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## **Marketing Plan of Shanghai A Real Estate Rental Company**

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Master in Applied Management

Supervisor:

Professor Luis Carlos da Silva Martins, Invited Professor  
ISCTE-IUL

October, 2024

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Department of Marketing, Operations and General Management

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Time flies, and it is time to say goodbye to ISCTE. Since entering ISCTE, I have had a full and happy day. I learned what I had never learned before, and met a lot of like-minded friends. We discuss homework, exchange and study, go shopping and travel together, and live together.

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## **Abstract**

This project examines the challenges and opportunities faced by A Enterprises in the high-end rental intermediary market in China, particularly in the context of increasing foreign investment and emerging competition. The core problem addressed is the need for A Enterprises to adapt its marketing strategies in line with modern practices to survive and thrive in a dynamic market environment. The objectives of this study include evaluating the current market positioning of A Enterprises, analyzing the effects of the COVID-19 pandemic on the housing rental industry, and developing a comprehensive marketing plan tailored to the company's needs.

To achieve these goals, a mixed-methods approach was adopted. This approach included SWOT analysis, the 4P marketing framework, PESTEL analysis, and literature reviews, augmented by case studies. Furthermore, a consumer market survey was conducted at the WQ Project Marketing Center from July 15, 2024 to August 15, 2024. The survey, divided into two modules, collected crucial data on customer demographics and insights into homebuyers' motivations and preferences. These methodological tools collectively addressed the complexities of market positioning and consumer behavior.

The findings underscore A Enterprises' strengths, such as its strong reputation and established customer base, while also highlighting its weaknesses, including limited marketing channels and competitive pressures. Based on the survey data and comprehensive analysis, the project recommends actionable marketing strategies that focus on enhancing service offerings, expanding marketing channels, and implementing psychological pricing techniques to better meet consumer expectations. Ultimately, this research emphasizes the necessity of adaptive marketing strategies for securing long-term success in an increasingly competitive market landscape.

**Keywords:** rental intermediary market, competition situation, market segmentation, marketing planning

**JEL classification:** M3; C38

## Resumo

Este proyecto examina los desafíos y oportunidades que enfrentan las empresas A en el mercado de intermediación de alquileres de alta gama en China, particularmente en el contexto de una creciente inversión extranjera y una competencia emergente. El problema central abordado es la necesidad de que las empresas A adapten sus estrategias de marketing de acuerdo con las prácticas modernas para sobrevivir y prosperar en un entorno de mercado dinámico. Los objetivos de este estudio incluyen evaluar el posicionamiento actual de mercado de las empresas A, analizar los efectos de la pandemia de COVID-19 en la industria del alquiler de viviendas y desarrollar un plan de marketing integral adaptado a las necesidades de la empresa.

Para lograr estos objetivos, se adoptó un enfoque de métodos mixtos. Este enfoque incluyó el análisis FODA, el marco de marketing 4P, el análisis PESTEL y revisiones de la literatura, complementados con estudios de casos. Además, se realizó una encuesta de mercado de consumidores en el Centro de Marketing del Proyecto WQ durante del 15 de julio de 2024 al 15 de agosto de 2024. La encuesta, dividida en dos módulos, recopiló datos cruciales sobre la demografía de los clientes y conocimientos sobre las motivaciones y preferencias de los compradores de viviendas. Estas herramientas metodológicas abordaron colectivamente las complejidades del posicionamiento en el mercado y el comportamiento del consumidor.

Los hallazgos subrayan las fortalezas de A Enterprises, como su sólida reputación y su base de clientes establecida, al tiempo que destacan sus debilidades, incluidos los canales de marketing limitados y las presiones competitivas. Con base en los datos de la encuesta y el análisis integral, el proyecto recomienda estrategias de marketing viables que se centran en mejorar las ofertas de servicios, expandir los canales de marketing e implementar técnicas de precios psicológicos para satisfacer mejor las expectativas de los consumidores. En última instancia, esta investigación enfatiza la necesidad de estrategias de marketing adaptativas para asegurar el éxito a largo plazo en un panorama de mercado cada vez más competitivo.

**Palavras-chave:** mercado intermediário de aluguel, situação competitiva, segmentação de mercado, planejamento de marketing

**JEL classification:** M3; C38

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## GLOSSARY

**Foreign funded company:** also known as a wholly foreign-owned enterprise, refers to an enterprise established in China with all capital invested by foreign investors in accordance with relevant Chinese laws.

**Real estate intermediaries:** The real estate intermediary industry is an important component of the real estate industry. Real estate intermediaries run through the entire process of economic operation in the real estate industry, providing diversified intermediary services for the production, circulation, and consumption of the real estate industry.

## 1. Introduction

Shanghai A Enterprise is a diversified group integrating real estate, investment, media, and other industries. Founded in 1993, the company has undergone continuous comprehensive development for over 14 years. With its solid professional experience and business acumen, A Group's real estate division has become one of China's leading professional real estate brokerage firms. Employing more than 1,000 local staff and a multilingual team of foreign professionals, the company's operations span over 10 major Chinese cities. A Enterprise is committed to providing comprehensive, barrier-free, high-quality real estate services and industry solutions to its clients.

The company operates two main rental intermediary departments: "Residential Rentals" and "Commercial Rentals." The Residential Rentals division is further split into European/American and Japanese segments. As the names suggest, one department caters to English-speaking expatriates (primarily from Europe and North America), while the other serves Japanese clients. In the highly competitive European and American residential rental market, A Enterprise holds a 30% market share. The Japanese residential rental segment dominates with an 80% market share, making it the industry leader. In the commercial leasing market, A Enterprise commands about 40% of the total market share. Since its inception in 1993, the company has maintained a leading position among its peers.

Despite its less than 20-year history, Shanghai A Enterprise has built a strong reputation in the market. However, amid increasingly fierce competition, the company's market share began to decline annually from 2017. That year, the annual residential rental transactions for the European and American segment dropped to just 400 units, a 20% decrease from the previous year. Although the Japanese residential leasing division still holds 70% of the market share, it also shows a downward trend. Following peak performances in 2014 and 2018, the commercial leasing department's turnover in 2020 fell to 50% of its 2015 levels.

The company's senior management, deeply concerned by these trends, has implemented various measures to improve turnover. These include frequent changes in middle management, adopting advanced management practices, and regularly training sales staff in business knowledge. However, these efforts have not yielded significant improvements in sales performance.

In reality, the company's leadership has failed to recognize that the rental market before 2017 was fundamentally different from today's landscape. Prior to 2017, the rental market was still developing, and turnover growth was largely driven by overall market expansion. The company also overlooked its own shortcomings in marketing planning. Post-2017, as the market gradually matured, competition among peers intensified. Marketing has become

paramount, and adopting effective marketing strategies is now crucial for addressing the company's challenges.

From a national perspective, China is in the process of establishing a market economy, and the real estate rental market is facing significant changes in its marketing environment. Many factors that have long hindered the healthy development of real estate leasing will be largely resolved with the gradual implementation of the market economic system. Under the influence of market economy laws, China's real estate rental intermediary market must accelerate its development towards high intensity and collectivization, in accordance with its own characteristics and the general laws of the global real estate rental intermediary market.

Chinese real estate brokerage companies are being forced to compete with large international firms, and this competition is essentially a marketing war. It is predicted that over the next 10 years, most new rental demand will be concentrated in developing countries, including China. Furthermore, China's economy will align with the global economy, marking its full participation in the international economic cycle.

To improve their competitive strength, domestic leasing intermediary companies have undergone several cycles of consolidation and expansion, moving towards concentration and monopoly. Some international real estate rental intermediary giants have recognized China as a market with enormous potential, presenting young Chinese real estate leasing intermediaries with increasingly serious challenges from international competition. In such fierce competition, how to adapt and maintain growth is a crucial question for Shanghai Company A to consider.

In this increasingly competitive market, it is no longer feasible to rely on past methods to increase turnover. Marketing has become a top priority. Company A should reposition itself by analyzing the current state of Shanghai's real estate rental intermediary marketing, referencing advanced marketing methods from renowned domestic real estate consulting firms, and addressing Company A's marketing difficulties. Using modern marketing principles and methods, the company should segment the market, choose the most attractive and effectively occupiable market segment as its target, implement targeted marketing, and establish competitive advantages.

Therefore, based on studying the marketing models of domestic real estate brokerage companies (mainly leasing), this thesis formulates a feasible marketing plan for Company A, improving the overall marketing and competitive strategy of the enterprise, and striving to regain its past competitive edge. The practical significance of this research is to help Shanghai Company A overcome its current predicament and reclaim its original competitive advantage. The long-term significance is to provide constructive insights for theoretical research and practice in the leasing industry.

Research methods include:

1. Literature analysis: Referencing existing real estate marketing theory achievements to analyze the company profile, internal and external environment, and marketing management situation.
2. Field research: Conducting in-depth on-site visits and investigations for situations that cannot be understood through desk research.
3. Qualitative analysis: Focusing on the overall analysis of the enterprise's situation within the industry environment and macroeconomic conditions.
4. Quantitative analysis: Calculating various data indicators and related values based on statistical data, combining existing sales data with financial analysis tools to verify the appropriateness of marketing strategy implementation.

The structure of the article is:

Chapter 1: Introduction. Thesis briefly describes the development background of Shanghai real estate, which leads to the writing purpose of the paper, and briefly summarizes the research content and framework, innovation points, research ideas and methods.

Chapter 2: Summary of theoretical basis and research. The research situation of real estate marketing at home and abroad is summarized, and some common concepts in real estate marketing are interpreted.

Chapter 3: marketing plan of Shanghai A Company, including implementation plan, internal environment analysis and external environment analysis.

Chapter 4: PESTEL Environmental analysis of Shanghai real estate enterprises. The PESTEL analysis method is used to analyze the external environment faced by the real estate enterprises in Shanghai from the aspects of policy environment, economic environment, social and cultural environment, environmental environment, legal environment, and technical environment.

Chapter 5: SWOT analysis of Shanghai real estate enterprises. SWOT analysis method is used to analyze the internal environment and advantages and disadvantages of Shanghai real estate enterprises from the aspects of advantages, disadvantages, opportunities and threats, and to analyze the coping strategies to be adopted through SWOT architecture diagram.

Chapter 6: Marketing strategy of Real estate enterprises in Shanghai. Combined with the analysis of the previous parts, the product strategy, price strategy, channel strategy and marketing strategy of Shanghai enterprises are analyzed.

Chapter 7: W real estate company marketing strategy example analysis. Based on the analysis of the development strategy of Shanghai real estate enterprises and the real situation of W real estate company, the pricing, valuation and budget are proposed respectively.

Chapter 8: Conclusion.

## **2. Literature review**

### **2.1. Marketing theory research**

Marketing, as a dynamic field, has evolved significantly over the years. Cao (2024) offers valuable insights in his seminal work "Marketing Management," positing that marketing is a process through which social entities generate value for one another. He emphasizes that well-executed marketing strategies can profoundly shape consumer needs and behaviors. The scope of marketing, according to Cao, is expansive, encompassing everything from market analysis and customer need identification to product development, pricing strategies, and customer service (Cao, 2024).

Building on earlier theories, McCarthy refined the concept of marketing into a more manageable framework. As Du (2024) notes, McCarthy distilled the various facets of marketing activities into four core elements, famously known as the 4Ps: Product, Price, Place, and Promotion. This framework has since become a cornerstone in marketing education and practice.

The field of marketing continues to evolve, with new theories and concepts emerging regularly. Feng (2024) highlights a significant development in this evolution, pointing to Philip Kotler's contributions in 1986. Kotler expanded on McCarthy's model by introducing two additional "Ps" - Political Power and Public Relations - and proposed the concept of "mega marketing" (Feng, 2024). Kotler's work didn't stop there; he further developed his ideas into a comprehensive "10P" strategy, incorporating elements such as Probing, Partitioning, Prioritizing, and Positioning. This expanded framework, often referred to as the "second revolution" in marketing, has proven invaluable for strategic marketing research and planning (Feng, 2024).

In the realm of consumer psychology, significant strides have been made in understanding the interplay between marketing and consumer behavior. Fraboni (2024) discusses the work of psychologists Jagdish Sheth and Rajendra Sisodia, who argue that effective marketing is fundamentally rooted in a deep understanding of consumer motivations. They posit that marketing efforts often fall short when they fail to align with consumers' cognitive needs. To address this, Sheth and Sisodia developed a framework centered on customer value, which they term the 4As: Acceptability, Affordability, Accessibility, and Awareness (Fraboni, 2024). This approach emphasizes the importance of aligning marketing strategies with consumers' psychological needs and perceptions.

With the evolve in marketing theory, new perspectives have emerged that challenge and expand upon earlier frameworks. Guo (2023) discusses the significant contribution of Professor Robert Lauterborn, who proposed the 4C theory. This approach was developed in

response to the limitations of the 4P strategy, which Lauterborn and others felt was overly focused on the supply side while neglecting the consumer's perspective. As societal and economic changes have progressed, consumer characteristics have become increasingly influential in shaping marketing activities, emerging as a core factor in strategic planning (Guo, 2023).

The 4C theory represents a shift towards a more customer-centric approach to marketing. It encourages marketers to view their activities through the lens of the consumer, focusing on four key elements: Customer, Convenience, Communication, and Cost. This framework acknowledges the growing importance of understanding and addressing consumer needs and preferences in the modern marketplace (Guo, 2023).

In the Chinese context, marketing theory has largely drawn from international sources, particularly those originating in more developed economies. Guo (2024) observes that as marketing theory has advanced, traditional sales approaches and marketing techniques have become less effective in adapting to market changes. Enterprises now face the challenge of developing marketing strategies that align with their internal and external environments, leveraging their unique characteristics and resource advantages to enhance the effectiveness of their marketing efforts (Guo, 2024).

Huang (2024) provides further insights into the current state of marketing in mainland China, based on case studies and empirical research. He identifies several key issues facing Chinese companies, including a lack of professional expertise, weak brand foundations, and insufficient research capabilities. Many firms, Huang argues, are still operating with outdated marketing concepts that no longer suit the current business environment. This is compounded by a shortage of skilled talent and gaps in knowledge systems (Huang, 2024).

To address these challenges, Huang (2024) proposes a two-pronged approach. Firstly, he emphasizes the need to recruit and cultivate professional marketing talent, fostering a demand-oriented marketing mindset within organizations. Secondly, he advocates for product innovation driven by customer needs, encouraging companies to shift their focus from supply-side considerations to meeting and exceeding customer expectations. This approach, Huang suggests, will enable Chinese companies to develop more effective and competitive marketing strategies in the evolving global marketplace (Huang, 2024).

## **2.2. Theoretical research on real estate marketing at home and abroad**

In terms of real estate marketing, recent research has highlighted several key areas for improvement and innovation. Khan (2024) emphasizes the importance of a buyer-centric approach in product design and construction, suggesting that companies should anchor their

designs to buyer demands through comprehensive communication during the architectural phase. This approach aims to align products closely with customer needs, thereby enhancing buyer satisfaction. In terms of pricing strategies, Jiang (2024) notes the unique dynamics of the domestic commercial housing market, where government regulations often set price limits. Within these constraints, real estate developers create differentiated pricing models based on factors such as location, amenities, and infrastructure, resulting in a stable, gradient-based pricing standard.

The evolution of marketing channels in real estate has been significantly influenced by digital transformation. Ma (2024) predicts that internet marketing models will become indispensable for future enterprise marketing, leading to multidimensional expansion of sales channels beyond traditional approaches. This shift necessitates that real estate enterprises strengthen their marketing perspective in channel expansion to maintain market advantage and expand influence. In promotion strategies, Meng (2024) advocates for experiential marketing as an effective tool, facilitating meaningful interactions among stakeholders and enhancing buyers' recognition of products and sales models. This approach aims to cultivate a larger base of loyal consumers for future enterprise development.

Qi (2024) proposes an innovative "old with new" promotion model, leveraging the influence of existing customers on new customer groups' consumption behavior. This strategy involves incentivizing longstanding customers to become active participants in marketing activities, thereby aiding in project promotion to potential new customers. The importance of brand building in real estate marketing is underscored by Qin (2024), who likens a brand to a human face in its ability to enhance consumers' recognition and value perception of real estate projects. To deepen brand popularity, Qin recommends showcasing company history, corporate culture, and accolades across various platforms, enabling consumers to better understand the company's brand essence. These diverse approaches collectively highlight the multifaceted nature of modern real estate marketing, emphasizing the need for customer-centric, digitally-savvy, and brand-focused strategies to succeed in today's competitive market.

### **2.3. Definition of real estate marketing**

Wang (2024) posits that real estate marketing, while a subset of general marketing, possesses unique characteristics due to the distinctive nature of real estate as a commodity. The concept of real estate marketing can be understood in both broad and narrow terms. In its broad sense, it encompasses the entire spectrum of marketing activities within the real estate sector, including product conception, pricing strategies, promotional efforts, market research,



and data collection. This holistic approach connects real estate operators with buyers throughout the entire process. Conversely, the narrow definition focuses solely on the act of transferring real estate products from enterprises to consumers at a specified price.

Sun (2024) elucidates the essence of real estate marketing as a process wherein real estate development and management enterprises first conduct research to understand consumer demands for real estate products. Subsequently, these enterprises employ a series of marketing techniques to transfer their developed properties to consumers with matching needs, thereby satisfying consumer requirements while generating profit.

Wang (2024) further notes that the real estate marketing process mirrors the general marketing process, comprising several key stages: market demand investigation, product selection, marketing strategy development, and marketing implementation.

Xiao (2024) observes that while Shanghai's real estate industry has experienced rapid growth and notable achievements in recent years, the market's maturation has led to intensified competition and increased homogeneity among enterprises. As a result, real estate firms face the critical challenge of distinguishing themselves in a crowded marketplace. The imperative to strengthen core competitiveness and ensure that their products garner consumer satisfaction and recognition has become a paramount concern for real estate enterprises. This evolving landscape underscores the need for innovative marketing strategies that can effectively differentiate properties and resonate with discerning consumers in an increasingly competitive market.

