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Marketing Plan for K Supermarket in China

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Master in Applied Management

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Department of Marketing, Operations and General
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Abstract

In recent years, China's economic growth has attracted foreign capital, leading to the emergence and expansion of foreign-funded supermarkets. This influx has driven significant changes in China's local retail industry, transitioning from pure commodity management to a focus on customer and service management, and integrating online and offline operations. Consumers increasingly use smart devices for shopping, and electronic payments have become mainstream, posing challenges for traditional retail. The COVID-19 pandemic further strained the offline retail sector, but the rise of new retail models offered new opportunities.

This thesis focuses on creating a marketing plan for K Supermarket in China, analyzing its internal and external environment and marketing strategy through SWOT, 7Ps, and Porter's Five Forces models. Using literature reviews and fieldwork, it examines the current state and proposes optimization measures in products, pricing, channels, and promotions. The methodology involves a detailed analysis of secondary data sources, industry reports, and survey.

The main findings suggest that K Supermarket must enhance its digital presence, develop private label products, and adopt competitive pricing strategies. Proposals include leveraging big data for targeted marketing, integrating online and offline operations, and improving human resource and supply chain management. The thesis aims to enhance K Supermarket's market competitiveness and profitability while providing innovative business ideas for small and medium-sized supermarkets. This thesis highlights the transformation and adaptation required in the retail sector amid new retail trends and economic shifts, aiming to foster growth and competitiveness in a changing market landscape.

Keywords : Retail Transformation, Marketing Strategy, New Retail Models, Competitive Advantage

JEL CODES: M31, L81

Resumo

Nos últimos anos, o crescimento económico da China atraiu capital estrangeiro, levando ao aparecimento e expansão de supermercados com financiamento estrangeiro. Este afluxo conduziu a mudanças significativas no sector retalhista local da China, que passou de uma gestão pura de mercadorias para uma focalização na gestão de clientes e serviços e na integração de operações em linha e fora de linha. Os consumidores utilizam cada vez mais dispositivos inteligentes para fazer compras e os pagamentos electrónicos tornaram-se correntes, colocando desafios ao retalho tradicional. A pandemia de COVID-19 veio sobrecarregar ainda mais o sector do retalho offline, mas o surgimento de novos modelos de retalho ofereceu novas oportunidades.

Esta tese centra-se na criação de um plano de marketing para o Supermercado K na China, analisando o seu ambiente interno e externo e a sua estratégia de marketing através dos modelos SWOT, 7Ps e as Cinco Forças de Porter. Utilizando a revisão da literatura e trabalho de campo, examina o estado atual e propõe medidas de otimização em produtos, preços, canais e promoções. A metodologia envolve uma análise pormenorizada de fontes de dados secundárias, relatórios do sector e inquéritos.

As principais conclusões sugerem que o K Supermarket deve reforçar a sua presença digital, desenvolver produtos de marca própria e adotar estratégias de preços competitivas. As propostas incluem a utilização de grandes volumes de dados para marketing direcionado, a integração de operações em linha e fora de linha e a melhoria da gestão dos recursos humanos e da cadeia de abastecimento. A tese tem como objetivo aumentar a competitividade e a rentabilidade do mercado do K Supermarket, ao mesmo tempo que fornece ideias de negócio inovadoras para pequenos e médios supermercados.

Esta tese destaca a transformação e adaptação necessárias no sector do retalho no meio de novas tendências de retalho e mudanças económicas, com o objetivo de promover o crescimento e a competitividade num cenário de mercado em mudança.

Palavras-chave: Transformação do retalho, Estratégia de marketing, Novos modelos de retalho, Vantagem competitiva

CÓDIGOS JEL: M31, L81

1. Introduction

In recent years, China's economy has experienced rapid development. With China's accession to the World Trade Organization (WTO), the country's economic policy has become increasingly open, allowing foreign capital to enter the Chinese market and enabling the retail industry to engage in international trade activities (Ianchovichina & Martin, 2006). As a result, the domestic retail industry has significantly contributed to the global retail market, with Chinese retail enterprises benefiting from the increased internationalization of their operations. The implementation of a market economy system in China has further accelerated the transformation of the retail sector, allowing it to become more diversified, while deepening market segmentation. At this new stage of development, China's retail industry is poised for further growth but faces increasingly complex challenges.

The rapid expansion of the Internet has facilitated the swift emergence of the e-commerce industry, gradually replacing traditional sales models. As e-commerce and online shopping become integral parts of everyday life, encompassing products like clothing, food, housing, and transportation, traditional retail models are being phased out. The modern "new retail" model has emerged, which integrates online and offline business models by utilizing digital technologies, big data, and intelligent systems to upgrade the sales and distribution process (Shucui et al., 2020). This shift highlights the need for traditional retail enterprises to develop diverse strategies to remain competitive in an increasingly digital marketplace.

The sudden onset of the COVID-19 pandemic in 2020 posed a severe test for the traditional retail industry. With offline sales significantly impacted by reduced foot traffic, the pandemic exposed the limitations of traditional business models. Yet, while physical stores faced declines, operating costs for staff and rent remained, creating further unsustainability for many retail businesses. The pandemic accelerated the need for transformation, prompting retailers to adopt emerging marketing strategies such as media marketing, scene marketing, and live marketing.

K Supermarket, located in County K, has long been a popular shopping destination for local residents due to its convenient shopping environment, diverse product range, and distinctive services. However, recent market shifts—including the rise of new media and internet-based sales models—have significantly impacted traditional retail operations. With declining sales performance attributed to new shopping methods such as webcasting and community group purchasing (Gao et al., 2022), K Supermarket's digital strategies have lagged behind, especially when compared to supermarkets in other regions. As a result, K Supermarket must urgently adapt its business model and marketing strategy to remain competitive.

This thesis seeks to develop a comprehensive marketing plan for K Supermarket, with the primary objective of strengthening the supermarket's core competitiveness and improving its market position in the face of new retail paradigms. Specifically, the goals of this research include improving customer retention through enhanced services and targeted promotions, increasing market share by reaching untapped customer segments, enhancing operational efficiency by integrating online and offline channels, and developing a competitive pricing strategy that balances affordability with quality.

Additionally, the study aims to leverage new retail technologies, such as big data and digital marketing, to create personalized consumer experiences and foster stronger customer relationships.

The thesis employs both quantitative and qualitative methods. Surveys are used to collect quantitative data on consumer preferences and behaviors, while interviews with key stakeholders provide qualitative insights into the operational challenges and strategic initiatives of K Supermarket. Additionally, secondary data from academic journals, industry reports, and previous studies will be reviewed to contextualize the findings within broader retail market trends. Analytical tools such as SWOT analysis, the 7Ps marketing mix, and Porter's Five Forces model will systematically evaluate both the internal and external factors influencing K Supermarket's market position.

Chapter 1: Introduction This chapter provides an overview of China's retail market, with a particular focus on the rise of e-commerce and the significant challenges posed by the COVID-19 pandemic. It also introduces K Supermarket, details the research problem, and outlines the research objectives and methodology employed in the study.

Chapter 2: Literature Review This chapter presents a review of relevant literature, examining key concepts such as chain supermarkets, new retail, internet marketing strategies, and omni-channel retailing. It also discusses various marketing theories, including the 7Ps, SWOT, PEST, and Porter's Five Forces, while identifying gaps in existing research on retail marketing and consumer behavior trends.

Chapter 3: Methodology This chapter explains the research design, detailing the methods used for data collection and analysis. Both quantitative and qualitative data were gathered through surveys, interviews, and secondary data sources. The chapter justifies the alignment of the chosen research methods with the study's objectives.

Chapter 4: Marketing Plan This chapter presents the findings of the internal and external situational analysis of K Supermarket. It employs tools such as the PEST analysis, SWOT, and Porter's Five Forces to assess K Supermarket's strategies. Key areas such as product, pricing, promotion, and channels are analyzed using the 7Ps framework, and recommendations are made to improve the supermarket's market competitiveness.

Chapter 5: Strategic Proposals This chapter proposes strategy optimizations for K Supermarket based on the findings. It focuses on key areas such as enhancing the product offering, adjusting pricing strategies, refining promotional activities, and improving channel strategies, with a strong emphasis on digital transformation and omni-channel retailing.

Chapter 6: Conclusion This chapter summarizes the key findings of the research and provides actionable recommendations for K Supermarket. It also discusses the limitations of the study and offers suggestions for future research in the context of retail marketing and strategy in China.

2. Literature review

2.1 Relevant concepts

2.1.1 Definition of chain supermarket

The concept of the supermarket is globally recognized, and its apparent attributes reveal its underlying substantive connotations. Gauri et al. (2020) analyze the current state of domestic supermarket chains, highlighting their ability to meet the needs of mass consumers through one-stop services, clear division of labor, adherence to public welfare standards, and the advantages of modernization and chain operations.

The primary focus of chain business includes business management strategy and operational mechanisms, where the headquarters aims to uniformly respond to customer needs across different subsidiaries (Kowalkowski et al., 2011). This model distinguishes itself by centralizing the procurement of goods at the headquarters, which are then distributed to branches, thereby streamlining labor division and enhancing synergistic management. Marketing and after-sales service are critical components of chain stores, enabling supermarkets to achieve cost advantages, scale development, and profitability through a professional and unified operational mode (Chen et al., 2022). Uniformity, as a hallmark characteristic, allows for standardized purchasing, labeling, pricing, accounting, marketing, and distribution processes.

Gillis et al. (2018) categorize franchised and directly managed chain stores. Franchise chains operate under a contract with the headquarters, whereas direct chains are managed directly by the headquarters, often through full ownership. In essence, the defining feature of supermarket chains is their uniformity across image, purchasing, distribution, management, and pricing, facilitated by an open shopping and sales model with open shelves.

2.1.2 New retail

The emergence of new retail can be attributed to various factors, including the evolution of consumer shopping behaviors and technological advancements (Wang & Ng, 2018). Unlike traditional retail models, new retail reconstructs consumption concepts, transitioning from the "goods-field-human" model to the "human-goods-field" model, and deeply integrating big data with consumer behavior.

Burnett and Hutton (2007) emphasizes the profound changes in the market environment and the increasing prominence of consumers' deep-seated needs. Contemporary new retail is user-centered, technology-driven, and relies on intelligence, collaboration, and supply chain integration to seamlessly combine online and offline elements, transforming "people, goods, and fields" to meet diverse user needs. This model has led to the development of innovative channels and an all-encompassing retail framework encompassing all scenarios, data, channels, and categories. Innovative new retail channels include platform stationing, content-based, short video, online-offline combination, O2O, and social types, each offering unique consumer experiences.

Under the influence of advanced Internet technologies, new and smart retail models have emerged, with omni-channel integration becoming the predominant trend in retail development (Jocevski et al., 2019). Retailers who fail to adopt an omni-channel approach risk obsolescence. In the current e-commerce-driven landscape, researching

omni-channel business models is crucial for advancing the retail industry. Beyond omni-channel marketing, social media marketing and scenario-based marketing are also prevalent. Various forms of social media in China, despite their uneven quality, significantly influence consumer behavior. Integrating social media can enhance a company's visibility and consumer appeal (Batra & Keller, 2016). For instance, self-media marketing can deepen consumer loyalty and understanding of a brand, bridging the gap between enterprises and consumers.

