularly suitable

for those who wish to enhance their immunity through dietary supplements. This type of product has huge market potential in Malaysia, especially for the middle class and health-conscious consumers.

## 2. Analysis of Product Segmentation Strategy

### 2.1 Demographic Segmentation

In terms of population segmentation, Tonkin Health's immune functional foods are mainly targeted at middle-aged people aged 30 to 50. This age group often faces the dual pressure of work and family, and they begin to pay more attention to their own health, especially the improvement of immunity, in order to cope with the health challenges in daily life. At the same time, the elderly population is also an important target group for this product. As they grow older, their immune system becomes more fragile and vulnerable to external environments and diseases. Therefore, supplementing dietary nutrients to enhance their immunity is particularly important for them. In terms of gender, although immunization products are applicable to all populations, research shows that women tend to be more proactive in health management, especially in terms of family and personal health. Female consumers have stronger decision-making power, especially professional women aged 30 to 45 who not only care about their own health, but also make choices for the health of their families. This makes women, especially professional women, one of the core consumer groups for immune functional foods. In addition, income level is also a key factor affecting consumer behavior. Tonson Health's products are mainly aimed at consumers in the middle and high-income groups, who have stable sources of income and are willing to pay higher fees for high-quality health products. With the continuous growth of Malaysia's middle class,

this consumer group's willingness to invest in health is constantly increasing, becoming an important driving force for the growth of the immune functional food market. Therefore, Tonson Health's marketing strategy will focus on middle-aged and elderly people with high income and strong health awareness, especially female consumers, to further increase market share by leveraging their high demand and purchasing power for health products.

### **2.2 Geographic Segmentation**

In terms of geographical segmentation, Tonkin Health's immune functional foods will mainly target the major urban markets in Malaysia, especially Kuala Lumpur, Penang, and Johor. These cities are not only the economic centers of Malaysia, with residents having high purchasing power, but also due to their developed infrastructure and convenient transportation networks, consumers in these cities are more easily exposed to new products and brand information. In addition, consumers in these regions are usually well-educated, have a strong awareness of health and wellness, and are willing to try and invest in new health products. The selection of geographical regions provides a solid foundation for the market promotion of Tonkin Health in these cities, enabling more efficient brand communication and product sales. Meanwhile, Malaysia's tropical climate also plays an important role in geographical segmentation. The country experiences high temperatures and humidity throughout the year, which can easily lead to the decline of the human immune system, especially during seasonal changes, making it more susceptible to diseases such as influenza. Therefore, health products with immune boosting functions have greater appeal to residents living in this climate environment. With the increasing emphasis on health management, consumers' demand for products that can effectively enhance immunity and resist climate related diseases continues to grow. Therefore, Tonson Health can fully utilize this climate characteristic, highlight the advantages of the product in enhancing immunity and helping consumers resist the health challenges brought by the climate, and thus gain an advantage in market promotion.

### **2.3 Psychographic Segmentation**

In terms of psychological segmentation, Tonson Health's immune functional foods are mainly aimed at consumers who are highly concerned about health and pursue a high-quality lifestyle. This group of people usually regard health as a core part of their personal lives, and they actively maintain and improve their health through various means, including reasonable diet and regular exercise, as well as relying on dietary supplements to maintain optimal physical function. These consumers often have strong health knowledge and are willing to pay a premium for high-quality health products. They focus on the comprehensiveness and long-term nature of health management, therefore, there is a high demand for products that can enhance immunity and improve physical fitness. In addition, in the post pandemic era, people's attitudes towards health have undergone significant changes, and the improvement of immunity has become one of the most concerned issues for most consumers. During the epidemic, consumers have gained a deeper understanding of the importance of maintaining the health of their immune system, and many people have begun to actively search for products that can enhance their immunity. These forward-looking health-conscious consumers not only focus on personal health, but also hope to prevent potential health threats by enhancing immunity. Therefore, immune supplements have gradually shifted from being "optional" products in the past to "essential" items in daily life. For consumers with strong health awareness and preventive health management concepts, the immune functional foods from Tonkin Health meet their needs and can help them maintain a healthy balance in life and enhance their body's ability to resist diseases.

### **2.4 Behavioral Segmentation**

In terms of behavioral segmentation, Tonkin Health's immune functional foods are mainly targeted at consumers with clear health needs and clear purchasing motivations. The core purchasing motivation is to enhance immunity and maintain overall health, especially in modern society where work pressure is high, environmental pollution is severe, and the pace of life is accelerating. Consumers generally feel the potential risks to their physical health.