## **2.4. Characteristics of real estate marketing**

1. Proactive Approach: Xie (2024) emphasizes the importance of proactive marketing in real estate due to the industry's long project completion cycles, typically ranging from 2-3 years to a decade or more. During this extended period, consumer preferences may shift significantly. Therefore, real estate marketing must be initiated early, involving comprehensive analysis of consumer demands to inform product selection, home design, and advertising strategies. This forward-thinking approach should also encompass pricing strategies, promotion models, and sales timing to effectively meet evolving consumer needs.

2. Geographical Significance: Xu (2024) highlights two critical characteristics of real estate that set it apart from other products: its immovable nature and susceptibility to surrounding environmental influences. These factors necessitate a deep consideration of regional characteristics in real estate marketing. This includes analyzing the local economic landscape, acknowledging China's significant regional economic disparities, and considering variations in natural and cultural environments. Additionally, marketers must evaluate

surrounding development plans, such as potential subway or hospital constructions, and assess the property's location in relation to business districts or government areas.

3. Systemic Nature: Yan (2024) describes real estate marketing as a complex system comprising numerous interconnected subsystems. These include market research, cost-profit analysis, land acquisition, construction bidding, architectural design, building construction, and property management. The interdependence of these systems creates a chain reaction where each component influences the final sales outcomes and returns, collectively forming a comprehensive marketing ecosystem.

4. Innovation Imperative: Zhang and He (2023) point out that unlike mass-produced goods, each real estate product is unique. Yuan (2024) builds on this, noting that this uniqueness makes predicting consumer behavior particularly challenging in the real estate sector. Each property requires consumers to make fresh decisions, influenced by individual preferences. Consequently, real estate marketing demands innovative approaches in both product development and customer engagement strategies to address the distinct nature of each property and the diverse needs of potential buyers.

### **3. Methodology**

This study focuses on Company A and the challenges it faces in adapting to the evolving landscape of the high-end rental intermediary market in Shanghai. The primary issues include the need for enhanced customer engagement, effective pricing strategies, and improved service offerings. To address these challenges and achieve the project's objectives, a comprehensive methodology was employed.

The research began with a thorough literature review of existing theories in real estate marketing and customer relationship management. This review provided insights into market dynamics and consumer behavior, helping to identify gaps in Company A's current strategies and informing the development of effective optimization solutions. Building on this foundation, a case study approach was adopted, centered on Company A itself, to conduct an in-depth analysis of its external conditions and internal operations. This method facilitated the identification of specific problems within the company's marketing practices and offered insights into successful strategies employed in comparable contexts.

To further enrich the findings, field research was conducted. The research team visited Company A's project sites to gather primary data directly from frontline personnel, gaining a deeper understanding of service delivery and operational challenges. This hands-on approach validated insights gained from the literature and case study, aligning proposed solutions with real-world conditions.

A significant component of the methodology involved conducting a consumer market survey to assess customer preferences and motivations regarding the WQ project. The survey was conducted using a convenience sampling method, where participants were invited to complete an online questionnaire at the WQ Project Marketing Center. This survey was distributed from July 15, 2024, to August 15, 2024, utilizing the largest digital survey platform in China, called Questionnaire Star. The survey consisted of two modules: the first module collected demographic information such as age, residence, and occupation, while the second module focused on homebuyers' motivations, needs, and expectations related to property features. Out of 200 distributed questionnaires, 192 responses were received. After excluding 13 invalid responses, 179 valid questionnaires were analyzed, offering critical insights into consumer preferences and behaviors.

The data collected from the survey underwent rigorous analysis, combining quantitative statistical methods to identify trends with qualitative assessments that explored consumer motivations through open-ended responses. Additionally, a SWOT analysis was conducted to evaluate Company A's market position by identifying its strengths, weaknesses, opportunities, and threats, thereby informing the development of tailored marketing strategies.

This comprehensive methodology ensures a holistic understanding of Company A's current market position and lays the groundwork for actionable recommendations, ultimately guiding the strategic direction for its future marketing efforts.

## **4. Marketing plan**

### **4.1. The Executive Summary**

Shanghai A Enterprise Real Estate Leasing Intermediary Co., Ltd. is a private enterprise established in July 1993. It is part of Zhongsheng Group, which ranks among the top ten on the Forbes Rich List in China. At that time, several department managers within the company recognized the opportunity in the market and established their own real estate rental agency.

During the early stages of Shanghai's property rental market, the industry was still nascent, with a lack of quality properties available. The introduction of real estate rental services was groundbreaking in Shanghai, significantly contributing to the development of rental agencies and improving services for expatriates.

Enterprise A specializes in high-end real estate leasing. This sector is unique, and China has yet to fully develop such a market nationwide. The economic landscape dictates that this market predominantly exists in major cities like Shanghai and Beijing. Among these, Shanghai's high-end rental market stands out. As the economic center of China, Shanghai is a hotspot for foreign investment, serving as the first point of entry for foreign capital and nurturing the growth of the middle class.

For Enterprise A, the Unique selling proposition lies in our ability to provide tailored real estate solutions that meet the diverse needs of our clientele, from first-time homebuyers to high-end investors. It combines strategic location offerings, innovative service models, and a deep understanding of local cultural nuances.

1. Strategic Location Expertise: With projects in prime locations like Pudong and Changning, Company A offers properties that are not only well-connected but also cater to the aspirational lifestyles of modern buyers. Our developments capitalize on Shanghai's economic hubs, ensuring that residents enjoy easy access to business districts, top schools, and leisure facilities.

2. Diverse Property Portfolio: Our extensive portfolio includes a mix of affordable housing options, luxury villas with sea views, and modern apartments designed for young professionals. This diversity allows us to appeal to a wide range of buyers, from those seeking cost-effective solutions to those desiring luxury and exclusivity.

3. Innovative Financial Solutions: We offer flexible financing packages that incorporate competitive mortgage rates and creative payment plans, accommodating various financial situations and enhancing purchase accessibility. This is paired with our proactive use of market insights to offer timely price adjustments and incentives, ensuring our offerings remain attractive amidst market fluctuations.

4. Enhanced After-Sales Service: Our commitment to service excellence extends beyond the point of sale. We provide comprehensive after-sales support, including property management services and community integration programs, helping clients transition smoothly into their new homes and fostering a sense of community belonging.

5. Sustainability and Innovation: Emphasizing eco-friendly construction and management practices, Company A leads the market in sustainable real estate development. Our properties feature energy-efficient designs and smart home technologies that not only reduce environmental impact but also offer our clients long-term savings and a modern living experience.

By aligning our offerings with dynamic consumer demands and reinforcing our leadership in service quality, Company A continues to deliver unparalleled value and differentiation in Shanghai's competitive real estate landscape.

## **4.2. External situation analysis**

### **4.2.1.PESTEL-Analysis**

#### **4.2.1.1 Political factors**

National policy: The development of the real estate industry is obviously affected by the policy changes of the superior departments, and it is quite sensitive to the introduction and adjustment of various policies. Combined with the spirit of the 19th session, "room live not fry, a city policy" top guidance is always the same, until the end of 2021, from the central important meeting to the local meeting, are always implement the spirit, from the supply side and demand side management, financial leverage and risk control, are highly embodies the policy synergy, the policy situation see table 4-1. Local governments have continued to thoroughly implement the requirements of the central government, timely and scientifically adjust local policies, control systematic risks, and ensure the steady and healthy development of the market.

Shanghai local policy: since 2017 Yangtze river delta planning since launch, the central developed the support construction of socialism with Chinese characteristics in the opinions of the construction of socialism with Chinese characteristics in shanghai pilot comprehensive reform implementation plan "and" comprehensively deepen the deep port before modern service industry zone reform and opening up and other important documents, shanghai with the advantages of effective policy support, more relaxed economic development environment, all kinds of high quality resources, focusing on the eyes of investors, at the same time, the shanghai municipal government control of the real estate market also continue to overweight, see table 4-2.

Table 4-1 Statement and objectives of relevant central government real estate policies from 2019 to 2021

time	meeting	Policy content	purpose
In January, 2019	We will prevent and defuse major headwinds Special seminar on insurance	Grasp the relationship between the real estate regulation, effectively stabilize and stabilize the economic growth and strengthen the risk prevention and control; and ensure the steady and healthy development of the real estate market	risk prevention
In July, 2019	Meeting of the Political Bureau of the CPC Central Committee	Emphasize that "housing is not speculation", and stressed that land finance and real estate are not as short-term models to stimulate economic development	Housing is not fried
In 2019, In October	The Fourth Plenary Session of the 19th CPC Central Committee	We will accelerate the construction of a market supplied by multiple entities, open channels, earnestly implement channel guarantee measures, and further implement the system construction of the same right of rent and sale.	Emphasize supply and Housing system
In March, 2020	executive meetings of the State Council	We will deploy and improve the coordination mechanism for ensuring six stability and six guarantees, effectively respond to the impact of the epidemic, and promote steady economic and social operation.	Stabilize the economy
In November, 2020	The Central Economic Work Conference	We will make great efforts to ensure the "six stability" work and implement the "six protection" tasks.	Stabilize the economy
In April, 2021	Meeting of the Political Bureau of the CPC Central Committee	We will increase the supply of government-subsidized rental housing and jointly owned housing, and prevent speculation of housing prices in the name of housing in school districts.	Housing is not fried, Multiple guarantees for answer
In 2021, In December	The Central Economic Work Conference	We will accelerate the development of the long-term rental housing market and promote the construction of government subsidized housing We will support the commercial housing market to better meet the reasonable housing needs of home buyers. Set the tone of "housing is not speculation",	Housing is not fried, Explore new developments pattern

Source: ArchW.Shaw(2024)

It can be seen in Table 4-2 and Table 4-3 that in the central government level, "stability" is the main tone, emphasizing "housing without speculation", remove the financial attribute and financial leverage, return to the essential property of real estate "living", to restrain the short-term rapid growth of the housing price. More than 2021, the most strict real estate regulation policy, the recent central meeting of the real estate market words more moderate,

shows the central policy makers in the face of the real estate market regulation and regulation effect of recognition, also reflects the current special period of the real estate industry, but it is important to note that elastic measures in the short term will not affect the orientation of long-term policy regulation.



Table 4-2 Policy statements and objectives of shanghai local government real estate from 2018 to 2021

time	Policy content	purpose
In July, 2018	The policy of buying shop housing by legal entities was suspended.	We will intensify regulation and control
2019 Year 11 moon	Cancel the price line limit; those with a plot area ratio higher than 1 and the floor area of a single housing unit below 144 square meters are no longer defined as "mansion".	Circulation of stock housing to stimulate the economy
	① Limit "house ticket": non-deep households for 5 years of personal income tax or social security; settlement can not buy a house immediately,	Implement the housing is not
	3 years of personal income tax or social security, the total number of units before the divorce of the couple;	Fried spirit; introduced
	② Differentiated credit: in addition to the first loan still implement 30% down payment, the rest of the down payment	"7.15" in the history of the
2020	To 5-80%; ③ Detailed ordinary housing standards: floor area ratio above 1.0, construction area of 144 square meters	The strictest real estate regulation policy
In July,	Below meters (set area below 120 square meters), the total price of 7.5 million (including) Next; ④ Tax regulation: VAT exemption period extended from 2 years to 5 years (VAT and additional about 5.6%); ⑤ new plate lottery rules: new house lottery priority no house, personal income tax or social security life long family.	
In February , 2021	"shanghai Municipal Housing and Construction Bureau on the establishment of second-hand housing transaction reference price release mechanism Notice of "Notice of shanghai Municipal Housing and Construction Bureau on the Establishment of Second-hand Housing Transaction Reference Price Release Mechanism"	risk prevention
2021 Year 4 moon	The 2021 Annual Construction Land Supply Plan of shanghai City was announced and implemented. In 2021, shanghai plans to supply 363.3 hectares of residential land, accounting for 32.1% of the total planned supply, compared with 2020 In 2019, the planned supply of residential land increased by 24% and 142%, respectively. Among them, 149.3 hectares of commercial housing land are planned to supply.	We will increase the supply of construction land
In 2021,9 moon	The Plan for Comprehensively Deepening the Reform and Opening up of pudong shanghai-Hong Kong Modern Service Industry Cooperation Zone was released, including shanghai The western area along the Pearl River Estuary is basically included in the pudong Cooperation Zone.	developing the economy

Source: ArchW.Shaw(2024)

We want to know the orientation of the central to local policy regulation: one is the central real estate policy makers gradually to the baton and guide role, no longer bear the details of policy responsibilities, but by the local government around the dominant of macroeconomic regulation and control, "because the city ShiCe, a city" policy of effective implementation. This mode enables local governments to make policies in combination with the local market, and in policy selection and implementation, it can be more suitable to the market, have greater freedom, and formulate scientific and reasonable regulation policies more effectively. Second, governments at all levels began to change the mode and path of regulation, from a single means of regulation to adjust the structure, supply and demand, and upstream and downstream. In the past, the model only blindly suppressed trading demand, but after slightly relaxing the regulation, there will be stimulus demand, and the surge of short-term transaction volume, treating the symptoms rather than the root causes. The fundamental problems and systemic risks of real estate have not been solved. In the past two years, through the local government to explore the "three limits" (purchase limit, price limit, sales limit) as a multi-pronged effective control means, not only for developers, buyers and the second-hand housing market have scientific and reasonable restrictions and supervision means, the regulation mode on the market supply and demand structure guidance.

#### **4.2.1.2 Economic factors**

##### **(1) Economic operation of Shanghai in 2023**

According to the data of Shanghai Bureau of Statistics, Shanghai's GDP in 2023 reached 951.091 billion yuan, continuing to rank fourth among large and medium-sized cities in China, with an increase of 12.0% over the previous year. Among them, the added value of the first industry was 600 million yuan, down 14.3%; the added value of the second industry was 452.336 billion yuan, up 14.1%; the added value of the third industry was 498.155 billion yuan, up 9.9%. The proportion of the third industry is 0.1:47.5:52.4.

The total investment in fixed assets reached 194.47 billion yuan, up 13.8%. Among them, the capital construction investment is RMB 122.629 billion, up 17.5%; the investment in real estate development RMB 45.847 billion, up 4.8%; the renewal investment RMB 18.723 billion, up 12.1%; the other investment RMB 7.271 billion, up 19.0%.

The general budget revenue of local finance was 110.682 billion yuan, up 25.7%; the general budget expenditure of local finance was 126.527 billion yuan, up 26.4%.

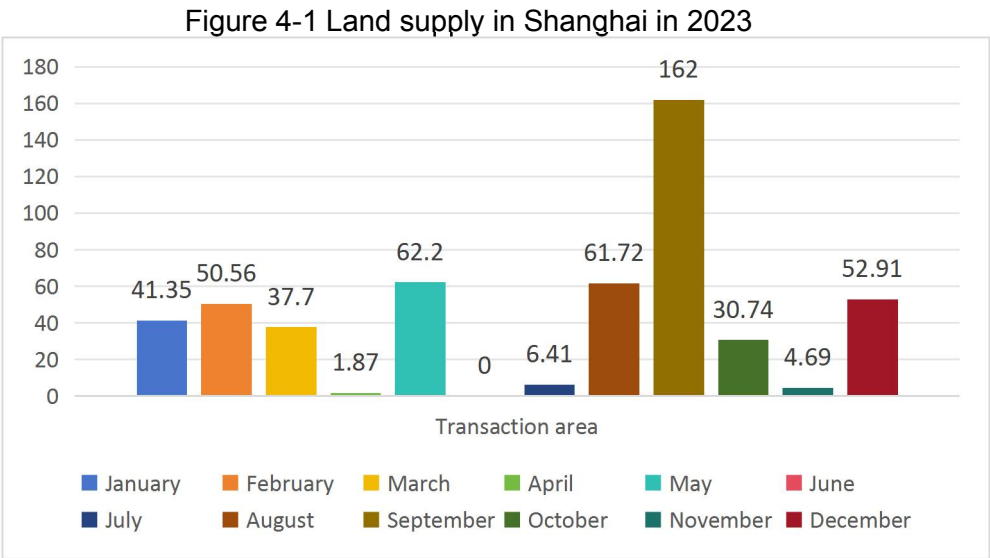
At the end of December, the balance of RMB deposits in domestic financial institutions was 2021.075 billion yuan, an increase of 19.3% over the beginning of the year, and the

balance of RMB loans of domestic financial institutions was 1370816 billion yuan, an increase of 17.7% over the beginning of the year.

(2) Land supply in Shanghai in 2023

In 2023, Shanghai added 76 new land supplies, with a total supply area of 4.698 million square meters. In terms of the nature of land supply, among all kinds of land supply in 2020, the industrial land supply ranked first, with the supply area of 2.678 million square meters, accounting for 57% of the total land supply area; the second commercial service land, the supply area was 907,000 square meters, accounting for 19.3% of the total land supply area, and the residential land supply area was 605,000 square meters, accounting for 12.9% of the total land supply area. According to the 2023 Shanghai Land Use Plan, in addition to the renovated land, Shanghai plans to supply 972,000 square meters of residential land in 2010, of which 600,000 square meters of commercial housing and 372,000 square meters of affordable housing are planned. From the actual supply situation of the whole year, the total supply of residential land is insufficient.

In 2023, a total of 94 plots were sold in Shanghai land market, with a total land area of 5.121,300 square meters, and the total land transaction amount was about 15.36 billion yuan. Among them, 7 cases of residential land were traded, with a land area of 605,400 square meters, and a total development construction area of 1,572,100 square meters.