Scenario-based marketing targets different consumer groups with tailored consumer scenarios, leveraging interactive activities and product diversification to maximize consumer satisfaction and market value (Natasha & Rao, 2018). This approach enhances the shopping experience, stimulating consumer demand and engagement.

2.1.3 Internet Marketing Strategy

Bala and Verma (2018) define Internet marketing as the use of digital technology to achieve marketing objectives. This strategy leverages the global network environment, integrating online media channels with other marketing strategies to create advanced marketing concepts. Its powerful interactivity, visible data, ease of operation, and cost-effectiveness provide consumers with a more efficient service experience, strengthening the connection between consumers and enterprises, and optimizing marketing outcomes.

Internet marketing offers numerous advantages, including cost reduction, overcoming traditional marketing limitations, and high efficiency (Trusov et al., 2009). It also meets consumers' personalized needs and establishes effective communication channels between businesses and customers. This low-cost, high-efficiency model is emblematic of the twenty-first-century business landscape. Internet marketing thus facilitates the achievement of marketing goals through digital technology, ensuring enterprises can enhance their marketing effects profoundly (Hofacker et al., 2020).

2.1.4 Omni-channel retail

Zhang et al. (2023) emphasized that omni-channel retailing aims to enhance the consumer shopping experience by integrating online and offline stores, predicting that the global retail industry would enter the "era of omni-channel retailing" within five years. Cicea et al. (2022) delineated the development of retail channels into four stages: single-channel with traditional stores, multi-channel with online shop channels, cross-channel with complementary physical and online stores, and omnichannel characterized by the decline of brick-and-mortar stores and the rise of mobile online stores.

Chang and Li (2022) noted that the evolution from multi-channel to omni-channel retailing aims to provide consumers with an exceptional shopping environment and experience through the seamless integration of various retail channels. Reviewing relevant research, three major advances in omni-channel retailing are evident: (1) collaborative cooperation among enterprises to offer consumers diverse choices and meet varied needs, achieving a win-win situation; (2) adaptation to social and technological changes, and evolving consumer demand, leading to channel upgrades and the emergence of omni-channel retailing; (3) implementation of targeted omni-channel

strategies in product design, pricing, sales, and communication to realize customer purchase value and business objectives.

Through omni-channel integration, retail sales can be enhanced, and relevant technical systems continuously improved to align with all aspects of consumer purchasing and consumption, ensuring seamless connectivity.

2.2 Relevant theory

2.2.1 Marketing Mix Theory (7ps)

Marketing was first conceptualized by McCarthy (1964) through the theory of the 4Ps marketing mix: Product, Price, Place, and Promotion. Bitner et al. (1994) introducing the 7Ps marketing mix by adding three elements: People, Physical Evidence, and Process, thereby establishing the basic framework of service marketing.

The 7Ps are defined as follows:

1. **Product:** Involves providing pre-sale and after-sale services, ensuring the quality of goods, and enhancing the customer purchasing experience.
2. **Price:** A critical factor as it directly influences the customer's perception of value. Despite uncontrollable factors like weather and seasonality, pricing remains a tangible measure of a product's worth to the customer.
3. **Place (Channels):** Addresses the distribution process, highlighting the complexity of transferring goods from production to consumers. Emerging channels and increasing intermediary organizations complicate direct consumer access to products.
4. **Promotion:** Encompasses more than the buying and selling relationship, including pre-promotional advertising, face-to-face sales promotion, and public relations maintenance to foster consumer relationships.
5. **People:** Focuses on sales staff, who serve as the direct link between the company and customers. The quality of their service significantly impacts consumer perception and subsequent behaviors.
6. **Physical Evidence:** Refers to tangible factors that provide consumers with an intuitive understanding of the service, such as product displays and specialized services.
7. **Process:** Involves clear, well-defined procedures for purchasing, sales, and service. Transparent processes enhance consumer understanding and trust in the service.

These elements collectively form a comprehensive approach to marketing, aiming to improve consumer satisfaction and operational efficiency in the service industry.

2.2.2 SWOT analysis

In the 1980s, a SWOT marketing environment analysis method became popular, which can objectively and accurately analyze the real situation of the enterprise (Leigh, 2010). SWOT analysis carries out the four aspects of strengths, weaknesses, opportunities and threats through the internal and external environments of the enterprise. Comprehensive analysis, combined with its own business strategy for optimization.

SWOT analysis is to find out the key elements in the development process by analyzing the internal and external environment of the enterprise, and to provide clear and useful marketing ideas for each department of the enterprise, to help the enterprise to formulate a reliable marketing strategy and change the marketing status quo of the enterprise.

2.2.3 PEST analysis

The PEST analysis model, which divides the environment of enterprises into macro-environment, and analyzes the situation faced by enterprises from four different aspects, namely, politics (politics), economy (economy), society (society), and technology (Cox, 2020). Analyze the situation faced by the enterprise in four different aspects: politics, economy, society and technology.

2.2.4 Porter's Five Forces model

Currently, the industry faces five main competitive forces: the bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants, the threat of substitute products or services, and the intensity of competitive rivalry within the industry (Grundy, 2006). This thesis utilizes Porter's Five Forces model to analyze the competitive environment of K Supermarket, providing a comprehensive understanding of the industry's development trends and enabling the company to effectively optimize its strategic response.

1. **Bargaining Power of Suppliers:** This force examines the influence suppliers have over the pricing and quality of goods. High supplier power can squeeze profit margins for K Supermarket, necessitating strategies to diversify the supplier base or integrate vertically.
2. **Bargaining Power of Buyers:** This force considers the influence of customers on pricing and service levels. High buyer power can drive prices down and demand higher quality, requiring K Supermarket to enhance customer loyalty programs and personalize shopping experiences.
3. **Threat of New Entrants:** The potential for new competitors to enter the market affects K Supermarket's market share and profitability. Barriers to entry, such as economies of scale and brand loyalty, must be reinforced to protect market position.
4. **Threat of Substitutes:** This force evaluates the likelihood of customers switching to alternative products or services. K Supermarket must innovate and diversify its offerings to reduce the attractiveness of substitutes.

5. **Competitive Rivalry:** This force analyzes the degree of competition among existing firms in the industry. Intense rivalry can lead to price wars and reduced profitability. K Supermarket must differentiate itself through superior service, unique product offerings, and effective marketing strategies.

By applying Porter's Five Forces model, this analysis identifies key areas where K Supermarket can enhance its strategic positioning to better navigate the competitive landscape and ensure sustainable growth.

2.3 Current State of Retail Marketing Research

The field of retail marketing has undergone significant transformations over the years, driven by technological advancements, evolving consumer behavior, and the integration of digital and physical retail environments. Historically, retail marketing research has progressed through several milestones, beginning with the foundational 4Ps framework—Product, Price, Place, Promotion—introduced by Jerome McCarthy in the 1960s. This framework laid the groundwork for understanding the core elements of marketing strategies in a retail context. Over time, scholars like Kotler (1994) expanded these concepts, emphasizing market segmentation, targeting, and positioning (STP) as critical components of effective marketing.

Key international studies have highlighted the dynamic nature of retail marketing. For instance, the concept of "omnichannel retailing," which integrates online and offline channels to create a seamless shopping experience, has been extensively studied. Cotarelo et al. (2021) emphasized the importance of omnichannel strategies in enhancing customer satisfaction and loyalty. Additionally, the rise of digital marketing tools, such as social media and mobile apps, has been explored in-depth, showcasing their impact on consumer engagement and sales. (Chaker et al., 2022).

In the Chinese context, retail marketing strategies have evolved rapidly, particularly with the country's economic liberalization and the rise of e-commerce giants like Alibaba and JD.com. Early retail marketing in China was characterized by traditional brick-and-mortar stores, but the advent of digital platforms has transformed the landscape. The introduction of new retail concepts by Jack Ma in 2016, which emphasize the integration of online and offline shopping experiences, has been a pivotal moment. Hou et al. (2018) have delved into the unique aspects of Chinese consumer behavior, such as the preference for mobile shopping and the influence of social media platforms like WeChat and Weibo.

The examination of the "4Cs" framework—Customer, Cost, Convenience, and Communication—adapted from the traditional 4Ps to better suit the digital age (Konhäusner et al., 2021). Furthermore, research has explored the impact of live-streaming and influencer marketing on retail sales, highlighting the innovative ways Chinese retailers engage with consumers (LI et al., 2022). The COVID-19 pandemic has further accelerated the adoption of new retail strategies, with Modgil et al. (2021)

analyzing the shift towards contactless payments, delivery services, and the increasing importance of supply chain resilience.

2.4 Consumer Behavior and Retail Trends

There has been a significant shift towards online shopping in recent years. Scholars argue that the convenience, variety, and competitive pricing offered by online platforms have catalyzed this trend (Oliveira & Cortimiglia, 2017). However, this shift raises questions about the sustainability of traditional brick-and-mortar stores. Despite the growing popularity of online shopping, some studies suggest that physical stores still hold value in offering experiential shopping, which cannot be fully replicated online (Rose et al., 2012). Additionally, the importance of personalized experiences has been emphasized in the literature. Consumers now expect retailers to provide tailored recommendations and customized offers based on their browsing and purchase history (Shen, 2014). While big data and AI are touted as solutions, there is criticism regarding privacy concerns and the ethical use of consumer data (Elish & boyd, 2017). The extent to which personalization benefits outweigh these concerns remains a contentious issue.

The COVID-19 pandemic has profoundly impacted shopping behavior, with lockdowns and social distancing measures driving consumers online. Literature indicates a dramatic increase in e-commerce adoption during the pandemic (Juliet Orji et al., 2022). This shift forced retailers to accelerate their digital transformation efforts, a change that some argue should have occurred earlier (Nadkarni & Prügl, 2020). The rapid adoption of digital and contactless solutions highlights the retail industry's previously underestimated potential for flexibility and innovation. However, this shift also exposed significant weaknesses in existing supply chains and logistics networks, leading to calls for more resilient and adaptable systems (Datta, 2017). The pandemic has been a wake-up call, emphasizing the need for robust contingency planning and the diversification of supply sources.

While the literature extensively covers the immediate impacts of these trends, there is a paucity of research on the long-term implications. For instance, will the shift to online shopping persist post-pandemic, or will consumers revert to physical stores? Moreover, how will ongoing privacy concerns around personalization affect consumer trust and regulatory policies? Addressing these questions is crucial for developing a comprehensive understanding of evolving consumer behavior and retail trends.

2.5 Research Gap

Despite the extensive literature on retail marketing strategies, significant gaps remain, particularly in the context of new retail. First, while many studies have explored the integration of online and offline channels, there is a lack of in-depth analysis on the long-term sustainability and profitability of these omnichannel strategies. Most research focuses on short-term outcomes, leaving a gap in understanding the enduring impacts on customer loyalty and business performance.