To cope with these pressures and potential health threats, they are more inclined to choose health products with clear functionality. Tonson Health's immune functional foods can provide effective solutions to help consumers prevent diseases and maintain physical health by enhancing immunity. This clear product functionality perfectly meets consumers' health needs and purchasing motivations. In terms of usage frequency, Tonson Health's products are positioned as long-term health supplements, suitable for consumers who pay attention to long-term health maintenance. Unlike temporary or one-time health solutions, immune functional foods typically require long-term, sustained use to achieve maximum efficacy. Therefore, consumers of such products are often those who have long-term plans for health management and are willing to obtain stable immune enhancement and health benefits through regular use. This group of people usually have a high frequency of using health products and strong brand loyalty, using a certain brand's products for a long time in order to obtain sustained health benefits. By emphasizing the long-term health benefits of its products, Tonkin Health can attract and retain loyal users who hope to obtain stable health benefits through long-term use, thereby consolidating its position in the market.

### **3. Analysis of Product Competition Strategy**

#### **3.1 Key Factors Influencing Competitive Strategy Decision-Making**

In the post pandemic era, with the increasing demand for consumer health, Malaysian consumers have significantly increased their attention to health. Especially the demand for immune function has prompted more consumers to actively seek dietary supplements. Tonkin Health's products mainly focus on immune enhancement and physical health management, which is highly in line with this demand. This lays the foundation for the brand to launch differentiated products that better meet consumer needs.

The fierce market competition in Malaysia's health food market includes both international brands such as Swisse and Nature's Way, as well as the rise of local brands such as Eurycoma and Herbal Farm. Although Tonkin Health has a certain level of popularity in China and some Southeast Asian markets, its

influence in the Malaysian market is relatively weak. In the face of diversified products and strong marketing from competitors, differentiation strategy helps Tonson Health stand out through unique functional products, innovative marketing methods, and precise brand positioning.

Although the target audience of Tonson Health is mainly concentrated in the middle and high-income groups, there are still a large number of price sensitive consumers in the market. In order to gain more market share, brands need to maintain a high-end image while launching affordable products to attract the attention of middle and low-income groups. This requires brands to focus on cost control in the process of product differentiation and meet the needs of different income groups through tiered pricing strategies.

The need for localization and cultural differences: The promotion of products by Tonson Health in Malaysia needs to be combined with the local cultural background and lifestyle habits. For example, as a multi-ethnic country, Malaysia's consumers have different dietary habits, health awareness, and acceptance of health products. Therefore, when implementing differentiation strategies, brands need to fully understand the psychology of local consumers, launch healthy products that meet local culture and needs, and strengthen their connection with consumers through localized promotion strategies.

#### **3.2 The Specific Implementation Path of Differentiated Competition Strategy**

In order to achieve differentiated competition in the market, Tonkin Health should increase its R&D investment and launch innovative functional products, especially health foods targeting the immune system, anti-fatigue, and fitness enhancement fields. Through in-depth consumer research and scientific data support, ensure the uniqueness and functionality of each product, and convey clear product benefits to consumers. In addition, brands can combine Malaysia's climate characteristics and lifestyle to launch exclusive products tailored to the needs of local consumers. For example, considering Malaysia's tropical climate, brands can develop products that can help address the issue of weakened immunity caused by humid and hot weather.

In the differentiated competition of localized

product lines and customized services, Tonkin Health should actively develop localized product lines. It is possible to meet consumers' different expectations for healthy food by introducing product forms that cater to local tastes. For example, Tonkin Health can launch products that are in line with traditional Malaysian herbal ingredients, combining Western dietary supplement concepts with Southeast Asian traditional herbs to enhance the brand's localization. Meanwhile, brands can consider providing personalized health customization services for consumers. Through online health assessment tools or offline physical examination cooperation institutions, Tonson Health can provide personalized health advice to consumers and recommend corresponding dietary supplement products based on their specific health needs. Layered pricing strategy and channel optimization are crucial in the implementation of differentiation strategy, and price positioning is of great importance. To avoid losing the middle and low-income groups due to price issues, brands can adopt a tiered pricing strategy by launching product lines in different price ranges. High end products are positioned for the middle and high-income groups, emphasizing high-tech components and functionality, while for the middle and low-income groups, basic products with more affordable prices and higher cost-effectiveness can be launched.

In terms of channel optimization, brands should focus on a comprehensive channel strategy that combines online and offline channels. Tonson Health can strengthen cooperation with local pharmacies, health food

stores, and supermarkets in Malaysia to expand offline coverage. Meanwhile, leveraging the rapid development of e-commerce platforms, brands can conduct online sales through popular local e-commerce platforms such as Lazada and Shopee, combined with social media marketing, to expand their online influence.

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