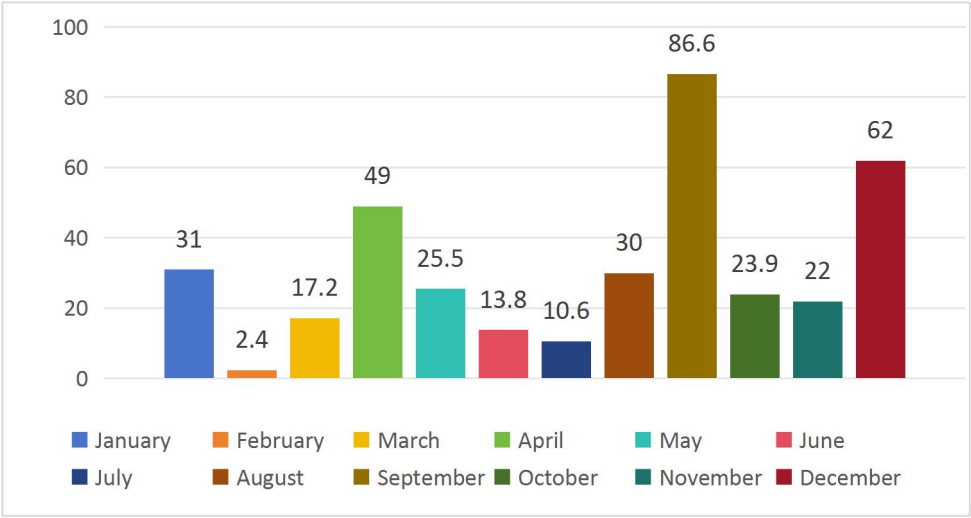
Source:Qin (2024)

(3) Residential transaction situation in Shanghai in 2023

In 2023, the total area of commercial housing in Shanghai was 3.646 million square meters, down 11.2% compared with 4.1080 million square meters in 2009. Affected by policy

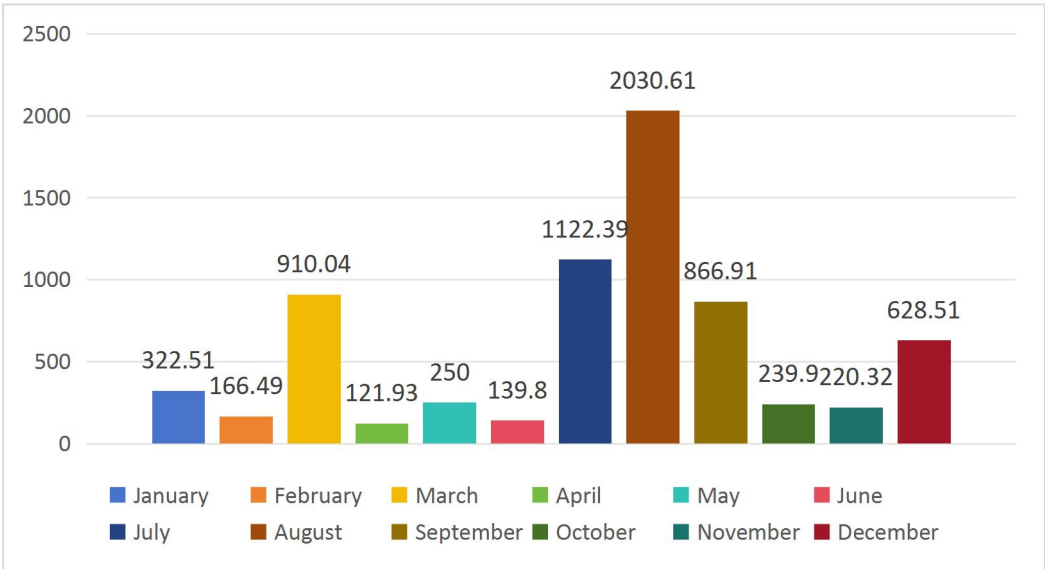
regulation, different from previous years, the peak of new wholesale area in addition to the third quarter, the end of the year also ushered in a wave of small peak.

Figure 4-2 Trend of commercial residential sales area in Shanghai in 2023



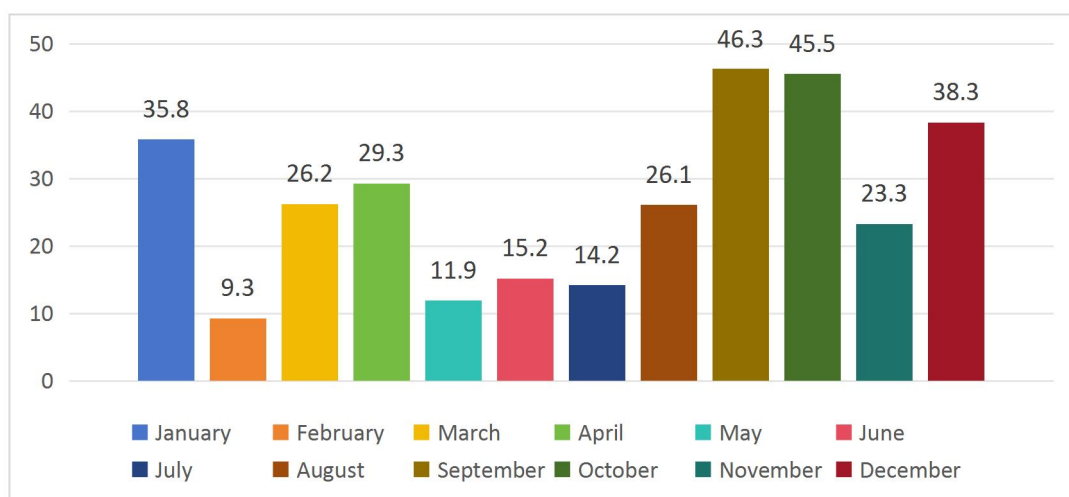
Source:Qin (2024)

Figure 4-3 Wholesale volume of commercial housing in Shanghai in 2023



Source: Qin (2024)

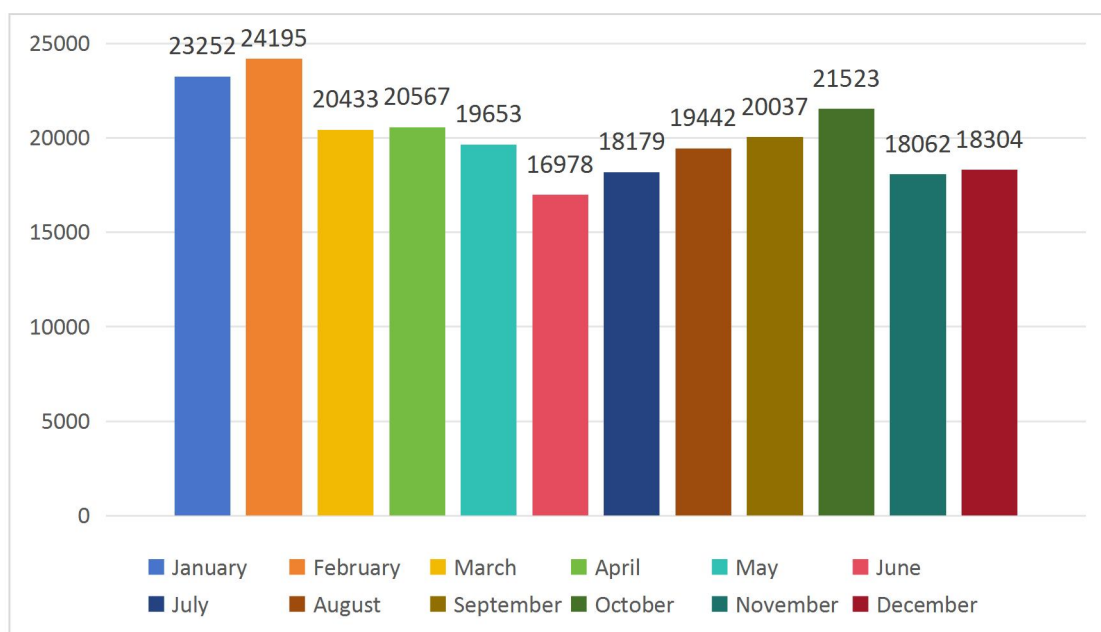
Figure4-4 Transaction volume of primary housing in Shanghai in 2023



Source: Qin (2024)

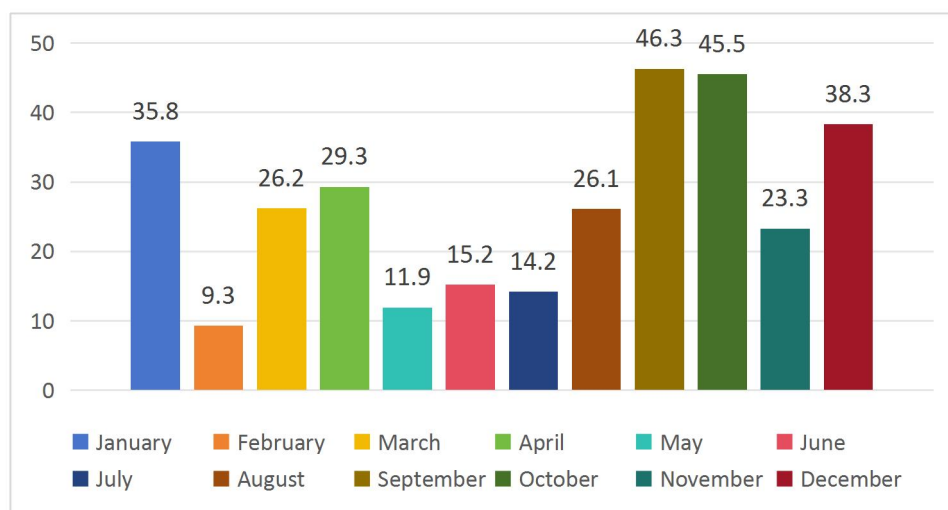
In terms of the average price of real estate, in 2023, the total transaction amount of primary housing in Shanghai was 64.728 billion yuan, and the average transaction price was 20,164 yuan / square meter, up 36.4% compared with 14,777 yuan / square meter in 2009. From the perspective of the annual price trend, the average price peaked at the beginning of the year, September and October, and the average price fell at the end of the year was mainly affected by the transaction structure.

Figure 4-5 Average transaction price of primary housing transactions in all districts of Shanghai in 2023



Source: Qin (2024)

Figure 4-6 Transaction volume of primary housing in Shanghai in 2023



Source: Qin (2024)

In terms of second-hand housing, a total of 9.294,000 square meters of second-hand housing were sold in Shanghai in 2023, compared with the annual transaction of 3.21 million square meters of new houses, and the transaction area ratio of second-hand housing and new houses was 2.9:1.

From the above chart, we can see that the national economy is developing and the urbanization process is further accelerated, which provides a broad space for the development of the real estate industry in Shanghai. However, due to the macroeconomic regulation, the government's "purchase restriction" and "loan restriction" policies suppressed the Shanghai real estate market. In addition, due to inflation, the government will continue to tighten the monetary policy through interest rate raising interest rates, raising the deposit reserve ratio and other means, and the real estate industry is facing a severe test.

#### 4.2.1.3 Social-cultural factors

In terms of social environment, because people pay more and more attention to the living environment and housing quality, living is not only a simple living and rest, but also a space to create a living atmosphere and enjoy life. Therefore, the quality of housing and environmental requirements are getting higher and higher, in addition to the quality of housing, house design, building facade and other internal conditions, public security environment, green environment, social supporting, traffic and other external conditions are now also very valued by people.

Since the launch of the market economy, whether to have high-grade housing has gradually become a proof of wealth and ability. Many people regard housing conditions as a

hard index of choosing a spouse and choosing friends."Do not marry a man without a car or without a house" has become the mantra of many women's families.

With the rapid development of China's urbanization, a large number of rural population has flooded into large and medium-sized cities like Shanghai, and a large number of urban residents need to buy improved housing. Considering the renovation of a large number of dilapidated houses, the integration of Shanghai and Hong Kong and the integration of internal and external customs, there is a large number of rigid demand in the real estate market. Therefore, in the next period of time, the Shanghai real estate market will inevitably continue to develop at a faster speed.

#### **4.2.1.4 Technical factors**

In recent years, the concept of environmental protection, low carbon gradually deeply rooted in the hearts of the people, the real estate industry is gradually promote new concepts and new technologies of energy conservation and emissions reduction, in energy saving, reduce pollution, etc., constantly, all kinds of new technology in design, construction utilization rate is higher and higher, energy conservation, environmental protection building is the need of the objective development. Eight ministries such as the ministry of construction has jointly issued the notice on promoting the modernization of residential industry, the paper puts forward some goals, such as improve the quality of urban housing, preliminary meet the requirements of residential applicability, preliminary established housing and materials, product standardization, industrial production system, new residential heating function to 50% lower energy consumption requirements, has been basic implementation in Shanghai.

In addition to advancements in environmentally friendly and low-carbon technologies, various aspects of real estate technology are continuously improving:

1. **Security Enhancements:** As technology advances, security in large communities has evolved beyond traditional guards. Innovations such as infrared alarms, fingerprint locks, voice-activated switches, and camera monitoring systems benefit developers, residents, and property management companies alike. For property companies, these technologies reduce the need for numerous security personnel, thus lowering costs. Residents enjoy enhanced safety and security, while developers improve the perceived quality and class of their buildings.

2. **Property Management Improvements:** Over a decade ago, real estate management was virtually nonexistent in China. Today, the importance of property management is increasingly recognized, as it enhances the comfort and convenience of living for consumers and facilitates easier maintenance and upkeep of properties.

3. Design Innovations: With technological improvements, real estate design now places greater emphasis on humanization and comfort, alongside aesthetic appeal. Previously, many buildings followed the uniform "tube tower" design. Now, both exterior and interior designs are diverse and creative, each with distinct beauty.

4. Residential Hardware Advancements: New building materials continually emerge, replacing outdated options. Gone are the days of simple whitewashed walls, terrazzo flooring, and cement board cabinets. Modern homes feature environmentally friendly paints, ceramic tiles, hardwood floors, and comprehensive kitchen and bedroom setups. Fully intelligent systems have also become popular, allowing for remote control of home appliances from the office.

As society progresses, the real estate industry must continually innovate technologically to meet consumer demand for more humanized, comfortable products and services. By embracing social innovation and adopting appropriate technological solutions, developers can enhance living comfort, reduce costs, boost brand awareness, and generate significant returns.

#### **4.2.1.5 Environmental factors**

In Shanghai's real estate market, various environmental factors are significantly influencing industry practices and development trends. These include geographical conditions, climate considerations, and resource availability, all of which have profound implications for real estate planning and construction.

1. Geographical and Climate Factors: Shanghai's coastal location and susceptibility to flooding and typhoons necessitate the incorporation of climate-resilient designs in real estate developments. Developers must consider local climate conditions when designing buildings to ensure they are resistant to extreme weather patterns. Moreover, the city's geographical constraints require efficient land use and sustainable urban planning strategies.

2. Resource Availability: The availability of natural resources, such as land and water, impacts real estate development projects. As urbanization continues, land becomes increasingly scarce, driving competition among developers. This scarcity also prompts the need for innovative solutions, such as building vertical structures or repurposing existing buildings to maximize land use.

3. Waste Management and Pollution Control: Shanghai faces challenges related to waste disposal and pollution, which have environmental implications that developers must address. New real estate projects are expected to incorporate sustainable waste management practices and minimize pollution during construction and operation. The



integration of green building standards helps mitigate these issues and aligns with the city's sustainability goals.

4. Biodiversity Preservation: As urbanization expands, protecting local ecosystems and biodiversity is crucial. Developers are increasingly recognized for their role in preserving green spaces, wetlands, and other habitats within urban settings. Incorporating parks, green roofs, and community gardens in real estate projects not only enhances the environmental quality of urban areas but also promotes community well-being.

5. Regulatory Pressures: Environmental regulations and policies implemented by local and national governments have strengthened the push for sustainable practices in the construction industry. Compliance with these regulations—focused on reducing carbon emissions, enhancing energy efficiency, and improving waste management—is essential for developers aiming to secure permits and approvals for new projects.

In summary, the environmental factors influencing Shanghai's real estate sector encompass geographical and climate considerations, resource availability, waste management, biodiversity preservation, and regulatory pressures. These factors compel developers to adopt sustainable practices that not only reduce environmental impacts but also enhance the quality of life for residents, ultimately shaping the future landscape of the city's real estate market.

#### **4.2.1.6 Legal factors**

The legal provisions on housing mainly focus on the Urban Real Estate Management Law of the People's Republic of China, the Civil Code of the People's Republic of China and other laws and regulations. The following is a specific interpretation of the relevant law:

##### **1. Law of the People's Republic of China**

Article 1 of the Law clarifies the legislative purpose, that is, to strengthen the management of urban real estate, maintain the order of the real estate market, protect the legitimate rights and interests of the real estate right holders, and promote the healthy development of the real estate industry. Article 2 of the regulation stipulates the scope of application, including the right to use the land for real estate development within the scope of state-owned land in the urban planning area of the People's Republic of China, the engaging in real estate development, real estate transactions and the implementation of real estate management. At the same time, the law also clarified the definition of "housing", namely the land of buildings and other buildings and structures. Article 5 of the regulation emphasizes that the real estate right holders should abide by the law, pay taxes according to law, and be protected by their legitimate rights and interests, and no unit or individual shall infringe upon them.

Theies<sup>37</sup> defines the transfer of real estate, that is, the act of the real estate right holder to transfer his real estate to others through the sale, gift or other legal means.

## 2. The Civil Code of the People's Republic of China

Theies 209 and theies 214 stipulate that the establishment, alteration, transfer and termination of the real right of a realty (including houses) shall be registered in accordance with the law and shall take effect when recorded in the realty register. This emphasizes the importance of housing property right registration. theies 215 of the regulation makes it clear that the failure of the registration of real right shall not affect the validity of the contract for the establishment, alteration, transfer and elimination of real right concluded between the parties. This protects the rights and interests of both parties to the contract, even if the contract is still valid if the registration of real right is not completed.