Additionally, the rapid technological advancements in the retail sector, such as AI, big data, and blockchain, have not been thoroughly investigated concerning their practical implementation challenges. Existing studies often highlight the potential benefits of these technologies without adequately addressing the barriers to adoption, such as high costs, required technical expertise, and integration with legacy systems. Another critical gap lies in the regional specificity of retail strategies. While international studies provide a broad overview, there is a paucity of research focused on the unique challenges and opportunities within specific markets, particularly in developing regions. This gap is evident in the Chinese context, where rapid economic and technological changes necessitate localized studies to tailor retail strategies effectively.

Moreover, the impact of external shocks, such as the COVID-19 pandemic, on retail strategies has been documented, but there is limited research on how these strategies evolve post-crisis. Understanding the long-term adjustments and resilience strategies adopted by retailers in response to such disruptions remains underexplored. Finally, ethical considerations around data privacy and security in personalized marketing strategies are often overlooked. While personalization is recognized as a key trend, the implications for consumer trust and regulatory compliance require more thorough examination.

Addressing these gaps will provide a more comprehensive understanding of new retail dynamics and inform more effective and sustainable retail strategies.

3. Methodology

3.1 Research Design

This thesis employs a quantitative approach, focusing on numerical data to provide a comprehensive analysis of K Supermarket's marketing strategies under the new retail context. The quantitative method is chosen due to its ability to objectively measure customer preferences and behaviors, offering statistically significant insights that can guide strategic decisions (Stanley & Jarrell, 2005).

Focusing on numerical data allows for the systematic collection and analysis of information from a large sample size, ensuring that the findings are representative of the broader customer base. Surveys, as the primary data collection tool, will capture diverse aspects of customer experiences, such as satisfaction levels, shopping habits, and perceptions of various marketing strategies. The structured format of surveys enables the gathering of standardized responses, facilitating comparison and trend analysis.

Quantitative methods are justified in this context as they provide the rigor needed to identify correlations and causal relationships between different marketing tactics and customer responses. This approach ensures that the recommendations derived from the research are based on empirical evidence, enhancing their validity and reliability. By quantifying customer feedback, the research aims to offer actionable insights that K Supermarket can use to optimize its marketing strategies and improve overall customer engagement in the competitive new retail environment.

3.2 Data Collection Methods

For this dissertation, the data collection process took place over a period of three months, from April 2024 to July 2024. The primary data was gathered through structured surveys distributed both online and in-person to customers of K Supermarket. The online surveys were disseminated via the supermarket's social media platforms, while in-person surveys were conducted at selected store locations during peak shopping hours to ensure a diverse sample. A total of 1410 responses were collected, ensuring that the data was representative of the supermarket's target consumer base.

Primary Data Collection

Surveys

To gather primary data, structured questionnaires were employed, combining various question types such as Likert scale, multiple-choice, and open-ended questions. This mixed-format approach allows for capturing quantitative data on customer preferences and behaviors, while also providing qualitative insights into their perceptions and suggestions.

Design: The survey was meticulously designed to cover key aspects of K Supermarket's marketing strategies. Questions addressed areas such as product satisfaction, pricing perceptions, promotional effectiveness, and overall shopping experience. Pilot testing was conducted to refine questions for clarity and relevance, ensuring high-quality data collection.

Target Population: The target population for the survey consists of customers of K Supermarket in China. This population is chosen to reflect the specific market segment K Supermarket serves, ensuring that the findings are directly applicable to the supermarket's strategic context.

Sampling Method: Random sampling was used to ensure a representative sample of the customer base. This method minimizes selection bias, providing a diverse and comprehensive overview of customer opinions and behaviors.

Distribution Method: Surveys were distributed both online and in-person. Online surveys will be disseminated through K Supermarket's social media channels, email lists, and website. In-person distribution took place at K Supermarket locations, where customers filled out the survey on-site or take a printed copy home. This dual-distribution strategy aimed to maximize response rates and capture a broad spectrum of customer feedback.

Secondary Data Collection

Literature Review

The secondary data collection involves a comprehensive literature review, sourcing information from academic journals, industry reports, and previous studies relevant to retail marketing and new retail concepts. This review will provide a theoretical foundation and contextual background for the research.

Sources: Academic journals will be used to gather peer-reviewed articles that offer validated insights and theories. Industry reports will provide current market trends, statistics, and practical examples of retail marketing strategies. Previous studies on new retail concepts will be reviewed to understand the evolution and current practices in the field.

Criteria: The selection of literature will be based on its relevance to the research objectives and the credibility of the sources. Only reputable publications and reports from recognized authorities in the field of retail marketing will be considered. This ensures that the theoretical framework and contextual understanding underpinning the research are robust and reliable.

This combination of primary and secondary data collection methods ensures a well-rounded approach to investigating K Supermarket's marketing strategies, providing both empirical data and theoretical insights to support the research findings.

3.3 Data Analysis Methods

Quantitative Analysis

The survey data was analyzed using descriptive statistics to summarize customer demographics, preferences, and behaviors. Inferential statistics, such as regression analysis, will identify relationships between variables and assess the impact of different marketing strategies. Excel was used for statistical computations and data visualization. Data cleaning and coding were conducted to prepare the survey data for analysis, ensuring accuracy and consistency.

Literature Analysis

For the qualitative part, a literature analysis was performed to identify common themes and patterns from secondary data sources. Relevant academic journals, industry reports, and previous studies will be reviewed to provide contextual insights and support the quantitative findings. This approach ensured a comprehensive understanding of the marketing strategies in the context of new retail.

3.4 Research Tools and Instruments

The design process for the survey questionnaires involves development based on a comprehensive literature review and pilot testing to ensure reliability and validity. The literature review will inform the content and structure of the questions, aligning them with established theories and previous research findings. Pilot testing will be conducted with a small subset of the target population to identify any issues with question clarity or survey flow, allowing for necessary adjustments.

The content of the questionnaires will cover key areas relevant to the research. Questions will include customer demographics to capture age, gender, income level, and other relevant characteristics. Shopping habits will be explored to understand frequency, types of products purchased, and preferred shopping channels. Perceptions of K Supermarket's marketing strategies will be assessed, focusing on product offerings, pricing, promotions, and overall customer satisfaction levels. This comprehensive approach ensures that the collected data is robust and relevant to the research objectives.

4. Marketing Plan

4.1 Executive Summary

This marketing plan encompasses the overall strategy for improving K Supermarket's market position in County K. As the retail marketplace in China is rapidly transforming, especially with the growth of e-commerce and omnichannel retailing, K Supermarket has to adapt to these market dynamics. This report makes propositions for strategic actions based on qualitative and quantitative data and focuses on product differentiation, digital integration, and enhanced customer engagement.

The basic objective is to establish K Supermarket as one of the leading local retailers by consolidating its core competencies while working on the weaknesses inherent in the current scenario. From the analysis, there are quite a few focus points wherein K Supermarket may assure excellence. Some of them are geographical advantage, established reputation, and understanding of local consumer preference. However, to ensure its full sustainability, areas related to outdated infrastructure, limited private-label offerings, and not enough digital presence have to be taken care of.

Each of these will be done via a series of strategic initiatives: first, product differentiation through private-label brands that address very specific needs of the local consumer; secondly, a pricing strategy that is credible in allowing the supermarket to balance between attracting price-sensitive customers and those who understand and are willing to pay for quality; and thirdly, K Supermarket has to go big on its digital presence through increasing its presence in online platforms and social media marketing that will help this company attract young and tech-savvy consumers.

The focus of strategy will lie in integrating online-offline channels, big data analytics for personalization of promotions, and enabling better customer service. In this respect, operational improvement-staff training and infrastructure development also point to ways in which customer service quality and the shopping experience can be improved.

Increased market share, strengthened profitability, and enhanced brand loyalty are the expected results of these marketing plans. K Supermarket, through application of its strategies to the changing retail climate and consumer tastes and preferences, not only retains the existing clientele but also attracts newer market segments. This plan is to ensure K Supermarket remains competitive amidst growing digital and physical retail competition.

4.2 External Situational Analysis

4.2.1 PESTE Analysis

4.2.1.1 Political and Legal Context

Since China's reform and opening-up period, the retail industry has undergone significant transformation, evolving from small-scale operations to standardized entities that significantly contribute to the national economy, with brick-and-mortar retail accounting for 89% of total consumer goods. However, the rapid development of the Internet has slowed traditional retail growth and introduced new consumer demands, challenging the sector. In response, various governmental policies have been implemented to support retail reform, including the 2004 Measures for the

Administration of Foreign Investment in the Commercial Sector, the 2006 Measures for the Protection of Promotional Behavior of Retailers, and the 2018 Several Opinions on Improving the System and Mechanism for Promoting Consumption.

These policies aim to reduce operational pressures, such as rent and taxes, and streamline approval processes, ensuring fair competition between physical retailers and online platforms. The stable political environment and supportive policies have created a favorable macro-environment for retail reform, encouraging traditional retailers to pursue transformation and capitalize on new business opportunities to remain competitive in the evolving market landscape.

4.2.1.2 Economic Context

China's national economy has seen rapid development, with GDP growth and a rise in disposable income from 28,000 yuan to 37,000 yuan. This boost is evident in the retail sector. Conversely, County K's GDP declined in 2018 due to the pandemic but is now recovering, with disposable income exceeding 35,000 yuan and increasing retail sales.

Nationally, China's GDP growth, averaging 6-7%, outpaces the US (2-3%) and the EU. In 2020, China's GDP grew by 2.3%, while the US and EU contracted by 3.5% and 6.1%, respectively. US disposable income per capita is around \$45,000, and the EU averages €21,000, compared to China's \$5,700. County K's recovery mirrors national trends, showing resilience and increased consumer spending post-pandemic. While China's economic indicators show robust growth, comparisons highlight the economic scale differences with the US and EU, underscoring County K's regional recovery within this context.

4.2.1.3 Socio-Cultural Context

Local social environment factors significantly influence the service marketing strategies of businesses. These factors include local values, customs, education levels, ethics, and morals, all of which shape consumer behavior and demand. As China's socio-economic status rises and incomes increase, consumer expectations have evolved beyond affordability to include brand recognition and enhanced product features, such as after-sales service and overall purchasing experience. The internet's rapid development has further facilitated access to information, leading to more mature and diverse consumption patterns.

At the end of 2022, County K had a population of 260,227. Despite its small population, County K's strong economic foundation, rooted in mining, supports robust consumer spending. K Supermarket, locally established and managed by residents familiar with the county's social environment, benefits from this local insight. However, the staff's predominantly low education levels and limited business experience pose challenges in adapting to competitive market demands. Consequently, reliance on outdated management practices has led the enterprise into a developmental bottleneck, necessitating strategic innovation to ensure continued growth.

4.2.1.4 Technological Context

In the new era, technological advancements have significantly boosted social productivity and national economic development. Regional supermarket chains, such as K Supermarket, must leverage scientific and technological progress to thrive. Enhanced information processing capabilities and accelerated information transmission are essential for enterprise growth.

The widespread use of the Internet and advancements in logistics have transformed consumer attitudes and e-commerce development. Mobile apps divert offline consumers to online platforms, diminishing traditional retail's pricing advantage. Additionally, payment methods have evolved, with mobile payments, including QR codes and facial recognition, becoming predominant, replacing cash transactions.

Traditional supermarket chains are adopting advanced management systems to enhance information and data management, improving operational efficiency. Modern logistics technologies further enhance distribution efficiency, ensuring smooth and effective operations. By embracing these technological innovations, K Supermarket can maintain competitiveness and drive sustainable growth in a rapidly evolving market landscape.

4.2.1.5 Environmental Context

The environmental context also forms an important aspect in determining the operational and marketing strategies of retail businesses, and this has become more relevant in an era where sustainability and care for the environment feature highly among the concerns of consumers and regulators alike. For K Supermarket operating within County K, addressing environmental factors would be crucial in the quest for long-term sustainability and improvement of its corporate social responsibility image.

Waste management and resource efficiency: Another environmental factor impacting K Supermarket is waste management and resource efficiency. Since the supermarket sells a variety of products in large quantities within packaging, fresh food, and grocery products, this leads to the development of waste, both organic and non-organic in nature. Growing public concern for plastic waste, especially single-use plastics, becomes an issue for the supermarket. The impact of green initiatives consumers increasingly expect that retailers adopt and offer environmentally friendly practices, such as a reduction in plastic packaging and recycling options. It is expected that the K supermarket could act on implementing green initiatives like biodegradable packaging. They can also work with the local waste management companies to reduce environmental footprints.

Another important consideration is energy efficiency. In the energy market, where energy costs are continuously rising day by day, and considering environmental impacts through excessive energy use, K Supermarket can improve its sustainability profile by adopting energy-saving technologies. Installing energy-efficient lighting, refrigeration, and heating systems will go a long way in cutting operational costs and improving the store's environmental performance, along with renewable sources of energy such as solar panels.

In addition, other actions carried out by the supermarket itself cut across to the environment. For instance, transport-related activities are increasingly becoming large

carbon offenders courtesy of transporting fresh produce. K Supermarket can reduce such impacts by getting most of its products from local sources to reduce the distance that the goods would have to cover while promoting the local economy. This not only reduces carbon emissions from transporting means but helps in consumer preferences of locally sourced products meant to be sustainable.

Additionally, conditions of environmental regulations by the government in China impact K Supermarket's operation, including the country's concern to reduce carbon emissions and waste. The supermarket's preparedness in following governmental policy and its capability to be well ahead of requirements on environmental compliance can enhance its incident reputation and avoid fines from regulatory schemes.

Increasingly anything that affects the environment is driving consumer behavior and company activities. For K Supermarket, this would amount to greener operations translated into improved energy efficiency, considerably reduced levels of waste, and stronger support for local sourcing. All these would benefit not only in terms of improving its operational efficiency but also in enhancing its brand image as an environmentally sensitive retailer. This preoccupation with sustainability will be even more critical in ensuring the company's success in such a competitive retail environment.

4.2.2 Sector Analysis

The retail industry in China, especially supermarkets, is a fast-changing sector due to rapid economic growth, continuous updating of technologies, and changes in consumer behavior. This industry has always relied on traditional physical stores, but in recent times, the development of e-commerce, omnichannel retailing, and consumers' emerging demands have presented new dimensions to the challenges. Against this organic ecological background, K Supermarket must carefully analyze the industry in such a way that it would face the changes and sustain competitiveness.

The key trend in retail is omnichannel retailing, whereby physical stores will allow a seamless integration from brick-and-mortar with those sold on digital platforms. Many large retailers have increasingly embraced online platforms and their mobile applications for easing customers through product perusal, purchases, and even delivery orders. This trend has been accelerated by the sudden urge of consumers toward convenience and staying safe, especially post-COVID-19. This will enable K Supermarket to expand its digital presence and an omnichannel approach, covering in-store and online retail experiences for more and more consumers who start using online shopping.

In the retail sector, more or less, competition keeps on increasing, both from domestic players and international ones. Huge supermarket chains like Walmart and Carrefour are increasingly big e-commerce players, such as Alibaba's Tmall and JD.com, which are largely expanding their businesses across the Chinese market. All of these provide a broad range from low pricing to a very strong online network, hence highly challenging regional and local players such as K Supermarket. In this competitive environment, K Supermarket needs to differentiate its offer in the kind of products it offers, its service to the customers using local market knowledge.

Consumer behavior is also trending toward healthy, organic, and locally produced goods. Most of the consumers have turned health-sensitive, seeking freshness, organic produce,

and quality products. This therefore forms an opportunity for K Supermarket to improve its product offering by providing more organic and locally sourced goods.

Moreover, it is being very highly influenced by environmental and regulatory pressures. China has brought into place more stringent environmental controls; for example, a reduction in carbon emissions coupled with the stimulation of sustainable enterprise practices. Retailers should therefore henceforth focus on observing such regulations through the implementation of environmentally friendly operations, entailing proper waste disposal and energy-saving.

4.2.3 Competitor Analysis

Competition in the supermarket business is extremely fierce, as local and international retailers are looking at a strategy of dominance in the market. The competitors for K Supermarket include big supermarket chains such as Yonghui Superstores, big international chains such as Walmart and Carrefour, and equally the rise of electronic commerce merchants. The succeeding sections discuss all these rivals in great details, something that is significant as K Supermarket looks to find a niche in this market.

Another close competitor is the fast-growing Chinese supermarket chain, and covering wide areas in many provinces. The competitive advantage for Yonghui is in its efficient facilitation of supply chains that enable the company to stock various fresh fruits, vegetables, and seafood. Furthermore, Yonghui has invested heavily in digitization by integrating online ordering and home delivery into the range of services offered through online partners like JD.com. With such competition from Yonghui, K Supermarket will have to lean on its local expertise and customer service-developing offerings and promotions that can be more personalized to the consumer base in County K. Besides, the effort invested in product freshness and local sourcing will be one big differentiator for K Supermarket.

The other rising competitor is Walmart, a global big player with low priced options spread across a wide variety of merchandise. Because of its global buying power, Walmart can quote low prices across categories and hence is a good option among price-conscious consumers. However, Walmart's product presentation and offering may not fully meet the local taste and consumption pattern of such a small market as County K. Here, K Supermarket should seek the benefit of differentiation by carrying a more customized product mix, yet retaining an emphasis on local and regional items that would cater to the needs and tastes of County K citizens. Extra service to customers and involvement within the community would further distinguish K Supermarket from the less personal, larger-scale business venture of Walmart.

The threat from another international chain, Carrefour, is similar to that from Walmart. Carrefour sells its products in a hypermarket format with aggressive promotional activities to customers. However, its performance has been poor in maintaining market share in China due to compelling competition from the local players. K Supermarket will be taking advantage of the weakening foothold of Carrefour by active promotion activities, loyalty programs, and a superior instore experience to build loyal customers within the local community.

E-commerce sites such as Alibaba's Tmall, JD.com, and Pinduoduo are also going to seriously threaten traditional retail because of unmatched convenience, competitive pricing, and speed of delivery they can guarantee, especially after the pandemic period. As a result of the pandemic caused by the virus COVID-19, online grocery shopping along with household goods is increasingly being adopted among consumers. Moreover, in order for K Supermarket to remain competitive, they would also have to enhance their online presence through offering online shopping with delivery services and apply data analytics in personalizing marketing. This will also allow K Supermarket to partner with established platforms such as Meituan or Ele.me for deliveries.

The immediate threat being close by comes from local convenience stores. Clearly, local convenience retailers do not have the size and depth of capability a supermarket does, but their advantage is proximity to their customers. Against that backdrop, K Supermarket could promote its range of products, competitive pricing, and loyalty programs as a token of appreciation for loyal shoppers.

K Supermarket will have to fight the many big national chains such as Yonghui, international competitors including Walmart and Carrefour, along with e-commerce platforms. For it to thrive, K Supermarket would unquestionably have to make greater use of local advantages and improve digital capabilities, with continuous and conscious in-store improvements for emerging consumer needs.

4.2.4 Porter's Five Forces Analysis

In the current retail landscape, K Supermarket faces significant challenges from both direct competitors and the evolving dynamics of online and multimedia marketing. To sustainably expand its market share, K Supermarket must analyze the industry's current situation, strengthen its advantages, address its weaknesses, and enhance its market competitiveness.

Existing Competitors

Despite County K's limited geographic size, competition among supermarkets is intense. K Supermarket's primary competitor, KG Supermarket, belongs to a large chain based in C City and operates multiple branches in various regions, including County K. As a relatively new entrant, KG Supermarket has rapidly gained popularity due to its strategic location near K Supermarket and its superior scale and system. Although the staff sizes of KG Supermarket and K Supermarket are similar, KG Supermarket boasts higher overall staff quality, providing a smoother shopping experience, which poses a clear threat to K Supermarket.

Bargaining Power of Suppliers

Supermarket chains, including K Supermarket, typically hold substantial bargaining power over suppliers. This power stems from the critical role supermarkets play in the retail supply chain, offering suppliers significant market exposure. K Supermarket collaborates with local agricultural bases for products like vegetables, fruits, meat, and

eggs. Despite geographic constraints necessitating additional purchases from local suppliers, K's large-scale operations secure preferential pricing from suppliers, enhancing profitability through low profit margins.

However, high-quality goods with limited consumer bases and low circulation volumes present a different scenario. The rise of e-commerce and multimedia marketing directly impacts the bargaining power for these goods, making it challenging to negotiate favorable terms with suppliers. Therefore, while K Supermarket maintains strong bargaining power for widely circulated goods, it struggles with high-quality items.

Bargaining Power of Consumers

County K boasts a robust consumer base with relatively high per capita income and consumption levels. The rise of online shopping has empowered consumers with more shopping methods and greater price comparison capabilities, reducing offline physical stores' pricing advantage. K Supermarket aims to attract consumers through product discounts, but the convenience of online shopping, which requires less time and effort, often outweighs this advantage. Consequently, consumers hold significant bargaining power, influenced by their ability to choose where and how to shop.

Potential Competitors

The retail industry's entry barriers have lowered, leading to the proliferation of small convenience stores and rapid expansion of franchise brands. Major e-commerce brands are increasingly establishing offline stores, indicating an inevitable trend that poses a substantial threat to K Supermarket. Although County K currently has few external brand supermarkets, the potential influx of new competitors could intensify market competition.

Threat of Substitutes

K Supermarket faces significant threats from emerging business models such as community group purchases, e-commerce platforms, and live streaming sales. Community group purchases, which rapidly developed during the pandemic, offer low prices and convenience, appealing to the same customer base as K Supermarket. While their scale is limited, focusing mainly on fresh food and daily necessities, they still impact K Supermarket's market share.

E-commerce platforms and live streaming cater to younger consumers' preferences for convenience, allowing shopping from home. Despite their advantages, these platforms face challenges such as the inability to inspect physical goods and frequent return issues, which can deter consumers. Additionally, e-commerce companies' offline stores benefit from brand reputation but lack competitiveness in product structure and variety compared to traditional supermarkets like K Supermarket.

While these alternative models cannot entirely replace K Supermarket, they capture a portion of the market share, heightening regional retail competition. To counter these threats, K Supermarket must innovate and adapt its strategies, leveraging its local expertise and physical presence to provide unique value to consumers.