Housing rental policies and regulations include directly regulate housing rental management policies and regulations, such as the urban real estate management law, the urban housing lease management method "and indirectly affect the rental policies and regulations, such as the urban public housing management regulations, the urban private housing management regulations and the" personal housing loan management measures " and so on. Housing rental policies and regulations are the main factors that determine or affect whether urban residents or urban units lease houses, lease what types of houses, how large-scale houses to lease and the lease term. In addition, the management measures of house demolition also indirectly affect the situation of the house rental market, such as the stipulated compensation standard for demolition is relatively low, and the price of the house sale market is relatively high, then the demolished residents are likely to live in a short-term or long-term rental house rather than directly buy housing in the sale market.

### 4.2.2. Industry analysis

With the growth of Shanghai's urban economy and the rapid development of the real estate market, the housing rental market in Shanghai is encountering new opportunities and emerging trends, driven by the personalized and complex needs of customers.

First, the actual registered foreign population in Shanghai has surpassed 800,000, including residents from Hong Kong, Macao, and Taiwan. Relevant statistics indicate that approximately 100,000 new foreign workers and returnees arrive in Shanghai each year. Almost all of these immigrants seek rental housing upon their arrival. This significant influx of customers strongly supports the sustainable and stable development of the rental market.

Second, there is a substantial and inelastic demand for leasing. Shanghai, as a global investment hotspot and a future center of the world economy, is experiencing one of the highest rates of new immigrants in China. In 2023, for instance, the total volume of housing

rental transactions in Shanghai exceeded 100 billion yuan, representing about 5% of the city's GDP. When considering the nearly 200 million square meters of rental housing, this figure could increase substantially. The concept of house trusteeship is emerging as a key trend in the rental market. While there are numerous properties available for rent, many owners, due to busy work schedules or residence in other locations, lack the time to manage their properties. Consequently, they may hesitate to engage intermediaries, fearing that after locating a tenant, issues related to maintenance will not be adequately addressed. In response to these concerns, "home trusteeship centers" have gained popularity. Unlike traditional intermediaries that merely facilitate viewings for a commission, these centers enter into agreements with property owners to manage all aspects of the rental process. This includes renting out the property, handling maintenance, and managing payment collections.

This new real estate business model is favored by many homeowners because it offers stable income alongside professional, regular maintenance, which helps prevent excessive depreciation of the property.

House trusteeship is particularly appealing in the second-hand housing rental market as it alleviates the burdens associated with renting and maintaining properties for owners. This approach is especially popular among overseas and foreign investors, who may struggle with rental challenges due to their non-local status. Many property owners prefer to rent out their second-hand homes rather than leave them vacant. As a result, house hosting is often their first choice.

By continuously improving the quality of their follow-up services, intermediary companies can offer high-value lease custody services to customers. This differentiated lease custody approach can enhance the brand value of the intermediary companies involved.

A new model of real estate trust leasing finance. Real estate goods are not only a consumer goods, but also an investment goods, which can generate considerable cash income. This characteristic makes the real estate become an important field of social capital investment. But at the same time, the high value of real estate makes the real estate investment needs a huge amount of capital, and the operation and related businesses of real estate have strong professionalism, requiring considerable professional knowledge and experience, all these constitute the obstacle that ordinary small and medium investors are difficult to overcome. In the process of solving this contradiction, the developed market economy countries have gradually developed a reasonable and feasible real estate investment mode through the relatively mature securities market —— Real estate investment trust. Funds in this way is mainly derived from issuing shares or funds, subscribed by institutional investors and shareholders; or financing from financial markets, such as bank loans, issuance of bonds or commercial paper. Real estate trust is a management model that

combines properties of a certain size, increases the added value of leasing through professional system packaging, planning and integration, and obtains stable and high returns.

#### **4.2.3. Competitor analysis**

The competitive landscape in Shanghai's rental intermediary market is intensely dynamic, driven by fierce competition across multiple dimensions: talent acquisition, housing supply, differentiation, and after-sales service.

##### **1. Talent Competition:**

As China continues to globalize, the domestic real estate rental market is expanding rapidly, attracting a growing number of professionals to the rental agency sector. The competition is particularly fierce for high-caliber talent, including sales staff with solid professional knowledge and international backgrounds. Unlike other industries, the leasing industry's success is heavily reliant on personnel; having skilled agents directly correlates with having a robust customer base. Competent salespeople can significantly impact a company's bottom line, as they may take their clients with them if they leave, leading to considerable losses.

Consequently, rental agencies prioritize the recruitment of talented sales staff, recognizing that having a strong team translates into market share. Companies now emphasize retaining their customer base and improving market development, leading to a heightened focus on building efficient marketing and management personnel who can drive business success.

##### **2. Housing Supply Competition:**

The competition for housing supply has shifted dramatically over the years. Initially characterized by a scarcity of available rentals, the market has evolved into a more saturated environment where tenants have diverse options. As more properties enter the market, rental agencies face significant challenges in managing and optimizing housing supply effectively.

Major rental agencies are actively developing extensive housing databases, striving to secure the largest and most comprehensive listings available. Controlling access to desirable properties is crucial, as tenants will prioritize finding a suitable home over the quality of service when making their decision. Therefore, building a robust housing resource database is a critical success factor in the competitive rental market.

Many agencies have also diversified their offerings by managing hotel apartments, aiming to attract tenants seeking high-demand properties while strengthening their market position. The turnover rates of these hotel apartments serve as an indicator of an intermediary's prestige among property owners; agents with higher turnover demonstrate value by securing more competitive prices for their landlords, which in turn fosters tenant loyalty.

### 3. Value Propositions of Main Competitors:

The value propositions of the main competitors in Shanghai's rental intermediary market can be outlined as follows:

(1) Comprehensive Housing Databases: Competitors such as Agency B and Agency C emphasize their extensive housing databases, leveraging technology to provide clients with a wider range of options. Their robust platforms allow for efficient property matching and quick response times to tenant inquiries.

(2) High Turnover Rates: Agencies that manage hotel apartments, like Agency D, have capitalized on their ability to maintain high turnover rates, establishing themselves as reliable partners for property owners. This reputation not only enhances their credibility but also enables them to negotiate better terms and conditions with clients, attracting more landlords.

(3) Professional Talent Pool: Companies such as Agency E focus on attracting and retaining top-tier talent, showcasing their experienced teams as a key differentiator. They offer training programs that enhance the skills of their agents, ensuring they remain competitive in a fluctuating market.

(4) Exceptional Customer Service: Agencies that prioritize after-sales service tend to foster stronger relationships with tenants and landlords alike. For instance, Agency F has built its reputation on providing unparalleled support and service quality, which enhances customer satisfaction and loyalty.

(5) Flexibility and Adaptability: Competitors that demonstrate agility in adapting to market changes, such as economic fluctuations or consumer preferences, outperform others. Agencies that can pivot their marketing strategies in response to evolving demands are better positioned for success.

In 2023, Company A has faced challenges in keeping pace with these competitors, as evidenced by its declining market share. Addressing these shortcomings and enhancing its value propositions will be essential for Company A to regain its competitive standing in Shanghai's rental intermediary market.

Table 4-3 List of hotel apartments in Shanghai in 2023 and some rental transactions

order number	Apartment name	geographic position	Rent range / month transaction champion agent
1	East cherry garden	Pudong New Area	15,000~25,000A enterprises
2	Huashan Li Yuan	Changning District	30,000~50,000A enterprises
3	Merrill Lynch villa	Pudong New Area	25,000 to 30,000 homes
4	Blue Cloud Diamond Apartment	Pudong New Area	25,000~35,000 First Pacific Davis
5	Peng Lihui Shengge	Pudong New Area	40,000~60,000 homes
6	Four seasons ya yuan	Pudong New Area	30,000~60,000 homes
7	Shimao Lakeside Garden	Pudong New Area	30,000~40,000 First Pacific Davis
8	Shanda gold rock	Pudong New Area	20,00030,000 homes
10	Green treasure garden	Pudong New Area	40,000~60,000 First Pacific Davis
11	Tomson a product	Pudong New Area	60,000~100,000 homes
12	Cui ting	Pudong New Area	30,000~50,000A enterprises
13	Renheng Binjiang Garden	Pudong New Area	20,000~40,000 homes
15	Hongyi house garden	Xuhui District	10,000~20,000 First Pacific Davis
16	Also garden	Xuhui District	20,000~30,000 First Pacific Davis
17	Hongqiao house garden	Changning District	12,000 to 30,000 homes

Source: Author(2024)

Table 4-4 Competitor analysis

project		A company	home	First Pacific, Davis	Linhai company
Project situation	The family situation	120 / 180 / 270 flat left  Right 3-5 rooms,the choice of rich	112-118m <sup>2</sup> about 3 rooms, similar house type	137-212 m <sup>2</sup> Room 3-4,  315-378m <sup>2</sup> top-layer duplex	116/120/226m <sup>2</sup>  3-5 rooms, a rich choice of house types
	a cycle of songs in a traditional opera	1024	744	222	251
	unit-price	126,000-142,000/m <sup>2</sup>	91,000-114,000 / m <sup>2</sup>	The average price is about 131,000 yuan / m <sup>2</sup>	100,000 / m <sup>2</sup> – 130,000/m <sup>2</sup>
	siding-to-siding block				
	total	14.68 million-37.2 million /	10.44 million-13.53 million / set	15.76 million-75.08 million /	1,1.65 million-2,8,40
	scope	cover		cover	Ten thousand / set
	fixed position	High-end commercial housing	High-end commercial housing	High-end commercial housing and luxury housing	High-end commercial housing
	objective	Reigid need / first change / improvement	Just need / first change	First change / improvement / investment	Just need / first change / change
	client				good
	geographical features of a place	Pudong New Area	Pudong New Area	Xuhui District	Changning District
	position				

Source:Author(2024)

Table 4-5 Competitor analysis

project		A company	home	First Pacific, Davis	Linhai company
Project supporting		Traffic station, more than 30 bus lines pass through.			But the passage is more frequent Less; the main tool of private car behavior
	educational resources	The WQ overall project is equipped with 3 kindergartens. Project primary school It is the primary school of changning Foreign Language School, and the middle school is the Kou changning Foreign Language Department, which belongs to the middle and high end of public schools.	It has 2 kindergartens and 19-year school, which has not yet enrolled students, and the teachers have not been announced	Primary school for the East China Sea experiment is small Study and Shanghai Foreign Language East Hai primary school, junior high school for the deep Zhen Senior High School (South District), the education is very excellent get over	Primary school for yuca small School, junior high school for Yucai No.2 Middle School, belongs to the middle section of the public school. Private and international school resources are of high quality
	Entertainment and leisure facilities	Close to the Dasha River ecological corridor, there is 240,000 square meters of commercial world, to meet the owners of entertainment and leisure activities.	With 20,000 centralized commercial, project supporting 42,000 The m <sup>2</sup> Sports Park, planning for football Field, basketball court and other sports and leisure venues.	To the north is Xiangmei Park, and to the south is the bustling Cheongmiao business district. With 20,000 m <sup>2</sup> commercial, about 500m range around the East China Sea colorful world, the East China Sea City City square and other shopping malls.	There are changning Park, Sihai Park and Shekou Sports Center and other leisure places

Source: Author(2024)



Figures 4.5 and 4.6 present relevant data for A Real Estate Company and its competitors, providing insights into the competitive landscape A Real Estate Company will face in future marketing efforts.

#### 4. Differentiated Competition:

Historically, rental intermediary companies relied heavily on providing advanced deposits for clients and paying utility bills on their behalf to attract customers. While this strategy initially drew clients, the expansion of business volume and increasing capital costs have made cash flow management a critical issue. Companies facing cash flow difficulties risk operational viability. Although many agencies still use these tactics as selling points, they are becoming less effective in securing consumer loyalty.

In today's rental market, no single service can dominate the competition for long. As soon as new services are introduced, competitors tend to replicate them. Therefore, establishing market segments and achieving service differentiation are essential strategies for success.

Opportunities for differentiation exist, but retaining those advantages requires a deep understanding of national policy adjustments, consumer demand levels, demand structures, and neighborhood-specific information. Over the past two years, A Real Estate Company has observed that competitors, particularly home intermediary firms from Beijing, rapidly adapt by adopting unique business models. The recent growth of the Shanghai rental market has elicited both enthusiasm and anxiety among many rental agencies, including A Real Estate Company.

By focusing on current market conditions and competitor activities without conducting thorough market research, A Real Estate Company leaves itself vulnerable to competitors entering the space. As the economy grows, customers increasingly demand additional leasing services, particularly value-added services such as foreign visa assistance, car rentals, and on-site service personnel. Firms that successfully adapt their offerings to meet these emerging demands will gain competitive advantages, aligning their services with the evolving expectations of consumers.

Given the continuous economic growth, it is imperative for traditional leasing intermediary enterprises to adapt promptly. This involves repositioning their services while employing differentiation concepts. By tailoring services to fit the characteristics of Shanghai's diverse districts and the specific needs of customer companies, A Real Estate Company can shift from a passive approach to a proactive developmental track. However, simply upgrading services or reducing customer costs (e.g., by paying deposits on their behalf) will merely treat symptoms rather than addressing underlying issues.

#### 5. After-Sales Service Competition:

After-sales service encompasses various support activities that occur after a property has been rented out. From a marketing perspective, robust after-sales service can serve as a

promotional tool. In the follow-up stages, sales personnel must engage in collaborative efforts to enhance the company's reputation, expand market share, and improve overall marketing efficiency.

Reflecting on the development history of real estate in more mature markets, a shift must be made from a focus on marketing to emphasizing brand and services. Currently, the domestic real estate rental market is primarily tangible-oriented, with companies pursuing market expansion aggressively to maximize profits. While many agencies may boast impressive properties or service offerings at the hardware level, their service quality and management processes often lag behind similar foreign rental agencies.

The rental market's current housing structure has fundamentally shifted, with an increasing proportion of properties owned by private individuals (small owners) as opposed to developers (large owners). Small owners tend to display greater price elasticity, varied quality levels, higher expectations regarding after-sales service, and diverse needs. This evolution necessitates that companies not only provide cost-effective services and processes but also ensure reasonable usage costs to satisfy both tenants and landlords.

Four key factors influence a customer's choice of a leasing intermediary: service quality, pricing, brand reputation, and after-sales service. While after-sales service is currently the least prioritized factor among customers, as the high-end residential rental industry continues to grow, the competitive landscape will increasingly shift focus. Consequently, the importance of after-sales service in differentiating offerings will rise, making it vital for intermediaries to enhance this aspect of their operations.

Despite the current trend of customers not prioritizing after-sales service, those developments will inevitably change as the high-end residential rental sector continues to expand. The competition at the forefront will diminish, leading to an escalating emphasis on after-sales service over time. This is particularly relevant for current leasing intermediary companies in China, as the domestic real estate market has matured over the past decade. With foreign real estate consulting firms entering the market, domestic companies must recognize that their service concepts and management processes lag behind international competitors.

However, where domestic companies can excel is in localized service delivery, as firms like A Real Estate Company have a deep understanding of local culture and needs. Therefore, it is crucial for domestic rental agencies to prioritize after-sales service as a key differentiator in order to maintain their competitive edge on a global stage.

#### **4.2.4. Porter five-force analysis**

##### **4.2.4.1 Existing competitors**

In the Shanghai real estate market, Company A stands as the largest development firm, bolstered by its unique status as a publicly listed company and substantial market size. In 2007, Company A commanded approximately 20% of the market share, meaning one in every five commercial properties sold in Shanghai originated from Company A. While competitors such as Kyushu Group and China Property have experienced rapid growth, they remain at a considerable distance from Company A in terms of financial strength, development capabilities, and experience. Consequently, Company A's brand reputation holds a strong position in the minds of consumers.

The entry of foreign developers into Shanghai began in 2007, with notable projects like "Royal City" and "TianJuan Peak" initiated by Home Real Estate. Although these foreign companies possess greater theoretical strength and development resources than Company A, their impact on the overall Shanghai market has yet to materialize fully. Nonetheless, their presence intensifies the competition.

#### **4.2.4.2 Potential competitors**

As the real estate development landscape consolidates, high land prices coupled with stringent lending policies have raised the barriers to entry. In this environment, new potential competitors largely fall into two categories:

1. Foreign Developers with Financial Strength: Major foreign developers are beginning to target the lucrative Shanghai market. Companies such as Kowloon, Hutchison Whampoa, and Vanke are poised to enter by 2015. These developers bring fresh perspectives and significant resources, which will heighten competition for established firms like Company A.

2. Strong Enterprises from Other Industries: The real estate sector, known for its lucrative returns, has attracted interest from many enterprises across various industries. Although recent regulatory measures have dampened enthusiasm, financially robust companies continue to explore entry into the rental market.

#### **4.2.4.3 The replacements**

At present, the replacement of rental and loan housing is mainly by second-hand housing, affordable housing, resettlement housing, commercial housing, etc., Among them, affordable housing is vigorously developed by the country, But many conditions are subject to buying, At the same time, local governments are certainly reluctant to provide all the limited land resources to affordable housing, So the total amount of affordable housing will not go up, Can only maintain a certain supply every year, Resettlement housing is mainly for the demolition of

the general not to the market, Young people with poor financial ability when renting houses, Under certain economic conditions, People will choose to buy houses, Part of the down payment, A part of the monthly loan repayment, Rental is not in line with the traditional Chinese concept.

Second-hand housing is the biggest substitute for rental housing, but the order of second-hand housing in Shanghai is very chaotic, almost no large chain companies, so the development of second-hand housing in Shanghai is very slow, there is no way to produce more threats to commercial housing in the short term.

To sum up, in the current Shanghai real estate market, commercial housing is still in the mainstream position, and there is no way to threaten its position for the time being.

#### **4.2.4.4 Bargaining power of suppliers**

For the real estate rental and loan intermediary companies, its suppliers mainly include: construction units, planning and design units, planning and consulting units, property management units, landscape design. The suppliers can be divided into two types:

1. No bargaining ability. For the A company with annual sales of 5 billion yuan, construction units, planning and design units, planning and consulting units, property management units and landscape design are basically no bargaining ability, and the operation price is lower than the average level of the industry.
2. Have the bargaining ability. If the contract signed with the builder is provided by material A (provided by Party A), the supplier has the bargaining ability for steel and cement.

#### **4.2.4.5 Bargain power of home buyers**

The bargaining power here is not to say that in the sales center and sales staff bargaining, (this situation does not exist in Shanghai, especially A company such big company, standardized operation, the price must be certain), but that the buyers have the ability of bargaining, the developers to consider the pricing on consumer price expectations not deviation too much, competition project more buyers don't buy here can buy there, you must consider your price and consumer psychological price, otherwise it means the loss of customers.

Two years ago, the Shanghai market buyers are no bargaining ability, at that time, the house can be said to be in short supply, but only to buy a house. Now with the adjustment of policies, the increase of projects, buyers have a certain bargaining ability, but it is not a buyer's market, it should be said that the power between developers and buyers is still relatively balanced, can not say who is the market.

Overall, the Shanghai rental intermediary market is competitive, with multiple forces at play. Company A, while historically dominant, faces increasing pressure from both existing competitors and potential entrants. To maintain its competitive edge, Company A must innovate and adapt to the evolving landscape, particularly through superior service offerings and strategic responses to shifting market dynamics.

### **4.3. Internal situation analysis**

As the largest old city renovation project in Shanghai, Project A involves a balance of interests and resource allocation among all parties. Only top tier real estate central enterprises such as A Real Estate Enterprise can undertake and promote it. A Real Estate Enterprise uses its resources and platform as support to promote the construction of Project A. Therefore, in this section, we will focus on analyzing the resource conditions and core capabilities of A real estate enterprise.

#### **4.3.1. Company characteristics**

A real estate enterprise intangible resources are rich, including patent technology, quality testing standards, construction design power and domestic scientific research and technical resources, including brand effect, goodwill, customer relations, trademark and other reputation resources, at the same time, A real estate enterprise as A subsidiary of HR group, benefit from the HR financial system, HR Banks, HR information and HR property associated companies own resources is rich, for A real estate enterprise operation provides all aspects. Enterprise A has 300 employees with an average age of 35,50 with bachelor degree or above, accounting for one-sixth of the total employees; 100 with college degree or above, accounting for half of the total employees, which is A dynamic team. In recent years, enterprise A relies on strengthening enterprise management, transforming internal operation mechanism, strengthening service content and improving business level, so that the enterprise strength grows rapidly. In 1997, A enterprise obtained the exclusive agency right of Gubei Sun Square, which made the Japanese department of the enterprise go to the peak. In June 2018, Company A passed 80% of the transaction volume of the intermediary of Jiahua Center of Shanghai Center, which made the unprecedented development of the office building of Company A. The high-end leasing engaged in enterprise A refers to the monthly leasing of RMB10000 yuan to RMB100000 yuan, and mainly serves foreign government officials working in China and foreign managers of global enterprises working in China. The service contents mainly include contact before coming to China, airport pick-up service, hotel arrangement, city sightseeing search for suitable, satisfactory house, after-sales service and

a lot of additional value-added services. Value-added services include contract management, visa services, city relocation services and emergency services. Asset management services

Asset management is the upgrade of property agency, and this concept is relatively new in the real estate world around the world. In recent years, with the rapid development of China's real estate, foreign hot money flocked to Shanghai, and a considerable part of the hot money was invested in real estate. Foreign fund companies bought a lot of high-end apartment buildings investment, after a few years to sell out for high profits. In the years of holding the building, some real estate companies are urgently needed to do the operation and management of apartments and even office buildings, and marketing to achieve the return on investment of fund companies. In this way, Company A took the lead in acquiring Citigroup and Morgan invested in buildings for asset management, and achieved unprecedented success.

#### 1. European and American residential rental:

The most basic and earliest business content of European and American residential leasing, accounting for 20% of the company's turnover. It occupies a leading position in the whole residential rental market in Shanghai, ranking among the top in the residential market for five consecutive years since 2023, and TOPAGENT is a large owner (developer) every year from 2023. It has an important influence in the development process of Shanghai real estate rental intermediary market. As of September 2020, the total number of residential rental units in European and American enterprises A has exceeded 10,000, and the rental transaction volume is as follows:

In 2019, the overall market of residential rental in Europe and the United States has seen a sharp decline. From January to June this year, 300 residential rental units were sold in the city, down 20% compared with the same period last year.

#### 2. Ministry of Japan residential rental:

A enterprise of Japanese housing was founded in 1997, was won the Shanghai ancient north sun square, the sun square in opening just four months time, housing rental all short, and tenants are all Japanese tenants, then Japanese customer a good rental market situation, present the queue room, individual tenants to live in the sun square, tenants still flock. Under such conditions, the Japanese leasing department of A enterprise was born with A strong momentum of development. In 2020, after continuing the sales heat of the last century, the A company is still in A monopoly position in the Japanese market. A large number of Japanese enterprises invested in Shanghai by virtue of the hot investment boom. Many Japanese employees of Japanese enterprises in China needed a large number of suitable properties, especially in the Hongqiao area of Shanghai where Japanese people gathered. At that time, the housing supply in this area was relatively popular. At that time, there were few intermediaries in the Japanese customer rental market, and Company A had almost no

competitors. However, A enterprise led the service process and service concept in the Shanghai market at that time, and its competitive advantage was quite obvious. From 2023, the Japanese rental market has entered a period of rapid growth, and large and small rental agencies have sprung up in the Shanghai market. The quality is also inferior, but there are also some excellent enterprises. Enterprise A's position as the market leader began to shake. Since 2020, enterprise A has fallen to the second place position in the market for the first time, and even fell to the fourth place in the market in 2022. Since 2022, the average leasing department of Company A in Japan has sold about 120 units per month. Although it has increased by 20% in the same period of the previous year, its market share has decreased by 30%. At that time, the general manager of the A company was still immersed in the joy of the rapid growth of his business, completely unaware of the external environment of the market, and even said that he just worked hard in his business, not caring about what happened outside or what your competitors were doing. In addition, the senior management of the enterprise also ignored the housing resources in the market, not doing well with a large number of small owners, showing a strong performance in the communication of owners, and gradually lost a large number of housing resources. From 2018, the turnover of rental services began to decline sharply. Before 2022, the number of monthly units in Japan was around 120, but now it can only hover around 100 on average. In 2019, even only about 80 sets per month will be sold for a few months. The total number of units in the whole year decreased by 20% compared with the same period of the previous year, and the total turnover decreased by 30%, which is unprecedented in the history of the A company. The golden period of leasing agents has passed, and the competition is becoming increasingly fierce. At this time, the management of enterprise A still thought that there was A problem in the internal operation mechanism of the enterprise, the service was not in place, and the business was not proficient enough. In fact, it was not. According to the market law of the emerging industry, at this time, we should focus on the marketing strategy of rental intermediaries. How to market more tenants and how to market more housing resources is the primary issue.

### 3. Commercial leasing agency:

Commercial leasing agents are also looking for office buildings for downtown businesses. Commercial leasing is not the strong point of the company in the early stage of the establishment of enterprise A, or even can not be done. However, commercial leasing itself is characterized by high technical content and high income generation, which is the main contributor to increasing the turnover of enterprises. Because of the general transaction of office leasing, small hundreds of square meters, large thousands of square meters, the enterprise can get a lot of commission from the owner that, usually is hundreds of thousands of. This has aroused great interest from the top management of enterprise A. Since 2023, enterprise A has established the commercial leasing intermediary department, and after one

or two years, the performance has been mediocre. Until 2023, enterprise A took advantage of its reputation among Japanese customers as A leasing intermediary, bringing 80% of the customers of the whole building to the Jiahua Center office building in the city center, all of which were Japanese enterprises. That is, 80% of the entire building is mediated through A business agency. In those days, almost all the relatively large office intermediary cases on the market were traded by A enterprises. In 2023, the turnover of the commercial leasing department of A enterprise was 12.02 million, and the transaction area increased by 80% compared with the previous year. Since then, the commercial building leasing department of A enterprise has gone on the road of rapid development. However, starting from 2024, the manager of the commercial leasing department has led to the collective departure of the department personnel, which has dealt A considerable heavy blow to the A enterprise. This is also A enterprise general manager act arbitrary, the size of the business, do not give subordinates enough large space caused. In the following years, the commercial leasing intermediary business has not recovered to the previous glorious period. Of course, there are market reasons, successor reasons and economic environment reasons, but the main reason is that the enterprise general manager does not pay attention to the marketing theory, behind closed doors, and use the old thinking to solve new problems in the market.

The business scope of enterprise A is divided into the following main business contents:

(1) domestic tenancy

It was first established in 1993, when China's property rental market was relatively backward and there was no real rental service. Almost what kind of house, foreigners directly live in what kind of house, less housing, tenants have no room to choose. The timely emergence of enterprise A company makes up for the blind spot of zero service in the rental market. The residential rental of enterprise A is divided into European and American divisions and Japanese divisions. In recent years, we have provided a full range of high-quality leasing services for foreigners of foreign enterprises in the city, and accumulated a considerable number of customer base for enterprises. The Japanese market for the other is unusually solid. Now in the residential rental market, according to the annual transaction volume, A enterprise has been the first market transaction volume for five consecutive years.

(2) business tenancy

Enterprise A established the Commercial Building Department in 2013, which specializes in the intermediary services of Grade A office buildings in the city center. The transaction volume of Japanese customers is far ahead of the turnover of European and American departments. Especially in 2023, enterprise A completed almost all the relocation intermediaries of Japanese enterprises in the year through the intermediary of downtown Jiahua enterprises, and the sales reached an unprecedented peak. At that time, enterprise A was particularly famous in the commercial building real estate market in Shanghai.



### (3) Property agent

Starting from 2022, enterprise A, as the exclusive owner, will frequently receive agent real estate, including residential buildings and office buildings. The so-called property agent, is the intermediary company and the real estate developer signed an agreement to ensure that the house and office building rented out in a certain period of time. Using the concept of professionals to do professional services, it further accelerated and increased the rental turnover of A enterprise, and the enterprise also obtained abundant housing supply.

#### **4.3.2. Mission, Vision, and values**

In response to intensifying competition and regulatory policies, A Real Estate Enterprise focuses on core business functions and strategic resource integration to lead the market. Committed to enhancing product value and service quality through its "Quality Brings More Change to the City" concept, the company stands at the forefront of industry innovation. By 2020, with a brand value of 88.3 billion yuan, A Real Estate Enterprise continues to drive regional economic development and redefine urban living through exceptional design and service standards.

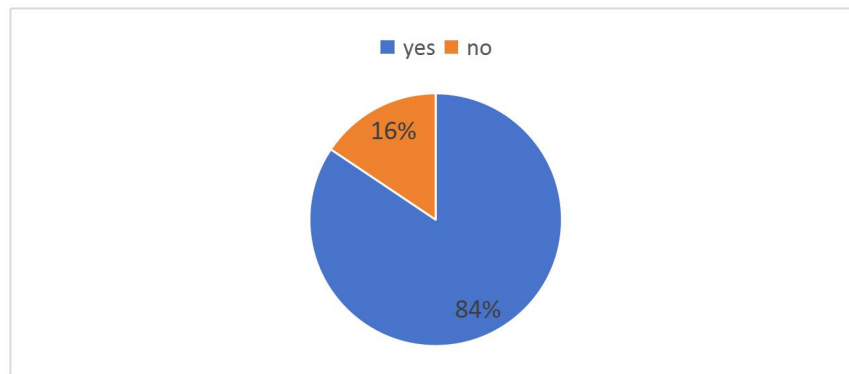
#### **4.3.3 Consumer analysis**

In order to more effectively summarize and analyze the marketing situation of Company A, theies designed the questionnaire of consumer market survey to be distributed in the marketing center of Company A, and customers were randomly selected for research. The questionnaire is designed with two modules: module 1 is the basic information of the customer, the age level of the customer, the main working and living areas and the working occupation; module 2 is the purchase motivation and demand, covering the purchase purpose, the expected house type and the sensitive value of the house. During July 15, 2024 to August 15, 2024, the Market Survey questionnaire of Company A was distributed in the Marketing Center of Company A, and A total of 200 questionnaires were distributed (see the appendix), and 192 questionnaires were recovered. Excluding 13 invalid questionnaires, A total of 179 valid questionnaires were obtained.

Conclusion of the questionnaire data are as follows:

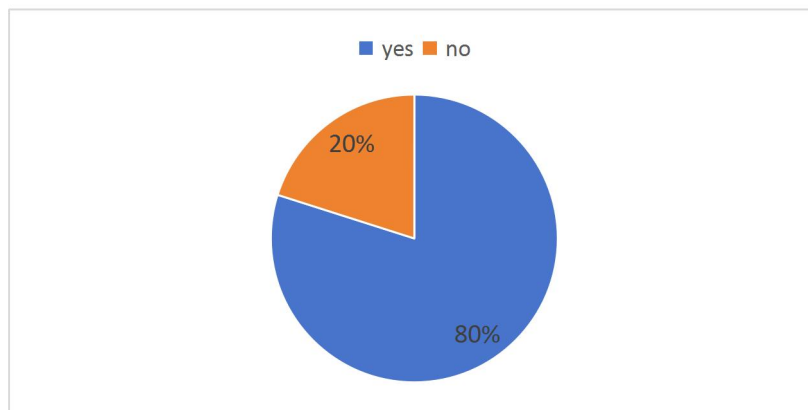
(1) According to the survey data, as shown in Chart 4-6 and Chart 4-7, among the customers who come to the marketing center to see the house accounts for 84.4% (151), and 15.6% (28). The proportion of customers willing to buy the property was 79.9% (143), and 20.1% (36) without intention. Among them, according to the customers who are willing to buy A company are all qualified customers.

Figure 4-7A rental qualified customers



Source: Author(2024)

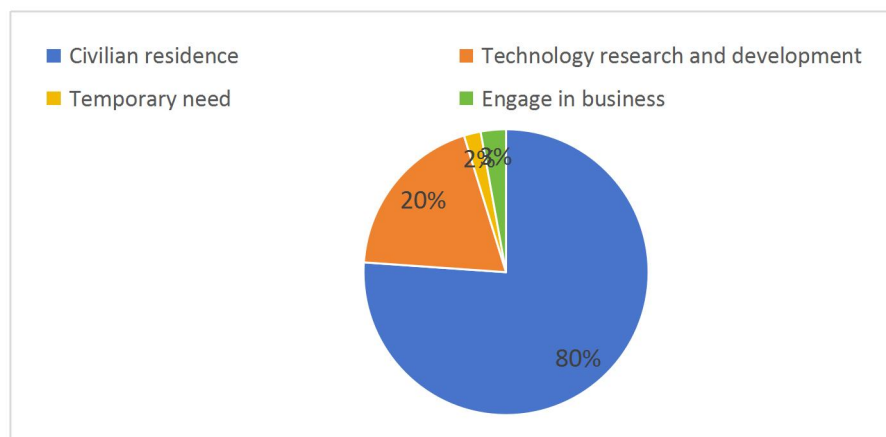
Figure 4-8 Customers who are interested in renting and lending to A company



Source: Author(2024)

(2) According to the survey data, as shown in Chart 4-6, the proportion of customers engaged in commercial and civil residence ranked first and second, 46.9% (84) and 34.6% (62) respectively, the proportion of R & D customers is the third, 11.8% (21), and the proportion of customers with temporary needs was the least, accounting for only 6.7% (12).

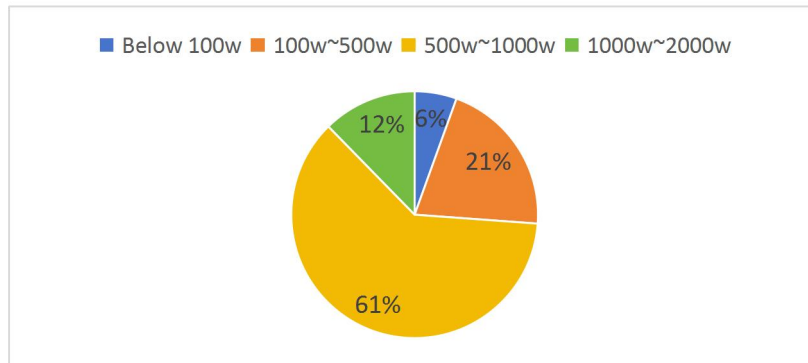
Figure 4-9 Purpose of A customers



Source: Author(2024)

(3) In terms of payment method and the highest acceptable price range, as shown in Chart 4-8, as the expected-average sales price of the building is 130,000 / square meter, 93.9% (168) of customers will choose the form of loan payment, only 6.1% (11) The customer debe able to pay the full amount in one lump sum. At the same time, 61.4% (110) of the customers think that the highest unit price in the area is between 120,000 and 140,000 yuan, 20.6% (37) of the customers think that the range is 100,000 to 120,000 yuan, 12.3% (22) can afford the unit price of more than 140,000 yuan, and 5.5% (10) feel that they cannot afford the unit price of more than 100,000 yuan.