4.3 Internal Situational Analysis

4.3.1 Product strategy

K Supermarkets offers an extensive inventory of over 17,600 products, including food, daily necessities, and kitchenware. Key product categories encompass specialty items, edible bread, fruits and vegetables, snacks, alcohol, and beverages. The supermarket's product display strategy is meticulously organized into specialized areas based on product characteristics, such as daily necessities, vegetables and fruits, kitchen supplies, living supplies, wine and beverages, and aquatic meat. Each store customizes its display to match the local consumer demographics, maintaining a clean and orderly environment that facilitates shopping. Over 90% of products are displayed openly, with promotional and sale items prominently positioned to attract consumer attention and boost sales.

K Supermarket emphasizes the importance of fresh meat and other key products to draw customers. Their business philosophy prioritizes providing consumers with high-quality, fresh, safe, and value-for-money products. The supermarket enforces a strict policy against counterfeit products and strives to offer a diverse range of high-quality branded goods. Supplier selection is stringent, favoring reputable suppliers with proven quality. Regular production and sales fairs for new products are held to promote these items and enhance consumer recognition and acceptance.

Stringent quality control measures ensure that any supplier failing to meet standards is promptly removed from shelves. Re-entry requires comprehensive quality inspection reports. Major quality failures lead to immediate termination of supplier contracts, with alternative suppliers sought to maintain product standards.

Despite these strengths, K Supermarkets faces challenges in developing its own brands and achieving competitive pricing for certain products. In a highly competitive market, many leading supermarkets have established private labels to enhance competitiveness. Retail enterprises, with their deep understanding of consumer needs, can design products that cater to diverse demands. The market potential for private labels is significant, allowing better control over product quality through direct manufacturer collaboration. This strategy not only ensures higher quality but also reduces intermediary costs, enhancing profitability.

In conclusion, while K Supermarkets excels in offering a wide range of high-quality products and maintaining stringent quality controls, there is considerable room for improvement in developing private label products and optimizing pricing strategies. Leveraging market insights and streamlining supply chains can further enhance K Supermarkets' competitive edge and profitability in the evolving retail landscape.

4.3.2 Price strategy

K Supermarket primarily serves middle-income consumers and has established robust, long-term relationships with local farmers and traders to ensure stable pricing and supply. By diversifying procurement channels, the supermarket minimizes costs and leverages economies of scale.

K employs differentiated pricing based on product quality, allowing consumers to choose between various grades. For instance, commonly purchased items like fruits and vegetables are priced variably: lower grades are priced below market rates to attract price-sensitive customers, while higher-quality products are priced slightly above market rates. This strategy ensures that the supermarket meets diverse consumer needs while maintaining competitive pricing.

K also implements promotional pricing strategies tailored to product quality and seasonal festivals. For example, less fresh produce is discounted to stimulate purchases from consumers less concerned with top quality. During major shopping events like Double Eleven, Double Twelve, and May Day, the supermarket uses bundle promotions, point promotions, and free gift promotions to boost sales and enhance consumer engagement.

K's uniform pricing strategy reflects a commitment to stable, low prices, enhancing consumer trust. Prices remain constant unless special promotions are in place, and high-value items maintain reasonable pricing over time. This stability fosters a reliable perception of the supermarket, reinforcing consumer confidence and loyalty.

4.3.3 Channel strategy

K Supermarket primarily operates through offline brick-and-mortar stores, selling products directly to consumers. The product channels are divided into self-operated and joint-operated models. Joint-operated channels are used for perishable goods like soybean and delicatessen products, allowing merchants to sell directly to consumers and settle accounts with the supermarket later, thus minimizing stocking risks for the supermarket. However, K rigorously screens suppliers for quality, price, and integrity to maintain its brand image.

In response to fierce market competition, K Supermarket recognizes the need to expand beyond physical stores by leveraging online sales platforms. Early collaborations with Meituan for delivery services and the establishment of community group purchases have begun to diversify sales channels, expand the consumer base, and enhance profit margins. This strategic integration of offline and online channels is essential for sustaining growth and competitiveness in the new retail landscape.

4.3.4 Promotion strategy

K Supermarkets have implemented a membership system, free gifts with purchase, and various promotional strategies to attract consumers and boost sales. However, survey results indicate a lack of innovation in these strategies, with promotions primarily focused on vegetables, fruits, snacks, and casual foods. The promotional methods, such as flyers, posters, and in-store salespersons, are outdated and fail to appeal to younger demographics. Current promotions rely heavily on on-site interactions, including

shopping lucky draws, sampling, membership points redeemable for cash, and coupons, particularly during festivals and holidays.

Despite these efforts, the impact of such promotions is limited. The supermarket's use of new media for disseminating promotional information is minimal, resulting in suboptimal promotional effectiveness. To enhance their appeal, K Supermarkets need to innovate their promotional strategies and better leverage new media platforms to reach a broader, more diverse audience.

4.3.5 People

K Supermarkets have established standardized service processes and unified management protocols to ensure consistent customer service. Emphasizing a customer-centered approach, the supermarket aims to foster a positive brand image through respectful, patient, and courteous interactions. Sales staff are trained to prioritize customer satisfaction, adhere to the principle of "the customer is God," and engage actively during promotional activities to enhance customer participation and satisfaction.

However, the workforce composition reveals a significant gap in higher education and specialized skills. With only 15% of employees holding a college degree or higher, there is a marked deficiency in professional marketing and network technology expertise, hindering K's competitiveness in digital marketing. Furthermore, the high turnover rate, uneven distribution of staff, and lack of systematic pre-employment training contribute to inconsistent service quality. Addressing these issues through targeted recruitment, comprehensive training programs, and strategic staff allocation is essential for improving overall service quality and maintaining a positive customer experience.

4.3.6 Physical Evidences

K Supermarkets adhere to strict visualization standards across stores, ensuring uniform shelf heights, standardized product displays, and well-stocked shelves. At the store entrance, ample shopping carts, baskets, and self-storage cabinets are provided for customer convenience. Unified cashier systems with sufficient checkout lanes minimize queuing, enhancing the shopping experience.

However, some older stores reveal significant shortcomings due to outdated facilities. Issues include inadequate parking, inconveniently high shelves, narrow aisles, and poor lighting, which detract from the shopping experience. As contemporary consumers increasingly prioritize shopping environments, it is crucial for K Supermarkets to modernize these older stores. This includes redesigning store layouts, updating lighting, and ensuring facilities meet current consumer expectations. Improving these aspects will create a more inviting shopping atmosphere, likely enhancing customer satisfaction and boosting sales. Addressing these environmental deficiencies is essential for maintaining competitive advantage and fostering customer loyalty.

4.3.7 Processes

K Supermarket embraces a consumer-centric service philosophy, being the first in County K to offer a "no reason to return" policy, allowing customers to return or

exchange undamaged goods with the original invoice. This initiative is designed to enhance consumer confidence and protect their rights. Regular staff training and improved regulations ensure employees provide attentive service.

However, operational inefficiencies persist. Issues such as untimely return of shopping carts, inadequate cleaning before opening, and poor ground hygiene negatively impact the shopping experience. The lack of weighing stations at checkout counters forces some consumers to abandon their purchases of unweighed items. During peak times, insufficient checkout counters and unfamiliarity with checkout procedures among cashiers result in long lines and increased waiting times. Additionally, inadequate after-sales service, including insufficient consumer feedback mechanisms and poor service attitudes, further detracts from the customer experience and damages the supermarket's brand image. Addressing these issues is essential to maintain competitive advantage and improve customer satisfaction.

4.3.8 Consumer survey analysis

The questionnaire survey respondents encompass a wide age range, with a balanced gender distribution: 700 male consumers (49.6%) and 710 female consumers (50.4%). Women slightly predominate, reflecting their primary role in household shopping. Age-wise, 80 respondents (5.67%) are students aged 20 and below, 200 (14.19%) are aged 21-30, 710 (50.35%) are aged 31-40, 300 (21.28%) are aged 41-50, and 120 (8.51%) are over 50. This indicates that the predominant consumer group is aged 31-40, followed by those aged 41-50.

Occupationally, 35% of respondents work in professional organizations, while 65% are employed by private enterprises. In terms of education, less than 10% hold a bachelor's degree or higher, with over 80% possessing a college degree or lower. This demographic analysis reveals that K Supermarket's primary consumer base is middle-aged, predominantly employed in private enterprises, and generally has a lower level of formal education. From the results of the analysis, it is concluded that the consumers of K Supermarket are mainly young and middle-aged (as shown in Table 4.1 below).

Table 4.1 Age distribution of consumer survey participants as a percentage

Age	Under 20 years old	21-30	31-40	41-50	Over 50 (years)
Percentage (%)	5.67%	14.19%	50.35%	21.28%	8.51%

(Author, 2024)

In terms of income, the survey reveals that 550 consumers (39%) have a monthly income of less than 2,000 yuan, 470 consumers (33.33%) earn between 2,000 and 4,500 yuan, 210 consumers (14.89%) earn between 4,500 and 6,000 yuan, and 180 consumers (12.78%) earn over 6,000 yuan. The majority of K Supermarket's customers are in the middle- to low-income brackets.

Consumers earning less than 2,000 yuan typically have lower educational levels and prioritize price, favoring affordable commodities. K Supermarket meets their needs with reasonably priced products and promotions. Those earning around 4,500 yuan, mostly young and middle-aged, value product quality and appearance, and are attracted by the

supermarket's value-added services. Consumers with incomes exceeding 6,000 yuan focus on high-quality goods and are less price-sensitive, appreciating the superior quality and personalized services offered by the supermarket. This diverse income distribution indicates K Supermarket's ability to cater to various consumer segments effectively.

Table 4- 2 Analysis of participants in consumer questionnaires

Income	Percentage	Demand
Below 2000 Yuan	39%	Value for money and price sensitive
2000-4500 Yuan	33.33%	Attention to quality but also price, more requirements for the attributes of the goods, and practicality
4500-6000 Yuan	14.89%	Focus on quality and fashionable appearance
Over 6000 Yuan	12.78%	Focus on the quality of the goods, less sensitive to price

Source: The Author, 2024

Table 4- 3 Supermarket K commodity completeness

Comprehensive	comparatively complete	Not Comprehensive
42.87	39.56%	17.57%

Source: The Author, 2024

Table 4- 4 Commodity competitiveness situation

Competitiveness	None of them are competitive	Food	Daily necessities	Home Appliances	Department Store	Fresh food
Percentage (%)	32.1%	24.9%	23%	14.5%	22%	9%

Source: The Author, 2024

It is necessary for K Supermarket to understand consumer behavior with a view of shaping up appropriate offerings to achieve a competitive advantage in the ever-changing retail marketplace of County K. The consumers of County K belong to various age brackets, classes, and shopping behaviors. The company will be in a position to refine its marketing activities towards catering to such needs by taking these factors into concern in developing its marketing strategies.

These findings show that the primary category of consumers for K Supermarket falls into the middle-aged bracket between 30 and 50 years of age, with most of them working either in professional or semi-professional posts. This category of consumers usually evaluates convenience and value-for-money fairly high; location and pricing strategies become vital points in securing this category for K Supermarket. They tend to prefer

stores that have everything under one roof, especially fresh food, household, and personal care. But again, this segment gives priority to quality, which means the K Supermarket should play a balancing act between affordability and quality shapes to keep customer loyalty.