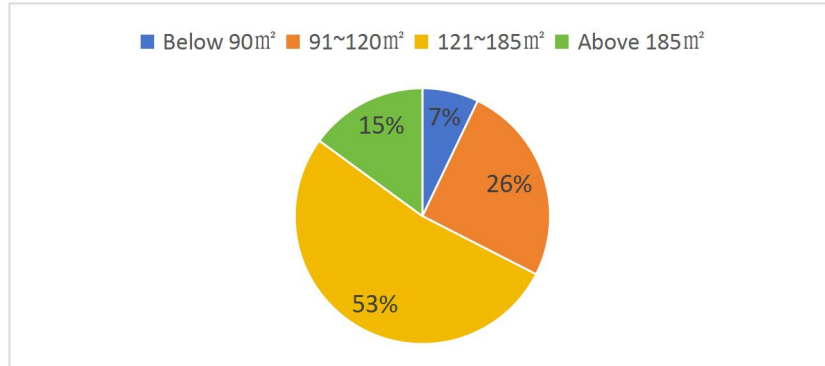
Figure 4-10A The highest unit price that company customers can accept



Source: Author(2024)

(4) In terms of house type demand, as shown in Chart 4-13, since the house type situation has been announced before, the vast majority of customers who come to the sales center say that they have a clear goal in the choice of area. Customers' demand for house type is concentrated in 121-185m<sup>2</sup> and 91-120m<sup>2</sup>, accounting for 25.6% (46) and 53.1% (95) respectively. The demand for more than 185 square meters accounts for 15.1% (27), and the demand for less than 90 square meters is less than 7.2% (13).

Figure 4-11A Company customer's choice of house type



Source: Author(2024)

#### 4.4.SWOT-Analysis

##### 4.4.1 Strengths analysis

Since 1993, the total number of residential rental units managed by Enterprise A has approached 100,000. It stands as one of the few real estate rental agencies that have consistently thrived in the market, maintaining a market share of over 40% despite the challenges faced by many competitors over nearly two decades of rental market development.

1. Established Reputation as a High-End Rental Agent

Enterprise A is the oldest high-end real estate rental agency in Shanghai, enjoying high visibility and strong customer loyalty. Founded in 1993, it emerged in a market with few competitors and limited foreign enterprises. During its early years, Enterprise A successfully cultivated a robust customer base. As China's economy rapidly grew, numerous multinational and foreign companies established operations in Shanghai, leading to the emergence of various leasing agencies. Throughout this period, Enterprise A's service and reputation, built through years of interaction with foreign employees, established it as the go-to agency for high-end rentals. Notably, nearly 99% of Japanese customers in Shanghai have engaged with Enterprise A.

## 2. Experienced Professional Team

Since 1995, Enterprise A has recruited a talented group of university graduates. The general manager personally trained these employees, fostering their growth alongside the company's development. This team has evolved together with Shanghai's rental market, acquiring solid business acumen, market insight, and extensive management experience. They occupy key positions within the company and demonstrate strong loyalty, making them invaluable assets for the future growth of Enterprise A.

## 3. Strong Reputation Among Property Owners

Shanghai's rental market is divided between large property owners (developers who exclusively rent out their properties) and small property owners (private individuals). Enterprise A holds a significant market share among tenants, serving numerous multinational companies. Consequently, the company's monthly transaction volume often constitutes 50% of the market, with some individual buildings achieving transaction volumes of 70%. This considerable volume leads many property owners to view Enterprise A favorably, seeking to collaborate to attract more tenants. Over the years, the company has cultivated strong relationships with property owners, enabling it to negotiate ultra-low prices that other agencies cannot match.

## 4. Comprehensive After-Sales Service System

As one of the earliest established agencies with the largest market share, Enterprise A has encountered various challenges. This year, the general manager has placed significant emphasis on the development of an after-sales service system. The company operates in two distinct markets—Europe and Japan—allowing for a complementary approach. Particularly, the Japanese market's emphasis on after-sales service inspires Enterprise A's management to integrate these principles throughout the organization. Continuous training of after-sales personnel, discussions on service processes, and the expansion of service offerings have contributed to Enterprise A becoming the intermediary firm with the highest customer return rate in the market.

#### **4.4.2 Weaknesses analysis**

##### **1. Lack of New Talent**

The rapid development of China's real estate rental market over the past two years has significantly boosted the enterprise's business. However, the company continues to see the same few long-term employees serving clients. Although a large number of college graduates have been recruited, the turnover rate remains high, and the overall recruitment efficiency for new employees has not improved.

##### **2. Outdated Management Practices**

The general manager holds ultimate decision-making authority, employing management techniques more typical of small enterprises, even as the company operates at a larger scale. A significant gap exists in cash management practices within the organization. The financial department largely comprises relatives of the general manager, most of whom possess formal financial training. While the finance department originally consisted of just two personnel, it has now expanded to over twenty, primarily devoted to manual operations. This rapid increase in staffing has resulted in a lack of structured processes for cash receipts and payments, leading to confusion and inefficiency in financial operations.

##### **3. Deviation from Core Business Focus**

Since 2008, the general manager shifted the company's focus to agency trading of buildings, causing a drastic change in operations. The shift to sales activities meant that sales staff prioritized selling houses over their core leasing responsibilities. Consequently, sales performance suffered, leading to a sharp decline in the company's primary business, real estate leasing, in 2009. Although the company made profits in the peak real estate market of 2009, declining performance since 2010 and employee dissatisfaction have highlighted a significant deviation from the company's fundamental operations.

##### **4. Challenges in Strategic Development**

Senior management tends to rely on outdated entrepreneurial strategies to address familiar issues in the changing market. They fail to recognize that the real estate rental agency market is no longer dominated by them, resulting in the company struggling to adapt.

##### **5. Stagnation of Long-Term**

Employees Many middle management personnel have been with the company for over ten years, reaching a bottleneck in their personal development. There is a strong desire among these employees for the company to provide greater opportunities for advancement. Both the external market environment and the company's internal conditions require further development to align with current demands.

##### **6. Rising Management and Personnel Costs**

Personnel costs represent the primary expense for the leasing intermediary. Employees with nearly a decade of experience see their salaries rise annually, but not all employees benefit from consistent salary increases. Additionally, the company's lack of an international business and service process means the general manager is reluctant to invest effort into refining these areas, leading to an increase in management and operational costs each year.

#### 7. High Employee Turnover

Due to the current inefficiencies in operations and stagnating salaries compared to previous years, many managers and top-performing sales personnel are leaving for competitors or establishing their own competing enterprises. This talent drain poses a significant threat to the company's future success.

### **4.4.3 Opportunities analysis**

#### 1. More foreign companies have poured into the Shanghai market

According to the survey in 2010, Shanghai is the first in China and the global top 500 enterprises, and more than 100 enterprises have invested in Shanghai and set up regional headquarters. A large number of foreign staff came in. Shanghai is not only an immigrant city in the whole country, but also an immigrant city in all over the world. In this way, the demand for housing, especially high-end housing, will greatly increase, and the development space of high-end rental services is very large.

#### 2. The further improvement of the market

China's real estate rental market has developed for more than ten years, especially in Beijing, Shanghai developed cities, a lot of rental services are close to the world synchronization level, as China's real estate market increasingly mature, the policies and regulations, like a few years ago by luck, by relationship, by housing, no marketing service s gone, now is the marketing service first, everything must be the customer perspective, this Shanghai relatively done better, very good to the healthy development of real estate rental agents.3. There is more abundant than ever before.

The rapid development of real estate in China also provides a broad space for rental agents. A variety of serviced apartments, high-end communities and villas are all over Shanghai, providing plenty of housing for foreigners working in Shanghai. And the subsequent matching property service has also been close to or reached the international advanced level.

### **4.4.4 Threat Analysis**

#### 1. There are many competitors, and the market competition is fierce

The A company is the leader in the rental market, but in recent years, with the increasing number of competitors, the market share has been declining. Beijing to Shanghai home with low cost, low price, to A enterprises launched A wave after wave of attacks, their slogan where there is A enterprise, go to where to grab the market. In order to gain A large market share in the fierce market competition, enterprise A has made the "market cake" bigger by returning the commission for several times. Hope to return to the commission, quickly start the market, to attract customers' attention. But this virtually increases the company's operating costs.

2. The consumer psychology of tenants is becoming more and more mature. After so many years of development of rental agencies and the continuous improvement of services, we find that the rental consumption in Shanghai is the same as that in the United States, Europe, Japan, South Korea and other countries with very mature rental consumption environment, and it has also experienced a mature process from irrational to rational. With the continuous enrichment of rental services, there are more and more excellent rental agents available for people to choose. Consumers have moved from the original perceptual consumption to the rational choice period, and they have changed from the simple pursuit of housing quality to higher service requirements. Therefore, humanized service, excellent cost performance, good brand advantage and thoughtful after-sales service are the factors that many consumers consider when choosing.

According to the above SWOT analysis, in terms of the advantages of the company, A enterprise should pay more attention to the enterprise in customer awareness, both the customer and the owner, in the future development to have enterprise brand consciousness, and the company perfect after-sales service system and experienced business veteran also further consolidate the company good reputation in the customer. These should be carried forward in the future construction and development of the company. But we also found in the analysis of the enterprise has many shortcomings, which is the disadvantage of the company's, such as: no senior, experienced employees to join, lagging management consciousness and concept, senior management deviate from the company's business core, blindly to immediate interests first, these are A enterprise policy makers should immediately attention, warned of. This is one of the important reasons why A enterprise to stop. In addition, there are more and more foreign competitors in the market, with the increase of management costs and the accelerated flow of enterprise talents. Enterprise A is almost on the verge of survival. Therefore, the decision-making level of the company must shift the focus of operation to marketing, and making good market decisions is the hard truth. At present, the rental market in Shanghai is becoming more and more perfect, and more foreign enterprises pour into Shanghai, which means that there is more demand. Enterprise A should take advantage of the present good opportunity to timely adjust the previous business strategy of



the company, give play to its own advantages, discard the backward concept in the past, develop a set of feasible and advanced marketing strategy, really turn the company's focus to marketing, and achieve nationwide marketing. Because the leasing agency is originally to take the market as the center, constantly improve, change the marketing strategy to develop, and finally to achieve lasting prosperity.

Table 4-6 The SWOT analysis table

		Strenghts S
		<ol style="list-style-type: none"> <li>1. Excellent geographical location, located in the core area of changing Science and Technology Park.</li> <li>2. Convenient transportation and convenient travel.</li> <li>3. Complete supporting facilities, surrounding businesses, hospitals, nine-year schools.</li> <li>4. With obvious brand advantages, A real estate enterprise is the flagship of domestic real estate, with A good reputation.</li> <li>5. Property services are guaranteed.</li> </ol>
OpportunityO	<ol style="list-style-type: none"> <li>1. Policy support, thanks to the construction of "double zones", the dividends of various policies are gradually released.</li> <li>2. The "three children" policy is fully down, and the long-term good for the real estate market.</li> <li>3. Renters have increasingly higher requirements on product quality and external premium.</li> </ol>	SO strategy (Take advantage of the opportunity)
		<ol style="list-style-type: none"> <li>1. Fully combine the project with the construction and development orientation of Shanghai "double District", and make use of the policy dividends.</li> <li>2. Create their own supporting advantages and product quality advantages to reflect the differentiation.</li> <li>3. Further optimize the sales strategy for the improved housing demanders.</li> </ol>
threaten T	<ol style="list-style-type: none"> <li>1. Affected by the downward pressure on the economy, renters and investors have limited funds on hand, and the wait-and-see mood is obvious.</li> <li>2. The continuous impact of real estate policy regulation, and the policy wind direction has not changed.</li> <li>3. Real estate development enterprises are under great operating pressure and the industry is periodically reshuffle.</li> <li>4. During the same period, competitors threaten the same kind of homogeneous products to enter the market.</li> </ol>	ST strategy (Use advantage to avoid threats)
		<ol style="list-style-type: none"> <li>1. Formulate adjustable sales strategies and timely adjust according to macro policy changes.</li> <li>2. Use the advantages of the group to give effective support to A real estate enterprises and strengthen the development supervision of A real estate enterprises.</li> <li>3. Strengthen the situation analysis of competitors, look for the differentiation advantages of products, and carry out targeted marketing.</li> <li>4. Pay close attention to the surrounding planning in real time and promote it as a selling point.</li> </ol>

Source:Author(2024)

Table 4-7 The SWOT analysis table (continuous)

Opportunity O	inferior strength or position W
	<ol style="list-style-type: none"> <li>1. Insufficient marketing intensity, and single marketing means and form.</li> <li>2. For the last commercial housing phase of Company A, the market demand has been basically digested.</li> <li>3. The surrounding relocation property has recently entered the secondary market, squeezing the demand.</li> <li>4. Investors' profit space is affected by the "three limits" policy, so keep wait and see.</li> </ol>
<ol style="list-style-type: none"> <li>1. Policy support, thanks to the construction of "double zones", the dividends of various policies are gradually released.</li> <li>2. The "three children" policy is fully down, and the long-term good for the real estate market.</li> </ol> <p>Renters have increasingly higher requirements on product quality and external premium.</p>	<p>WO strategy (Use opportunity to overcome weaknesses)</p> <ol style="list-style-type: none"> <li>1. Reasonably optimize the marketing strategy, and carry out the marketing combined with the current location and policy advantages.</li> <li>2. Take noise reduction measures to reduce the noise facing Shahe Road.</li> <li>3. Optimize the landscape of the community and improve the quality of life of the community.</li> <li>4. Adopt various pricing strategies and make reasonable pricing.</li> </ol>
Threats T	WT strategy (Overcome disadvantages and avoid threats)
<ol style="list-style-type: none"> <li>1. Affected by the downward pressure on the economy, renters and investors have limited funds on hand, and the wait-and-see mood is obvious.</li> <li>2. The continuous impact of real estate policy regulation, and the policy wind direction has not changed.</li> <li>3. Real estate development enterprises are under great operating pressure and the industry is periodically reshuffle.</li> <li>4. During the same period, competitors threaten the same kind of homogeneous products to enter the market.</li> </ol>	<ol style="list-style-type: none"> <li>1. Seek for the premium advantages of products, improve other resource advantages besides housing resources, and make customers have a greater sense of gain.</li> <li>2. Identify the target customers to carry out effective marketing and promotion.</li> <li>3. First, reduce the good property and effectively withdraw capital to cope with the economic downside risks.</li> </ol>

Source: Author(2024)

#### **4.5. Marketing plan objectives**

Enterprise A segments the market and selects target markets for all agency properties through a systematic approach:

##### **1. Market Area Selection Based on Demand**

Enterprise A identifies potential market areas based on customer requirements rather than solely on product characteristics. Traditional market assessments often emphasize factors such as room size and decoration standards. However, these characteristics vary significantly across cultures, leading to diverse tenant preferences. From a demand perspective, the company recognizes that many customers previously deemed non-potential may present opportunities to expand market reach, such as individuals accustomed to living in 24-hour properties.

##### **2. Identification of Potential Customers and Their Needs**

The company analyzes potential customers and their housing requirements from geographical, psychological, and behavioral dimensions. Enterprise A has found that prospective tenants prioritize various aspects, including adequate shelter, parking availability, safety, affordability, reasonable design, convenience for work and study, privacy, living space, satisfactory interior decoration, and efficient property management and maintenance. While this information is not exhaustive, it lays the groundwork for understanding customer expectations moving forward.

##### **3. Understanding Diverse Customer Requirements**

Utilizing demographic sampling surveys, the company gathers insights from various potential customer segments regarding their priorities among the identified needs. The analysis reveals distinct requirements: foreign enterprises with short-term projects in China utilize short leases and low budgets but expect quality services. Foreign young couples seek adequate shelter, parking, good privacy, and satisfactory property management. Families with children require larger accommodations or villas near international schools, along with convenient amenities and recreational spaces. This process identifies at least three market segments, creating a preliminary outline of the target customer base.

The formulation of marketing objectives is central to the marketing plan, providing a benchmark for measuring effectiveness, guiding the establishment of goals, and facilitating plan implementation. The author proposes the following one-year marketing objectives:

- (1) To achieve a monthly business target of 5 million yuan by the end of the year.

(2) To measure and increase sales revenue growth and market share by 10% across all departments within the year.

(3) To monitor monthly business objectives and assess completion progress against industry benchmarks throughout the year.

(4) To estimate and analyze expenses versus expected outcomes for each month's marketing initiatives.

(5) To accomplish the annual marketing goals, achieving a total revenue target of 60 million yuan by year-end.

By setting these objectives within a one-year framework, Enterprise A aims to effectively address the needs of its diverse customer segments while driving sustainable growth in the competitive real estate market.

#### **4.6. SEGMENTATION, TARGETING AND POSITIONING**

As a scarce and high-quality first-hand housing resource in Pudong District, Shanghai, Project A has complete supporting facilities, good educational resources, and convenient transportation. Combined with the construction of Wanxiang Tiandi and the office building commercial district, it has also completed the relocation property construction, consuming huge manpower, material resources, and financial resources. As the fifth phase project, although A real estate enterprise has the support of HR company, the investment and resource concentration for the project are still limited. Under various constraints, we further segment the market and, based on the actual situation, need to effectively utilize existing resources, continuously benchmark and improve the target market, and effectively select the ultimate target customers.

Combining the several target market types we analyzed earlier, the positioning and construction situation of the project itself, and comparing several homogeneous projects launched in Pudong and Changning districts, in order to effectively anchor the target customer group. Through research, it has been found that the target market selection for Project A was relatively single, similar to the target customers in the previous four phases, with a focus on improved housing and first-time homebuyers. Overall, there was no deviation in the target audience. However, for the project itself, due to its slightly higher positioning compared to mid-range products, but lacking in comparison to luxury real estate levels, its positioning for customers cannot be completely similar to the positioning of the first four phases of the project; Especially in the selection of target customers, the focus is mainly on the group of improved housing, but the product can only meet the needs of those with limited funds for improved housing, resulting in lower than expected sales and less than ideal conversion rates. Based

on the analysis of the target customers, it is recommended that Project A focus its main customers on the first and second categories of customers, with additional targets of investors with "room tickets" and elderly residents from nearby families, in order to develop appropriate marketing strategies.

Based on market segmentation results and target market selection, A real estate company can position its market from three aspects: customers, products, and brand.

(1) Product positioning. Firstly, based on the scoring results of consumers' concerns about real estate, it is analyzed that the proportion of educational facilities is the highest. Therefore, in product positioning, education should be the core, and "transportation and commercial supporting facilities" should be the focus to meet the needs of the consumer market and enhance customer experience. Secondly, A real estate company has recently focused on the Yangtze River Delta, Bohai Rim, and Pearl River Delta regions in its regional layout, where consumers have high demands for a comfortable living experience in their homes. Therefore, in addition to focusing on the planning and quality assurance of the product itself, product design also needs to pay attention to improving the quality of living and meeting the needs of new consumer groups for high quality, high service, and high technology. Finally, A real estate enterprise should combine residential products with commercial products, fully leveraging its own commercial supporting advantages.

(2) Customer positioning. A real estate company's customers can be divided into three tiers: high, medium, and low. Among them, high-level customers are entrepreneurs or senior executives of companies, who generally have high income levels and high levels of education,

Having a large amount of disposable assets, mostly for investment purposes and also for self occupation. Marketing targeting such customers should focus on "high-end" product lines, such as the Puyue series. Middle class customers are enterprises, institutions, or self-employed individuals with a good overall economic level, mainly focusing on improving or investing in housing. Marketing targeting this type of customer can focus on the "mid-range" product series, such as the Leju series and the Dream Fulfillment series. At the same time, such customers are the main purchasing group of A real estate enterprise, and in the marketing process, attention should be paid to "maintaining stability" and gradually "expanding". Low class customers are first-time homebuyers, mainly for first-time homebuyers, with average economic levels but occupying a certain market share. Marketing for such customers can focus on small-scale product lines, such as the Leju series.

(3) Brand positioning: As a residential developer, A real estate company should start from a brand perspective, continuously improve product quality and enrich product types, while achieving brand differentiation in terms of company services and corporate image enhancement, empowering urban living and upgrading the happiness of living.

Identifying the monthly target market is fundamental to the marketing activities of Project A. By effectively segmenting the market and combining it with the project's own situation, the target market positioning can be extracted to more effectively form the overall marketing concept and corresponding marketing strategy of the product. Successful marketing not only opens up the market and improves business efficiency, but also creates a good impression on customers, effectively enhancing product awareness and company reputation. Focusing on Project A, we need to combine the marketing situation of the first four stages of Project A to form a clear positioning of the project, product, and price.

Based on the previous analysis, the residential products of Project A are designed for mid to high end customers. The target customers are mainly middle to high income improvement type home buyers and first-time home buyers, with investment customers as supplementary choices; The client's work and life circle is mostly located in Pudong District, supplemented by clients from Changning District.

## **4.7. Marketing Mix**

### **4.7.1. Products**

The core product of the A company is the middle and high-end residential body. From the perspective of house design, the transverse design is square, which meets the attention of feng shui of Guangdong renters; the moving lines of all house types are clear, and the design of landscape and living needs effectively meet the concept of intelligent life, facilitate the life of the residents, and effectively meet the requirements of middle and high-end customers; the landscape faces Dasha River ecological corridor, with open vision and beautiful scenery. This sale is 1 / 2 / 3 houses of A company, A total of 1024 houses, respectively 120 / 185 / 23 / 70 square meters. The lowest unit price is 122,000 / square meter, the highest is 142,000 / square meter, and the average price is about 132,000 / square meter. The corresponding house type comparison is shown in Table 4-9.

Table 4-8 Comparison diagram of A Company

house type	area	proportion	Family advantage
Comfort, four rooms, two halls and three bathrooms	270m <sup>2</sup>	17%	Southeast direction, the space is luxurious and wide, open 7 meters wide, the living room Yang Platform and second lie balcony connected 12 meters long, see the big sand River ecological walk Corridor landscape.
Improvement type: four rooms, two halls and two bathrooms	185m <sup>2</sup>	6%	The house type is square, open space, sunny, master bedroom set House design, the high-rise vision is open without shelter.
Improved/economical type with three bedrooms, two bedrooms and two bathrooms	120m <sup>2</sup>	77%	Double balcony design, the main balcony is wide and comfortable, vertical hall design, dry Wet partition, practical three rooms.

Source: Author(2024)

#### 4.7.2. Price

##### 4.7.2.1 Composition of civil residential housing rent

Real estate product pricing is based on itself product positioning, combined with the investment and the comprehensive consideration of pricing, by measuring cost, market reference and customer demand, comprehensive analysis of pricing, on this basis based on the family, orientation, landscape and floor differences, measure the average spread between households and households, on the basis of this form can bring profits and attract the price of renters, and set the price of marketing strategy. Pricing strategy in real estate marketing need comprehensive consideration commodity positioning, enterprise benefit, regional environment and macroeconomic multiple objective factors, also need to combine customer demand, target market, economic strength, subjective factors such as comprehensive consideration, to find the balance of supply and demand, and effectively combine internal and external market sudden changes or uncontrollable factors, effectively adjust the pricing strategy.

Taking the official house type as the pricing reference, we mainly analyze the house type of the main house type of 120m<sup>2</sup> of this project. Compared with other products, this house type is more representative and cost-effective. The price difference of each floor ranges from 24,000 yuan to 48,000 yuan, and the floor price difference is small. Take 04 family of building 29 floor as an example, the product area is 120m<sup>2</sup>, the north and south of the two halls and two rooms, the total housing price is about 15.72 million RMB, about 130968 RMB per square meter, of 62 floors of the middle design, the 29 floors, the overall comfort is high; on the other hand, the floor is moderate, not too high and lack of security. According to the graphic design



drawing of Company A, the price difference between buildings is not very large, the building distance is moderate, and the price difference between floors is not obvious, but the total price of the product is still relatively high.

#### **4.7.2.2 Composition of property rent**

1. Commodity rent: it is the rent determined by the equivalent exchange relationship of commodities. In order to realize the expanded reproduction of goods, this kind of rent should be able to achieve normal consumption, fully compensated and can obtain a certain profit. Generally by depreciation cost, overhaul cost, property management fee, land rent, tax, insurance premium, interest, profit of these 8 factors constitute.

2. Cost rent: it is the minimum rent standard determined by reproduction during the exchange, and it is the critical point of profit and loss of property leasing operation. Cost rent consists of depreciation fee, overhaul fee, property management fee, interest fee and land rent.

3. Basic rent: it is the minimum amount of monthly or annual payment paid by the lessee per square meter of leasable area. In determining rent, a base rent must be based on value, with cost as the lowest economic limit, based on the rate of return target that the owner wishes to achieve and its acceptable minimum rent level (i. e. the rent to offset the mortgage repayment, operating expenses and loss of vacancy rate).

4. Market rent: it is a kind of rent that reflects the relationship between supply and demand of property on the basis of commodity rent. In practice, the market rent has two forms, one is gross rent, which is gross rent, namely the rent contains property management fee; the other is net rent, that is, the rent includes property management fee.

The composition of rent, as a salesperson engaged in real estate leasing should have a certain understanding. After understanding the composition of rent, what enterprise A needs to do is how to agree with the landlord within the limited scope of resources, especially within the limited scope of rent, so as to maximize the benefits and satisfy the customers.

#### **4.7.2.3 Pricing strategy**

Pricing strategy refers to the pricing guiding ideology and pricing principles stipulated by enterprises in order to achieve their own pricing goals in the target market. The property rent pricing strategy should be formulated according to the market situation of the property itself, cost status, tenant composition, consumer psychology and other factors. It can be generally divided into low price strategy, high price strategy and intermediary strategy. In particular, it is explained that the intermediary is very passive in the pricing of rent, and he simply

implements the intermediary behavior of the property. The intermediary with the most large volume can ask the pricing party to get a good price. But if you are an agent, the intermediary can price together with the owner.

1. Low-price strategy:

Generally, to improve the market share as its main goal, and marketing profit is often the secondary goal. The "fastest profit" brought by this strategy can effectively reduce the cost of capital circulation and improve capital efficiency. It is suitable for enterprises with large capital pressure and need to recover quickly, or have a strong demand for market share for special strategic goals.

2. High-price strategy:

The main purpose is to earn a higher profit in a short period of time, and the marketing volume and market share may not be relatively increased.

3. Mediation strategy:

Generally applicable to the market conditions are more stable in the area of the property leasing.

Based on the reason of enterprise profit, the alternative adoption or combination of the latter two strategies pricing is more.

The so-called pricing is also the price according to the market. A enterprises should make use of their experience and popularity in the market to actively participate in the price positioning of the owners. Encounter the developer, try to compete with the owner agent, to participate in the pricing or independent pricing at the same time, but also get the housing. In cooperating with the small owners, we should also give their opinions from a professional perspective, so that to meet the needs of the tenants and colleagues, the small owners can also get the due benefits. Otherwise, no matter how big or small, the owners will not have the second cooperation.

In order to attract the special attention of consumers, the first layer price (starting price) is  $2780 - 50 * 4 = 2580$  yuan / M<sup>2</sup> is more convenient for low price and high quality publicity, the strength of the starting price publicity, the effect is more important, can attract a large number of potential customers.

#### **4.7.3. Place**

As shown in Table 4-4, Company A focuses its rental and loan marketing efforts in East Cherry Garden and Huashan Liyuan, located in Pudong New Area and Changning District, respectively. Taking East Cherry Garden as an example, Company A has several completed projects and new developments concentrated in Pudong New Area, making it crucial to analyze the real estate market in this region.

Pudong New Area is positioned in the eastern part of Shanghai, bordered by Fengxian District and Minhang District to the south, and facing Xuhui District, Huangpu District, Hongkou District, Yangpu District, and Baoshan District across the Huangpu River to the west. To the north, it lies across the Yangtze River from Chongming District. Geographically, it spans coordinates of 121°27'27" to 121°48'43" east longitude and 30°53'20" to 31°23' north latitude. The terrain is higher in the southeast and lower in the northwest, characterized by a high temperature, ample precipitation, and fewer sunshine hours. Pudong covers an area of 1,429.67 square kilometers and had a population of 5,811,100 by March 2024.

Compared with Shanghai in yangpu and changning districts, the market of Pudong New Area has the following characteristics:

1. Lower Overall Prices: Residential properties in Pudong New Area generally have lower average prices compared to Yangpu and other districts. Although the total price might be lower, the quality of buildings in Pudong does not lag behind those in other areas. As a result, Pudong real estate has attracted numerous buyers, particularly first-time homebuyers due to its high cost-performance ratio.

2. Target Buyer Demographics: The primary purchasers in Pudong are local residents and young white-collar workers from Yangpu District and Changning District, along with a smaller number of Hong Kong residents and mainland individuals who prioritize quality of life. Sales data indicate that approximately 40% of customers come from Pudong New Area, 40% from other districts in Shanghai, and the remaining 20% from across the country, including Hong Kong and Macao. Surveys reveal that the main target demographic consists of local residents, with secondary interest from those seeking quality living environments.

3. Increasing Investment Appeal: As development accelerates in Pudong New Area and housing prices remain relatively low, the area is becoming an important investment hotspot. Investments are more strategic, aimed at future residency rather than short-term speculation. Despite Pudong's healthcare, education, and transportation sectors being less developed than those in Changning and Lujiazui, ongoing infrastructure projects—including the opening of transportation channels and new tunnels—are expected to improve accessibility. Coupled with its attractive environment, Pudong presents significant future investment opportunities compared to other districts in Shanghai.

4. Diverse Residential Offerings: Pudong New Area boasts a wide range of residential products, with many buildings offering scenic views and a pleasant climate. This includes numerous luxury villas, such as those in Vanke 18 Miles and Lan County, which can reach prices as high as 120,000 yuan per square meter. Additionally, there is a healthy supply of affordable apartments tailored for white-collar workers, priced at around half that of comparable units in Yangpu and Changning. The area also has urban villages that have not

yet been transformed, housing many low-income residents, resulting in a complex product distribution landscape.

5. Natural Environmental Advantages: Pudong New Area is distinguished by its natural beauty, featuring mountains and a coastline. The area benefits from a favorable climate and a 19.5 km long coastline that enables various properties to have ocean views. Historically, due to inconvenient transportation, development has been slower in Pudong, leading to less environmental degradation compared to other administrative regions in Shanghai. The emphasis on tourism as a key industry here aims to preserve the area's natural surroundings.

In conclusion, Pudong New Area presents a unique competitive landscape, characterized by its economic advantages, diverse residential offerings, and changing demographics. As Company A navigates this competitive environment, understanding these factors will be essential for developing effective marketing strategies.

#### **4.7.4. Promotion activities**

The promotion of the real estate market refers to the behavior of the real estate enterprises to transmit the information about the products or services to the target consumers in order to expand the market sales share and improve the product sales volume and popularity, so as to stimulate and strengthen their rental and loan motivation. The main promotion methods of real estate include advertising, personnel promotion, public relations promotion, business promotion and so on. Its essence is to attract the wide attention of the market through the communication, to realize the information communication between enterprises and the daily standard market, so as to win the trust of the target customers, so as to effectively improve the sales performance. Real estate products have the selling point is the product is not easy to copy by competitors, and can show and can win the characteristics of customer identity, through effective refining selling points and form different promotion strategy and sales combination, this link is relatively difficult, because the real estate promotion combination is an organic whole, different promotion between promote each other, both alternative has its independence, its combination order for advertising, sales promotion, personnel promotion and public relations.

Company A is relatively single in the choice of promotion means. Benefiting from the good sales base of the first four periods, more of this project completes the promotion activities only through the sales center. The project combined with the project situation around the project set up high-end reception center and sales center, the decoration style is consistent with A company, and fully utilize the space by dividing it into exhibit areas signing room, leisure area, etc., and by A real estate enterprise professional marketing personnel, combined with HR group enterprise culture, A real estate enterprise of macro resources, HR property good

service, fully introduce and show A company planning, surrounding facilities, education and medical, etc., to receive customers with A smile. At the same time, because the delivery standard is fine decoration, in the site display of the decorated products, and attach the delivery standard of fine decoration, let the sales staff introduce the most direct way to promote the real estate. In addition, A real estate enterprises also launch on their own public platforms. renters can intuitively view the real estate situation online and attach contact information to facilitate consumers' questions and communication. At the same time, they also place relevant advertisements in the commercial complex of HR Group.

## **4.8. Implementation**

### **4.8.1. Budget**

#### **1. Budget for Executing Marketing Plans:**

Enterprise A adopts a pricing strategy that reflects both market demand and competitive positioning. Given the historical perception of Changning District, the company must establish a reasonable initial price to build recognition and attract consumers to Jinyuan New Century. The target introductory price is set at 2,800 yuan per square meter. This competitive pricing aims to draw interest and create sales momentum, preventing stagnation in the market.

By fostering initial consumer engagement and increasing brand awareness, the company plans to gradually raise prices as demand builds. This proactive strategy aims to prevent cold sales cycles, stimulate early purchases, and expedite capital recovery.

To achieve the overall target of 60 million yuan in annual revenue, the company needs to sell a significant number of units at the established price point. With an average apartment size of approximately 100 square meters, each unit sold at 2,800 yuan results in 280,000 yuan per unit. Thus, to meet the 60 million yuan target, Enterprise A must sell approximately 214 units over the year ( $(60,000,000 / 280,000) = 214.29$ ).

#### **Phase 1: Market Research Budget**

Conducting thorough market research is essential for developing an effective marketing plan and understanding the unique needs of the target market.

- (1) Labor Costs: Employ professional market researchers to conduct necessary studies.
- (2) Research Expenses: Account for costs related to market research activities, including questionnaire design, sample fees, and data analysis.
- (3) Budget Estimation: The monthly labor cost for research is approximately 5,000 yuan, with research expenses totaling 10,000 yuan per study. With an anticipated three surveys per month involving 15 personnel, the total monthly market research budget is approximately 105,000 yuan. Thus, the annual market research budget sums up to 1,260,000 yuan (105,000 x 12).

## Phase 2: Advertising and Promotion Budget

Advertising is critical in attracting customers and boosting sales.

(1) Online and Offline Advertising Costs: This includes digital advertising across search engines and social media, as well as traditional media like newspapers and television.

(2) Promotional Activities: Expenses incurred from organizing events, press conferences, and exhibitions.

(3) Budget Overview: A reasonable advertising budget typically ranges from 3% to 5% of projected sales revenue. Given the anticipated annual revenue target of 60 million yuan, the advertising budget should be approximately 1.8 million to 3 million yuan annually. The company expects to hold 10 promotional events monthly, with each event costing about 750,000 yuan. Therefore, the monthly promotional expenditure totals 7,500,000 yuan, necessitating a budget estimate adjustment based on the overall sales forecast.

## Phase 3: Market Promotion Budget

This phase focuses on executing strategies to drive sales effectively.

(1) Sales Personnel Expenses: Salaries and commissions for sales personnel.

(2) Promotion Costs: Expenses related to special offers and discounts.

(3) Commission Fees: Payments to intermediary agencies and brokers.

(4) Financial Assessment: Assuming a budget of 5% to 10% of sales revenue, if the target revenue is 60 million yuan, the market promotion budget would range between 3 million and 6 million yuan. If each of the 12 sales personnel has an average monthly salary of 4,500 yuan, the annual salary cost would total approximately 648,000 yuan ( $54,000 \times 12$ ). Collaboration fees with intermediaries are expected at 1,176,000 yuan annually ( $98,000 \times 12$ ).

## Phase 4: Public Relations Expenses

Public relations efforts enhance brand awareness and facilitate relationships with stakeholders.

(1) Media Relations Expenses: Costs for collaborating with media, including interviews and publications.

(2) Community Relations: Expenses related to sponsoring community events and initiatives.

(3) Budget Projection: The total estimated annual budget for public relations is around 1,980,000 yuan.

## Phase 5: Market Monitoring Budget

Monitoring market dynamics helps the company adapt strategies and remain competitive.

(1) Market Research Fees: Regular surveys to assess market demand.