Besides the mid-aged mainstream consumers, a growing segment includes young, tech-savvy shoppers between 18 and 30 who are used to online shopping and all sorts of digital payments. Younger consumers like to shop more conveniently and thus may likely choose supermarkets that can provide seamless shopping experiences both in-store and online. To serve this segment, K Supermarket has to improve its digital capabilities by providing online ordering, mobile payment, and personalized digital promotions. Social media will also help in reaching the younger consumers and fostering loyalty in this tech-savvy segment with the help of loyalty apps. While the income brackets for K Supermarket customers vary, the company might estimate that a large portion of its consumer population is part of the middle class.

These consumers are conscious of the price but increasingly willing to pay a premium for high-quality, fresh products, such as organic fruits and vegetables. This testifies to the evolution toward healthier consumption, and this is where K Supermarket will do well to capture this trend by offering a wider selection of organic and locally sourced products. Good prices for basic products have to be offered while keeping premium offerings for higher-end customers in regard to different levels of income.

Last but not least, it is the change in consumer shopping behavior, especially due to the COVID-19 pandemic. More consumers prefer a contactless shopping experience where self-checkout options are included, home delivery, and even curbside pickup. K Supermarket should continue to adapt to these preferences by enhancing its online e-commerce platform and promoting easy alternatives for shopping. The consumer type of K Supermarket will be diverse in their needs: age, income, and shopping preferences. It shall provide digital transformation investments, enlargement of varieties of the product, and appropriate services offered to customers mainly driven by value for money or quality.

4.4 SWOT Analysis

Strenghts

(1) Regional advantages

K Supermarket has obvious regional advantages, unique geographical conditions, located in the center of County K, and throughout the urban area of County K, convenient transportation, population concentration, the surrounding community concentration, the surrounding residents are mostly local business unit employees, who usually have strong purchasing power with stable wages. K Supermarket has been gradually formed around the business circle, scattered restaurants, hotels and so on.

(2) Local Advantage

K Supermarket, as a local supermarket chain in County K, has more advantages than foreign supermarket chains. K Supermarket has a better understanding of local people's living habits, folklore and consumption needs, and can understand consumer demands

and meet them in time, so it is easier to seize the psychology of the local consumers to further draw closer to them and make its marketing activities more targeted.

(3) Better reputation

As a local regional supermarket chain, K Supermarket has a heavy weight in the hearts of consumers in County K. K Supermarket has not failed to live up to the expectations of consumers, and has always adhered to the business philosophy of "good to customers" in its development, listened to the demands of consumers and tried its best to satisfy them, and has gradually become the ideal shopping place in the hearts of consumers.

Table 4- 5 Strenth analysis

Strength	Descriptions
Regional Strengths	Good location, centrally located with easy access to public transport, neighbourhoods and shopping areas
Local Strengths	Born and raised in local, understand the habits of local people and can easily capture the hearts of local people.
Reputation Strengths	Adherence to the concept of 'good to the customer', the customer first

Source: The Author, 2024

Weakness

Human Resource Management

K Supermarket's senior management largely comprises long-serving employees with limited formal education, with only 5% holding undergraduate degrees, 10% with junior college education, and 85% possessing high school education or below. Most employees have practical sales experience but lack systematic professional training and knowledge in scientific management. The low employment threshold and minimal academic requirements make the workforce highly substitutable. Additionally, due to low wages and long hours, employee turnover is high, and service quality suffers.

Infrastructure

K Supermarket's infrastructure is outdated. Early store openings did not include adequate parking facilities, resulting in congestion during peak shopping times. Later additions of above-ground parking have not fully mitigated this issue. The stores' dated interior designs further detract from the shopping experience, necessitating urgent upgrades and redesigns to meet modern consumer expectations.

Supermarket Management

K Supermarket's management practices are traditional and conservative. Store management strategies are outdated compared to larger supermarkets, and staff management relies heavily on informal training systems where experienced employees mentor new hires. The promotion system favors tenure over merit, leading to a lack of

innovation and responsiveness in the workforce. This rigidity hampers the supermarket's ability to adapt to market changes and manage risks effectively.

Digital Application

The supermarket staff's generally low educational level limits their proficiency with digital tools. Management's outdated views further hinder the adoption of modern digital practices. Consequently, K Supermarket remains basic in its digital applications, maintaining only a fundamental membership system with minimal engagement in advanced digital marketing platforms like apps and social media. This underutilization of digital resources limits the supermarket's ability to meet contemporary consumer needs and leverage technological advancements for business growth.

Table 4- 6 K Supermarket Weakness Analysis

Weakness	Descriptions
Human resources	Low percentage of higher education and no systematic training
Infrastructure	Early renovation, poor infrastructure
Supermarket Management	Lack of systematic shop management and staff management
Digital Applications	Digital adoption is low and mainstream applications that are popular today are not deeply involved

Source: The Author, 2024

Opportunities

Development of E-commerce

The advent of e-commerce has revolutionized the retail industry, offering new development paradigms. Online shopping has not only transformed retail sales models but also diversified operational modes, which consumers have rapidly embraced. This model reduces intermediary steps, significantly lowering sales costs and integrating online and offline channels. K Supermarket should capitalize on this trend by leveraging e-commerce platforms to innovate its marketing strategies, enhancing competitiveness in the digital age.

Increasing Own Brands

The current emphasis on brand culture and consumer brand awareness presents an opportunity for K Supermarket to develop its own brands. Creating proprietary brands can enhance corporate cultural dissemination and build enterprise recognition over time. K's extensive consumer base can support the promotion and acceptance of its own brand products, simultaneously serving as a cost-effective marketing strategy. This move could reduce promotional expenses and strengthen the supermarket's market position.

Improvement of Residents' Consumption Capacity

Economic development has increased residents' disposable income, as indicated by local government financial disclosures. This rise in income has shifted consumer focus from low-cost to high-quality products, reflecting a changing consumption structure. The enhanced purchasing power of consumers provides K Supermarket with a significant opportunity to cater to the demand for quality products, fostering future growth and market expansion.

Table 4- 7 K Supermarket Opportunity Analysis

Opportunity	Descriptions
The growth of e-commerce	Using e-commerce to achieve innovation in marketing
Increase in supermarket private label	Increase in private labelling
Improvement of residents' consumption ability	Increased income and consumption capacity

Source: The Author, 2024

Threats

Booming Development of Online Shopping

Technology, particularly e-commerce, presents both opportunities and threats to the retail industry. While e-commerce platforms like Jingdong and Taobao offer development prospects, they also challenge traditional supermarkets by subverting conventional business models. The rapid dissemination of information via the Internet accelerates consumer acceptance of new shopping paradigms. Traditional retail lacks the cost advantages and convenience of online supermarkets, which offer easy payment methods and eliminate the need for cash transactions. The significant sales figures of e-commerce platforms highlight their impact on brick-and-mortar chains such as K Supermarket.

Competition in the Same Industry

Globalization has intensified competition within the retail industry, with foreign supermarket chains entering the domestic market. In County K, a relatively affluent area with convenient transportation, competition has increased as famous supermarkets from C City and emerging small stores establish their presence. This heightened competition forces K Supermarket to reduce profit margins to maintain market share, challenging its profitability.

Rising Operating Costs

Operational costs for supermarkets have surged, driven by high labor costs and increasing rent. K Supermarket, despite its advantageous location, faces rising operating costs as it leases many of its store properties. The recent escalation in property prices further exacerbates rent costs, significantly reducing profit margins. Managing these rising expenses is crucial for maintaining financial stability and competitive edge in the market.

Table 4- 8 K Supermarket Threat Analysis

Threat	Descriptions
Online Shopping	No need to visit the shop, wide range of products, easy checkout
Competition	Other well-known supermarkets move in to increase competition
Business Costs	Increased labour and rental costs

Source: The Author, 2024

4.5 Marketing Plan Objectives

The shrubbing of K supermarket's marketing strategy/plan will focus on cementing its market position in County K by enhancing customer satisfaction, gaining an increased share of the market, and ensuring that growth is attained in a sustainable manner within a highly competitive retail environment. In its efforts to ensure this, K Supermarket will begin to streamline activities concerning customer experience, product offering, digital presence, and promotion optimization.

1. Enhance Customer Experience:

The major goals are the enhancement of the overall shopping experience of customers through in-store environmental improvement, including modernization of store layouts, improving the lighting, and facilities accessibility for all shoppers. By this improved customer experience, the K Supermarket wants to increase the share of retained customers and ensure brand loyalty. It would also be very important to present excellent customer service both online and offline for better relations with customers. Training staff on the best practices of customer service and ensuring that digital channels are user-friendly would help attain this objective.

2. Expand Product Offerings-Improve Product Quality:

K Supermarket will focus on increasing its product differentiation by introducing more private-label products, organic products, and locally sourced produce. In doing so, the company will be ideally positioned to meet emerging demand for healthy and sustainable products while differentiating K Supermarket from its competitors. The supermarket shall work on developing a private-label brand that is attractive to consumers price-oriented but without compromising on quality. This could also mean that, with an increased offering of fresh, organic, and premium products, K Supermarket will be able

to attract a wide variety of customers, ranging from the very economical to highly end-oriented.

3. **Improve Digital presence and integrate all touchpoints into omnichannel:**

In addition, with the fast stiffening of e-commerce and an increasing reliance on online shop purchases, K Supermarket plans to aggressively improve its digital presence. The aim is to achieve an omnichannel experience where online and offline channels are integrated. This covers launching a user-friendly online shopping platform, offering home delivery and curbside pickup services, and engaging consumers through social media and mobile apps. K Supermarket will increase their digital presence to increase the traffic of more youthful and technology-savvy consumers, therefore increasing all-around accessibility for its customers.

4. **Optimize Promotional Strategies:**

Another important focus of the marketing plan is refining K Supermarket's promotional activities. This is aimed at moving them from traditional in-store promotions to more dynamic and personalized methods. Guided by analytics support, K Supermarket will offer its customers only those promotions that match their preferences and purchase habits. Its system for engaging customers through social networking sites, email campaigns, and mobile applications will be another key driver in increasing customer loyalty and boosting sales.

4.6 Segmentation, Targeting and Positioning

The STP-model is a basis of the marketing strategy of K Supermarket, which will enable the company to identify and reach separate groups of consumers within County K. By applying the concepts of this framework, K Supermarket can formulate marketing strategies in a more focused way, satisfy their customers the most, and establish themselves as one of the leaders among retail businesses in the local market.

4.6.1 Segmentation

Segmentation is the process of dividing the general market into groups that share common characteristics, allowing K Supermarket to tailor its marketing strategies more effectively. In addition to demographic and psychographic segmentation, deeper insights into behavioral segmentation are crucial for understanding how different consumer segments interact with the supermarket's products and services.

K Supermarket's primary target group consists of middle-aged consumers between 30 to 50 years old, often with families. These customers value convenience, quality, and economy. Another key demographic includes younger consumers aged 18 to 30, who tend to prefer digital solutions such as online shopping and mobile payments. Income levels also guide purchasing behavior, with middle-income earners seeking value for money and higher-income earners looking for premium, high-quality products.

Psychographic segmentation reveals that K Supermarket caters to various consumer lifestyles, including health-conscious individuals seeking organic and locally produced goods. Additionally, there is a segment of price-sensitive consumers who respond to promotions and discounts, while a smaller but growing group values sustainability and prefers retailers that practice environmentally conscious sourcing.

Behavioral segmentation focuses on purchasing behavior, shopping habits, and responsiveness to marketing initiatives. Customers can be segmented based on their shopping preferences—those who prefer traditional in-store shopping versus those who increasingly favor online channels. Middle-aged and older consumers tend to prefer in-store shopping for fresh produce and essential household items. They value personal interaction and often respond well to in-store promotions such as discounts and loyalty programs. Conversely, younger, tech-savvy consumers are more inclined towards online shopping due to its convenience and flexibility. This segment also favors online-exclusive promotions, personalized offers, and home delivery services. To appeal to these different behaviors, K Supermarket must balance its omni-channel strategy by enhancing both its in-store experience and digital offerings.

Price-sensitive shoppers, typically from lower-income brackets or those seeking the best value, are highly responsive to price promotions, discounts, and bundled deals. These consumers often make purchasing decisions based on current offers and are more likely to switch brands or stores in search of better deals. Behavioral segmentation data indicates that price-conscious shoppers frequent the supermarket during peak promotional periods and respond well to loyalty programs that offer points, discounts, or gifts for frequent purchases. K Supermarket can capitalize on this by strategically timing promotions and offering targeted discounts based on consumer purchasing patterns.

Frequent shoppers, who make regular trips to the supermarket for everyday needs such as groceries, household items, and personal care products, represent a critical segment for K Supermarket. These consumers value consistency in pricing, product availability, and customer service. They are also more likely to participate in the supermarket's membership program, where they can accumulate points for regular purchases. On the other hand, occasional or casual shoppers, who visit primarily during promotions or for specific needs, may require different marketing strategies—such as limited-time offers or targeted digital advertisements—to increase their purchase frequency and build brand loyalty.

There is also a growing segment of health-conscious consumers who prioritize organic, fresh, and locally sourced products. This group is willing to pay a premium for quality and sustainability and is less price-sensitive. Behavioral insights indicate that these consumers actively seek out information on the origins of the products, ethical sourcing, and environmental impact. To cater to this segment, K Supermarket should promote its organic and premium offerings more effectively, using messaging that emphasizes health benefits, sustainability, and product quality.

Younger consumers, particularly those between 18-30 years old, are highly engaged with digital platforms and expect seamless integration between online and offline shopping experiences. Behavioral data shows that this segment frequently uses smartphones for browsing products, making purchases, and engaging with promotional content via social media. K Supermarket must enhance its digital presence by offering mobile-friendly services, personalized promotions via apps or social media, and efficient delivery options to increase engagement with this tech-savvy group.

By understanding these behavioral patterns, K Supermarket can tailor its marketing strategies to ensure that the right messages reach the right audiences. This deeper insight into consumer behavior will allow the supermarket to optimize promotions, improve customer satisfaction, and increase overall market share.

4.6.2 Targeting

Once the market is divided into distinct groups, the next task of K Supermarket will be to select the customer groups that bring more profitability and strategic importance with them. Three major target segments have been focused on:

Middle-Income Families:

This category includes middle-class customers who mostly include families buying necessary groceries and household goods on a regular basis. These consumers want favorable prices with a big variety of merchandise but appreciate good quality. K Supermarket wants to attract such a customer segment by competitive price offers, loyalty rewards, and special promotions, especially on essential goods. The expansion of private-label products and good value for money will attract families that are after quality and savings.

Health-Conscious Consumers:

This target group is generally marked by a strong preference for healthy, organic, and fresh products. These customers usually have higher incomes and are ready to spend more on high-quality goods that will help improve their well-being. K Supermarket can treat this segment of the market by including lots of organic produce, locally sourced goods, and health specialty items in the store's inventory. Marketing should be directed more towards the quality and health aspects, so that these kinds of products are positioned to create a healthy lifestyle, and K Supermarket is the retailer for this.

Young, Tech-Savvy Shoppers:

Another important target segment would be the relatively younger consumers, comprising the 18-to-30-year-old age range that is more predisposed toward digital ways. This section values convenience, speed, and technology, and hence will simply favor those offering online shopping and mobile payments. Such an audience could be captured when K Supermarket extends its offerings to provide mobile apps, ordering online, and home delivery. By going more dynamic with its digital strategy, K Supermarket will appeal to the expectations of younger consumers for whom online and offline must blend seamlessly.

4.6.3 Positioning

Positioning answers the question of how K Supermarket will be different from direct competitors in the minds of targeted customers. K Supermarket maintains a differential advantage in County K on the basis of three value attributes:

Local Expertise, Community Focus

K Supermarket will be positioned as a local retailer that best understands the specific needs and preferences of the residents of County K. Other ways in which K Supermarket

may further cement this reputation of a supermarket rooted in the fabric of the local population include in-store sourcing of local products and community-based initiatives. This, therefore, enables the creation of some differentiation from larger national or international chains that may not have an in-depth awareness of the locals.

Quality at Affordable Prices:

It is a quality retailer for whom good-quality products, particularly private-label offerings, are available at reasonable prices. K Supermarket caters to the value-driven consumer seeking low-priced products and a consumer seeking premium options, blending affordability together with quality. This enables the supermarket to ensure a wide demographic range, stretching from budget shoppers to organic and specialty items.

Convenient Shopping Experience:

It positions K Supermarket in terms of convenience to shop from the outlets, as well as from digital media. The 'super' allows for smooth experiences, with online shopping, home delivery options, or curbside pickup, so customers can shop whichever is more convenient for them.

4.7 Marketing-Mix

4.7.1 Product

K Supermarket should focus on expanding its product offerings, particularly through the development of private-label brands. The current variety of products is considered comprehensive by most consumers, but there is significant room for differentiation. Private-label products can serve as a strategic tool to meet the needs of price-sensitive customers while ensuring higher profit margins. Fresh food and organic products should be prioritized as key categories, with an emphasis on local and organic options to attract health-conscious consumers. Additionally, increasing the variety and quality of private-label goods will allow K Supermarket to compete more effectively with national brands. This differentiation will help the supermarket stand out and develop a stronger identity in the marketplace.

To further enhance its product strategy, K Supermarket should explore exclusive partnerships with local producers. By stocking unique, locally sourced products that are not readily available at competing stores, the supermarket can appeal to customers looking for authenticity and regional specialties. This not only supports the local economy but also positions the supermarket as a champion of local products, giving it a competitive edge.

4.7.2 Price

K Supermarket's pricing strategy should be tiered, offering products that cater to both price-sensitive and premium-oriented customers. A more flexible pricing strategy will ensure the supermarket can accommodate a diverse consumer base. For example, basic items such as fruits, vegetables, and household essentials should be priced competitively to attract cost-conscious shoppers, while premium and organic products can command higher prices for customers who are willing to pay for quality. This will allow K

Supermarket to compete across different segments of the market while maintaining profitability.

To encourage the purchase of private-label products, K Supermarket should introduce special pricing promotions. These can include bulk discounts, time-limited offers, or loyalty rewards that incentivize customers to try private-label items. By positioning private-label goods as affordable yet high-quality alternatives to national brands, the supermarket can build consumer trust and increase sales in this category. Furthermore, dynamic pricing, where discounts are applied based on real-time data such as stock levels or product freshness, can help maximize revenue while reducing waste.

4.7.3 Place

K Supermarket should expand its distribution strategy by integrating online and offline channels to offer a seamless shopping experience. In addition to maintaining a strong network of physical stores in County K, the supermarket must enhance its e-commerce capabilities. The development of a robust online platform will allow customers to browse products, place orders, and choose between home delivery or in-store pickup. This will attract a broader consumer base, particularly young and tech-savvy customers who prioritize convenience.

The physical stores should undergo renovation to create a more modern and efficient shopping experience. This can include the introduction of self-checkout stations, curbside pickup services, and better store layouts to minimize wait times and improve accessibility. By upgrading the physical shopping environment, K Supermarket can enhance customer satisfaction and loyalty. Additionally, partnering with local delivery services such as Meituan or Ele.me will enable the supermarket to scale its home delivery services, making it more competitive with larger retailers and e-commerce platforms.

4.7.4 Promotion

K Supermarket should shift towards a more data-driven and personalized promotion strategy, with a strong focus on digital marketing. A significant portion of consumers prefers to receive promotional information via social media, so the supermarket should prioritize building a strong presence on platforms such as WeChat, Douyin, and Weibo. Digital campaigns can be highly targeted, offering personalized discounts and promotions based on consumer shopping behaviors. This will increase customer engagement, particularly among younger consumers who are more active on digital platforms.

In addition to enhancing its digital presence, K Supermarket should revamp its loyalty program to offer more tailored rewards and benefits. Personalized promotions based on purchase history can encourage repeat business and build stronger customer relationships. The loyalty program should be fully integrated with the online platform, allowing customers to track their points, receive customized offers, and participate in exclusive sales events.

Event-based and seasonal promotions are also important for driving traffic during key shopping periods. Special offers around local festivals, holidays, and major shopping events like “Double Eleven” will help boost in-store and online sales.

Furthermore, influencer marketing can play a key role in promoting the supermarket’s products. By partnering with local influencers to showcase private-label goods and fresh food items, K Supermarket can reach a wider audience and build brand recognition.

4.8 Implementation

4.8.1 Schedule

The implementation of K Supermarket’s marketing plan will follow a phased approach over the next 12 months, ensuring that all key initiatives are systematically executed to maximize effectiveness and minimize disruptions to current operations. The schedule is divided into three major phases: **Initial Preparation, Execution, and Monitoring & Optimization.**

Phase 1: Initial Preparation (Month 1 - Month 3)

The first phase will focus on the foundational tasks necessary for successful implementation. During this time, K Supermarket will:

- Conduct staff training programs focused on customer service improvements and digital platform usage.
- Partner with local suppliers to expand the range of fresh, organic, and private-label products.
- Upgrade store infrastructure, including self-checkout lanes and curbside pickup areas.
- Finalize agreements with third-party delivery platforms (such as Meituan and Ele.me) to streamline home delivery services.
- Launch digital platform updates, including enhanced website and mobile app functionalities.