(2) Competitor Monitoring: Expenses related to tracking competitors' activities and strategies.

With three employed analysts earning 8,000 yuan each per month, the annual expense for market monitoring totals 288,000 yuan ( $8,000 \times 12$ ).

## 2. Budget Considerations for Implementing Proposed Strategies

Before implementing Company A's marketing plan, several budget impact factors need to be carefully considered to ensure effective execution. The following points outline essential considerations:

### (1) Anticipation of Cost Increases

A critical factor is the potential for unforeseen cost increases that may arise during the marketing period. For instance, advertising fees charged by various Chinese media platforms are not fixed and can escalate alongside the growing market economy. To mitigate the impact of these potential costs, Company A should adopt a “doubling measure” in its marketing budget. This approach involves calculating the budget at twice the estimated amount, providing a cushion against cost inflation.

Based on prior estimates, the annual marketing budget is projected at 16,520,400 yuan. By applying the doubling measure, this saturated budget reaches 33,040,800 yuan ( $16,520,400 \times 2$ ). This strategy ensures that even if costs rise unexpectedly, the implementation and effectiveness of the comprehensive marketing plan remain unaffected, thereby supporting the overarching goal of achieving an annual revenue target of 60 million yuan.

### (2) Budget for Backup Plans

Flexibility in marketing execution is paramount; thus, it is vital to prepare alternative plans for scenarios where initial strategies fail to deliver the desired results. For example, if Company A's advertising efforts on TikTok do not yield satisfactory engagement or conversion rates, it is essential to have a pre-allocated budget for alternative advertising initiatives.

The costs associated with these backup plans must be estimated in advance to ensure that the marketing strategy can pivot as necessary without compromising the overall budget. By budgeting for alternative advertising schemes, such as influencer partnerships or other digital marketing tactics, the company can maintain momentum and achieve its financial targets.

Furthermore, being prepared with backup plans allows Company A to proactively address any shortcomings in the primary marketing strategy, ensuring that the anticipated revenue generation of 60 million yuan remains achievable, regardless of potential setbacks in initial campaigns.

### (3) Projected Financial Outcomes

The strategic budgeting considerations outlined above are crucial for aligning resources effectively with the company's revenue targets. The goal for Company A is to generate at least

60 million yuan in total revenue over the year. This projection translates to selling approximately 214 properties at an average price of 280,000 yuan each (60,000,000 / 280,000).

By ensuring that the budget is robust and accommodates potential variances in costs and unforeseen circumstances, Company A positions itself to meet and potentially exceed its targeted revenue, thus fostering sustainable growth in a competitive market.

To assess the expected return on investment (ROI), it is important to analyze the anticipated financial outcomes against the overall marketing expenditure. If the total marketing budget for the year is set at 33,040,800 yuan and the target revenue is 60 million yuan, the ROI can be calculated as follows:

$$\text{ROI} = [(\text{Total Revenue} - \text{Total Marketing Cost}) / \text{Total Marketing Cost}] * 100\%$$

Plugging in the numbers, we have:

$$\text{ROI} = [(60,000,000 - 33,040,800) / 33,040,800] * 100\% = 81.43\%$$

This positive ROI indicates that the marketing investments are expected to yield a significant return, underscoring the effectiveness of the marketing strategy.

Overall, by maintaining a well-planned budget that anticipates potential challenges and allows for flexibility, together with a focus on achieving the projected financial outcomes, Company A can navigate the complexities of the Shanghai real estate market successfully.

As illustrated in Table 4-9, the annual financial projections for Company A in 2025 show variable month-to-month amounts rather than a constant figure. Normal fluctuations in expenditures arise from factors like increases in exhibition space rental and heightened online advertising costs. To address such variability, a backup budget plan is essential. This plan allows for additional funding to cover unexpected expenses, ensuring that the company can adhere to its marketing objectives without experiencing cash flow shortages.



Table 4-9 Marketing Budget Table for Shanghai A Real Estate Intermediary Company in 2025  
( unit : RMB 10000 )

EXPENDITURE CATEGORIES	Q1	Q2	Q3	Q4	TOTAL	Proportion (%)
Labor cost	50	50	50	50	200	6.23%
Research fees	28	28	28	28	112	3.50%
OFFLINE MARKETING	123	123	123	123	492	15.31%
Online advertising expenses	150	150	150	150	600	18.71%
TV station advertising expenses	30	30	30	30	120	3.7%
ONLINE MARKETNG	75	75	75	75	300	9.35%
press conference	8.7	8.7	8.7	8.7	34.8	1.08%
Media relations expenses	54	54	54	54	216	6.74%
Community relations expenses	117	117	117	117	468	14.60%
Competitor monitoring fee	165	165	165	165	660	20.59%
Customer satisfaction survey fee	0.8	0.8	0.8	0.8	3.2	0.9%
TOTAL EXPENDITURE	801.5	801.5	801.5	801.5	3206	100%

Source:Author(2024)

#### 4.8.2. Control and evaluation

##### 4.8.2.1 Control

Due to the strong sales period of the A real estate project, the focus of performance evaluation for marketing personnel is on monthly assessment, which directly affects employee income. The annual assessment is mainly used as the basis for the company's later promotion and reserve of cadres. To promote project sales, the project has developed an "8+2" sales performance evaluation method for monthly assessment, which means monthly sales performance=monthly payment amount \* 80%+monthly contract amount \* 20%.

The assessment cycle for A real estate project is monthly and annual. The monthly assessment is completed at the end of each month, and the annual assessment is completed before January 15th. Therefore, at the end of each month, subordinates are required to submit their work plans for the following month to their supervisors, which will be reviewed and approved by the marketing manager before being submitted to their superiors. At the end of the month, the Human Resources Management Center will summarize the assessment plan for all marketing personnel and hold a work plan meeting. At the meeting, responsible

persons at all levels will allocate work and assign tasks to each level. The annual assessment will be the same as the monthly assessment.

The performance evaluation of marketing personnel in A real estate project is only conducted by their immediate superiors, with a weight of 100%. The assessed person shall submit their own work plan and its implementation status. The assessor shall evaluate the assessed person based on their performance and task completion within one assessment cycle, and finally obtain the assessment results, which are applicable to salary, work location, and job position adjustments.

The performance evaluation results of A real estate project are mainly used to reward employees, promote and reward departments, and the scores are linked to the bonus coefficient. The results of performance evaluation are used to determine departmental bonuses, and the corresponding bonus coefficient varies according to the evaluation results. The scoring results will be divided into four levels for all employees, except for senior managers and project leaders: junior employees, intermediate employees, senior employees, and senior employees.

The results of performance evaluation are also used for elimination purposes. According to the assessment cycle, the marketing team will be eliminated once every quarter/half year. The team with the highest performance completion rate will not participate in the elimination, and those with a performance completion rate ranking at the bottom 10% of the team's ranking will be directly eliminated.

Table 4-10 Statistics of Various Work Indicators for Four Intermediary Salespeople in the First Quarter

Statistics of various work indicators of 4 intermediary sales personnel in the first quarter				
Project	Interm. Sales person 1	Interm. Sales person 2	Interm. Sales person 3	Interm. Sales person 4
Planned sales revenue (10000 yuan)	100	90	100	100
Actual completed sales revenue (10000 yuan)	134	109	142	121
Hosting sessions	8	6	11	7
Accumulated sales revenue for the current quarter (in 10000 yuan)	134	107	142	121
Accumulated sales cost for the current quarter (in 10000 yuan)	84.2	64.6	79.5	67.7
Accumulated sales expenses for the current quarter (in 10000 yuan)	3.8	2.2	4.9	2.2
Quarterly repayment amount (RMB 10000)	103	98	95	97
Number of customers in the previous quarter	4	4	5	3
Number of new customers	1	0	0	1
Collect meeting information volume	10	13	16	9
Actual collection of conference information	8	6	11	7
Resolve the number of disputes during the meeting	3	1	1	2
Assist the team with intermediaries and entry times	0	1	0	2

Source: Author(2024)

The performance evaluation indicators for sales personnel are analyzed from both qualitative and quantitative perspectives. Quantitative assessment is mainly based on the job responsibilities of sales personnel, whose main tasks are to find customers, set goals, and promote products. Therefore, KPI performance assessment related to sales job responsibilities mainly starts from six key performance indicators: sales completion rate, sales growth rate, collection rate, profit margin, customer churn rate, and sales expense rate.

Table 4-11 4 Statistics of Quantitative Indicator Completion by Intermediary Salespersons in the First Quarter of 2025

Quantitative indicators	First quarter assessment results			
	Intermediary salesperson 1	Intermediary salesperson 2	Intermediary salesperson 3	Intermediary salesperson 4
Sales target completion rate	34.00%	21.11%	42.00%	21.00%
Growth rate during the same period	19.64%	3.88%	30.28%	13.08%
Sales collection rate	76.87%	91.59%	66.90%	80.17%
Sales profit margin	59.14%	65.63%	78.62%	78.73%
Customer maintenance and development rate	25.00%	0.00%	0.00%	33.33%
Sales expense ratio	2.84%	2.06%	3.45%	1.82%

Source: Author (2024)

Based on the main work performance and quantitative indicator completion of four intermediary sales personnel in the first and second quarters of 2013, their performance ratings are given in Table 4-12.

Table 4-12 4 KPI Performance Assessment Scoring Table for Intermediary Salespeople

evaluating indicator	Rating - First Quarter			
	Intermediary salesperson 1	Intermediary salesperson 2	Intermediary salesperson 3	Intermediary salesperson 4
Sales target completion rate (10 points)	8	7	9	7
Sales growth rate during the same period (10 points)	5	2	6	4
Sales collection rate (10 points)	7	9	6	8
Sales profit margin (10 points)	6	7	8	8
Customer maintenance and development rate (10 points)	6	0	1	8
Sales expense ratio (10 points)	8	9	8	8
Market information collection (10 points)	9	5	7	8
Teamwork (10 points)	8	8	9	8
Professional knowledge (10 points)	9	8	9	7
Analytical and judgmental ability (10 points)	8	5	7	8
Communication skills (10 points)	9	8	9	8
Sense of responsibility (10 points)	7	8	7	9

Source: Author(2024)

According to financial estimates, the KPI performance evaluation system implemented by our company has greatly improved the overall work efficiency of our staff, as shown in the table 4-13.

Table4-13 The impact of KPI performance evaluation on marketing

	2022	2023	2024 Estimation after implementing KPI
Planned sales revenue (10000 yuan)	12200	10110	36000
Actual completed sales revenue (10000 yuan)	10000	9800	39850
Sales conversion rate	8%	5%	81%
Number of new customers	120	110	350
Customer acquisition cost (10000 yuan)	1800	2300	2000

Source: Author, (2024)

#### 4.8.2.2 Evaluation

Due to the national macro-control, the economic development of the special zone has entered a trough, the vacancy rate of office buildings has increased, and the rent has fallen sharply. According to the product characteristics of East Cherry Garden, find out similar competitive properties, conduct targeted market research, to serve as the basis for the rental price of East Cherry Garden office building. See the nearby competitive property rental market statistics table.

The simple arithmetic average is used to obtain the average rent (94 + 159 + 138) of 3,130 / square meter.

The rent calculation result of the east Cherry Garden office building is RMB 130 yuan / square meter. Comparison of regional factors is shown in Table 4-14.

Table 4-14 Rent assessment form of East Sakura Garden

Case area factors	international trade	Gold Theragran	Development center
transportation condition	identical	identical	identical
Business prosperity	identical	identical	identical
The scene now	identical	identical	identical
utility ratio	preferably	range	identical
Whether to decorate	identical	range	range
Communication, consulting	preferably	preferably	preferably
Whether the parking space is sufficient	range	range	range
level of management	preferably	identical	identical

Source: Author (2024)

## 5. Conclusion

In 2023, the real estate market is experiencing turbulence due to the impact of policy changes and downward market pressures. Nevertheless, with the stabilization of macroeconomic policies, the principle of "tailoring policies for each city" has been effectively implemented across various provinces and cities. Each locality has adapted its regulatory framework to address its unique circumstances. As a result, land financing and the real estate sector are no longer leveraged as short-term economic stimulus measures. Instead, sound regulatory policies now ensure the stable and healthy development of the real estate market.

Based on research conducted on Company A, this thesis draws several key conclusions:

1. SWOT Analysis: The SWOT analysis method emerges as an effective research tool for strategic planning, facilitating the exploration of potential pathways for Company A's future marketing strategies.

2. Porter's Five Forces Model: Utilizing the Porter's Five Forces framework allows for an in-depth examination of specific data relevant to Company A's marketing. Through this model, various marketing plans—including product, pricing, channel, and promotional strategies—can be developed to enhance market positioning.

3. Financial Estimates: The author conducted an annual financial assessment for Company A by collecting pertinent data. The analysis reveals that advertising and marketing expenses are the largest cost drivers. Furthermore, conducting market research is crucial, as it effectively uncovers the strengths and weaknesses of various customer acquisition channels, making it easier to identify the lowest costs associated with specific advertising channels. The author advocates for increased investment in this area.

4. Implementation Challenges: The marketing plan will encounter various influencing factors during execution that could hinder its success. Therefore, the author recommends the necessity of a backup plan and additional financial budgeting to accommodate unforeseen circumstances.

5. Pricing Strategies: Due to external market pressures, there is limited flexibility in pricing strategies. However, by leveraging diverse payment methods and loan models of homebuyers, the company can offer corresponding price discounts to make their offerings more attractive.

6. Integrated Marketing Approach: The marketing strategy should combine online and offline advantages, promoting projects through multiple channels at different sales stages to maximize reach and effectiveness.

Product Differentiation: As a mid to high-end product, Project A must fortify its product advantages and establish clear distinctions from competitors' offerings.

Despite these insights, there are limitations within this study regarding the marketing strategy planning of Company A. Subjective and objective constraints have resulted in certain areas lacking depth, such as insufficient real-time market data and a limited investigation into the effectiveness of evaluation indicators. Additionally, the establishment of key performance indicators (KPIs) requires further exploration and improvement in practical applications.

In future applications, it will be vital to continuously assess the KPIs of frontline sales personnel and analytically review their performance results. A more comprehensive KPI performance evaluation system and employee incentive mechanism should be developed, enhancing management practices. Establishing a KPI-based performance evaluation system has yielded positive outcomes in managing sales performance, which should be more broadly implemented among sales management personnel, with KPIs tailored to specific management contexts.

As the real estate industry evolves, significant changes in research methodologies are anticipated. In recent years, researchers have embarked on transformative journeys that may considerably influence their future work.

"The primary task of the Real Estate Research Institute is to identify patterns and trends in the real estate market through quantitative analysis," states Beth Wiseman, the Director of Future Research at a prominent institution in 2024.

Wiseman adds that researchers are actively pursuing innovative methods to investigate emerging topics for a better understanding of consumer and industry trends. "We are developing new techniques that will enhance our comprehension of customer behavior and market dynamics, helping us navigate ongoing changes in the real estate sector," she notes.

In the coming years, Wiseman predicts an increasing emphasis among researchers on local markets. "By genuinely focusing on local markets, we can gain deeper insights into customer behavior and market trends, ultimately allowing us to better serve our clients."

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## Appendix

### Appendix A The —— Survey Questionnaire

Company A Market Questionnaire (excerpt)

Dear customers of Company A:

We sincerely thank you for your recognition and support of this project. In order to more effectively understand your needs and build Company A into a warm and comfortable living home, we sincerely invite you to fill out this questionnaire, which takes about 2 minutes. We will keep the information you provide strictly confidential. Your suggestions are particularly important to us. Thank you for your support!

#### I. Basic information

1. Your age: ☐ 30 and below ☐ 31-40 ☐ 41-50 ☐ 51 and above
2. Current residence: ☐ Luohu ☐ Futian ☐ Nanshan ☐ Baoan ☐ Longgang ☐ Longhua ☐ Guangming ☐ Pingshan ☐ Pudong New Area ☐ Dapeng New Area ☐ Pearl River Delta or other cities
3. Work area: ☐ Luohu ☐ Futian ☐ Nanshan ☐ Baoan ☐ Longgang ☐ Longhua ☐ Guangming ☐ Pingshan ☐ Pudong New Area ☐ Dapeng New Area ☐ Pearl River Delta or other cities
4. Occupation: ☐ Salaried staff ☐ Professional and technical personnel ☐ Enterprise management ☐ Civil servants ☐ Entrepreneur (shareholder, boss) ☐ Other

#### II. Rental house information situation

5. Are you eligible to rent a house: ☐ Yes ☐ No
6. Do you have the intention to rent a house in the near future: ☐ Yes ☐ No
7. Reason for buying a house: ☐ Just need ☐ First change ☐ Improvement ☐ Investment
8. The highest unit price you can afford: ☐ Below 100,000 ☐ 100,000-120,000 ☐ 120,000-140,000 ☐ 140,000 and above
9. Expected apartment size: ☐ 90m<sup>2</sup> and below (two bedrooms/three bedrooms and two bathrooms) ☐ 91-120m<sup>2</sup> (three bedrooms and two bathrooms) ☐ 121-185m<sup>2</sup> (four bedrooms and two bathrooms) ☐ 186m<sup>2</sup> and above (four bedrooms and above)
10. Family structure in future residence: ☐ Two-person world ☐ Two generations living together ☐ Three generations living together
11. Your payment method: ☐ One-time payment ☐ Loan payment
12. The main factors you consider when choosing a property (multiple choices)

☐ Transportation ☐ Living environment ☐ Life facilities ☐ Educational resources ☐  
Landscape ☐ Brand ☐ Price

13. How you learned about the project: ☐ Company official website ☐ Online media  
promotion ☐ Offline promotion ☐ Introduction by acquaintances

14. Do you need fine decoration: ☐ Yes ☐ No ☐ All right

Thank you for filling out this questionnaire in your busy schedule. Thank you for your  
cooperation!