Table 4- 9 Month 1-3 Plan

Month	Action Item	Details/Deadline
Month 1	Staff Training Programs	Complete by end of Month 1
Month 1	Partner with Local Suppliers	Finalize partnerships by Month 2
Month 2	Upgrade Store Infrastructure	Implement by end of Month 3
Month 3	Finalize Agreements with Delivery Platforms	Agreements signed by end of Month 3
Month 3	Launch Digital Platform Updates	Complete updates by end of Month 3

Source: The Author, 2024

Phase 2: Execution (Month 4 - Month 8)

In this phase, K Supermarket will roll out the key elements of its marketing plan, including:

- The launch of its omnichannel strategy, integrating online and offline shopping experiences.
- Promotional campaigns targeting health-conscious consumers and tech-savvy younger customers through digital channels and loyalty programs.
- Introduction of private-label products and expanded organic offerings in-store and online.
- Deployment of targeted advertising, including social media campaigns and in-store promotions.
-

Table 4- 10 Month 4-8 Plan

Month	Action Item	Details/Deadline
Month 4	Launch Omnichannel Strategy	Official launch at the start of Month 4
Month 4	Start Promotional Campaigns	Initiate campaigns by Week 2 of Month 4
Month 5	Introduce Private-Label Products	Launch new products by end of Month 5
Month 6	Expand Organic Offerings	Implement changes by Month 6
Month 7	Deploy Targeted Advertising	Start campaigns by Week 1 of Month 7
Month 8	Evaluate Marketing Activities	Review results by end of Month 8

Source: The Author, 2024

Phase 3: Monitoring & Optimization (Month 9 - Month 12)

The final phase will focus on tracking performance metrics and making adjustments as needed. K Supermarket will:

- Monitor customer feedback and sales performance to identify areas for improvement.
- Adjust promotional strategies and product offerings based on consumer behavior and demand.
- Evaluate the success of the digital platform and delivery partnerships, refining operations to ensure seamless service.

This structured schedule ensures that K Supermarket's marketing objectives are achieved efficiently and effectively over the year.

Table 4- 11 Month 9-12 Plan

Month	Action Item	Details/Deadline
Month 9	Monitor Customer Feedback	Weekly reviews starting Month 9
Month 10	Adjust Promotional Strategies	Implement changes based on feedback by end of Month 10
Month 11	Evaluate Digital Platform Success	Conduct assessment by end of Month 11
Month 12	Refine Operations based on Delivery Partnerships	Final adjustments by end of Month 12

Source: The Author, 2024

4.8.2 Budget

The successful implementation of K Supermarket’s marketing plan requires a well-structured budget that ensures adequate funding for all initiatives. The total budget for the next 12 months is allocated across key areas, including digital platform development, infrastructure upgrades, promotional activities, staff training, and supply chain improvements. The allocation of funds is designed to prioritize areas that will have the highest impact on customer satisfaction, operational efficiency, and market growth.

1. **Digital Platform Development:** A significant portion of the budget will be directed toward enhancing the online shopping platform and mobile app, including improving user experience, integrating online payment systems, and expanding delivery options. This will also cover the costs of partnering with local delivery services.
2. **Infrastructure Upgrades:** This includes funding for store renovations, particularly the introduction of self-checkout stations and curbside pickup areas, aimed at improving in-store customer experience and operational efficiency.
3. **Promotional Activities:** Funds are allocated for targeted advertising campaigns, especially on digital and social media platforms. This also includes in-store promotions and loyalty programs to increase customer retention.
4. **Staff Training:** Training programs will focus on improving customer service, digital literacy for staff, and efficient use of new in-store technologies.
5. **Supply Chain and Private Label Development:** Investments in supply chain improvements and the introduction of new private-label and organic products to meet consumer demand.

Table 4- 12 Budget Sheet

Category	Budget Allocation (CNY)	Percentage of Total
Digital Platform Development	500,000	25%
Infrastructure Upgrades	400,000	20%
Promotional Activities	300,000	15%
Staff Training	200,000	10%
Supply Chain and Private Label	600,000	30%
Total	2,000,000	100%

Source: The Author, 2024

4.8.3 Control and assessment

Effective control and assessment are the essentials that will serve in running smoothly the marketing plan enacted by K Supermarket. In this respect, K Supermarket could monitor progress through consistent monitoring of key performance indicators and further measure its strategies from this basis for effectiveness. From here, it is easier to know which aspects beg to be modified towards ensuring better results.

The control process will be pegged on the monthly review cycle where performance data is collected, analyzed, and compared with predetermined set objectives. The KPIs that will be tracked, therefore, shall include the following:

Sales Growth: Overall in-store and online sales data will be tracked monthly to determine the overall effect of the marketing efforts. Sales matched up against baseline information taken prior to the marketing plan being put into place.

Customer Satisfaction: Insight into satisfaction will be gained through regular customer surveys and feedback forms on store experience, product quality, and functionality of online shopping. Customer complaints and service ratings will also be tracked to see where improvements need to be made.

Other metrics for digital platforms will include tracking online traffic and conversion rates, as well as the number of downloads for apps to get insight into the workings of the digital strategy. Metrics such as average order value and customer retention rates will also be considered seriously to measure the result of the omnichannel approach.

Promotional Campaign Effectiveness: Performance of promotional activities shall be measured in terms of customer response rates from campaigns, sales that have accrued through campaigns, and, ultimately, the return on investment at the end of each promotional effort.

Operational Efficiency: Checkout times, delivery time, and stock turnover rates are just some of the internal metrics that will be used to gauge efficiency, which is supposed to guarantee a seamless flow of both physical and digital platforms.

A quarterly review would comprise the senior management and review the total progress of the strategic goals. If the targets are not being met, adjustments to marketing tactics, budget allocations, or operational processes will be used to get back on course.

To ensure the effectiveness of the marketing strategies, Key Performance Indicators (KPIs) will be established for each initiative. These KPIs will offer tangible metrics for assessing the progress and success of the strategies over time. The following KPIs will be tracked:

- **Digital Expansion Strategy:**
 - *KPI 1:* Customer Acquisition Cost (CAC) – Measure the cost incurred to acquire each new customer through online channels.
 - *KPI 2:* Conversion Rate – Track the percentage of visitors to the K Supermarket website or app who make a purchase.
 - *KPI 3:* Digital Engagement – Measure user interactions on social media, the number of app downloads, and time spent on the supermarket’s digital platforms.
- **Private-Label Product Development:**
 - *KPI 1:* Private Label Sales Growth – Track the percentage increase in sales of private-label products over a specified period.
 - *KPI 2:* Gross Margin – Measure the profitability of private-label products compared to third-party brands.
 - *KPI 3:* Customer Perception – Use customer surveys to assess consumer satisfaction and brand perception related to the private-label offerings.
- **Customer Retention and Loyalty:**
 - *KPI 1:* Customer Retention Rate – Track the percentage of repeat customers over time.
 - *KPI 2:* Customer Lifetime Value (CLV) – Measure the total revenue generated from repeat customers over their entire relationship with K Supermarket.
 - *KPI 3:* Net Promoter Score (NPS) – Use surveys to assess customer loyalty and their likelihood to recommend K Supermarket to others.
- **Promotion Optimization:**
 - *KPI 1:* Promotion Redemption Rate – Track the percentage of customers who redeem promotions or coupons, both in-store and online.
 - *KPI 2:* Sales Lift During Promotions – Measure the increase in sales during promotional periods compared to non-promotional periods.
 - *KPI 3:* Return on Investment (ROI) for Promotions – Calculate the profitability of each promotional campaign by comparing sales generated to the cost of the campaign.

5. Conclusion

In the context of China's rapidly evolving retail landscape, this research has critically analyzed the marketing strategies of K Supermarket in County K. By employing a comprehensive approach that includes SWOT, 7Ps, and Porter's Five Forces models, we have identified the strengths, weaknesses, opportunities, and threats that shape K Supermarket's current position and future potential.

K Supermarket enjoys robust regional and local advantages, such as its strategic location and deep understanding of local consumer habits, forming the cornerstone of its competitive edge. Additionally, the supermarket's commitment to quality and reputation for consumer trust have been instrumental in maintaining a loyal customer base. However, the problem lies in several critical areas requiring urgent attention and strategic innovation.

The objectives of this project were to identify these areas and propose solutions to enhance K Supermarket's market position. Specifically, the project aimed to address outdated infrastructure, traditional management practices, lack of product differentiation, ineffective pricing strategies, and inadequate promotional tactics.

The methodology employed included a detailed analysis using SWOT, 7Ps, and Porter's Five Forces models, supplemented by a comprehensive survey of consumer preferences and behaviors. This mixed-method approach ensured a thorough understanding of the internal and external factors influencing K Supermarket's market position.

The main results indicate that K Supermarket's primary weaknesses are outdated infrastructure and traditional management practices, hindering operational efficiency and service quality. The low educational level of the workforce and the lack of professional training exacerbate these issues. Product differentiation remains a significant challenge due to the homogeneity of offerings compared to competitors. Additionally, the supermarket's weak presence in private branding presents a substantial opportunity for growth.

Proposals include investing in modernizing facilities and adopting systematic and professional management training programs. Developing a robust line of private label products can enhance product uniqueness and improve profit margins and brand loyalty. Refining the pricing strategy to align better with consumer expectations and market demands is essential. Implementing a more sophisticated pricing model that considers consumer psychology and offers clear member benefits can attract and retain a broader customer base. Modernizing promotion strategies by embracing new media marketing channels, utilizing big data for targeted promotions, and innovating promotional tactics are crucial steps towards engaging a younger, more tech-savvy audience. Furthermore, integrating advanced technological solutions into operations, enhancing digital platforms, improving logistics through intelligent systems, and ensuring seamless integration of online and offline channels will provide a cohesive omnichannel shopping experience.

A proposed budget and key performance indicators (KPIs) for these initiatives would include allocations for infrastructure upgrades, training programs, branding development, and digital marketing campaigns. KPIs might encompass metrics such as customer satisfaction scores, sales growth, market share, and digital engagement rates.

The limitations of the study include a reliance on self-reported data from surveys, which may introduce bias, and the specific regional focus, which may limit the generalizability of the findings to other contexts.

Suggestions for further research include exploring the long-term sustainability and profitability of omnichannel strategies, investigating the practical implementation challenges of advanced technologies in retail, and examining the impact of external shocks, such as the COVID-19 pandemic, on retail strategies over time.

In conclusion, while K Supermarket holds a strong market position due to its regional advantages and customer trust, significant improvements are necessary to adapt to the new retail environment. By focusing on product differentiation, modernizing infrastructure, enhancing digital and promotional strategies, and leveraging technological advancements, K Supermarket can strengthen its competitive edge and achieve sustainable growth. This research provides valuable insights and practical recommendations that can guide K Supermarket and similar local retail enterprises in navigating the challenges and opportunities in the dynamic retail market.

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Appendix:

Hello! I am a graduate student who is about to graduate and need to know some of your real thoughts and feelings about K Supermarket, as well as your understanding and views on the new retail business model. Please choose the option that you think is in line with your real situation, your opinion is very important to me, thank you for your cooperation!

Age: Gender:

1. How do you usually shop? [Multiple choice] * ☐ Online shopping

☐ physical store shopping

☐ online and offline are available

3. What is your industry? [Multiple choice] * ☐ Government agencies and institutions

☐ State-owned enterprises

☐ Private enterprises

Education:

Home Address:

☐ Retired

☐ Other

4. What is your monthly income (taxed) [Multiple choice] * ☐ Less than 2,000 yuan

, ☐ 2,000-4,500 yuan

, ☐ 4,500-6,000 yuan,

and more than 6,000

yuan 5. Why do you visit K Supermarket? You can choose more than one)

☐ geographical location

☐ product variety

☐ product quality

☐ commodity price

☐ service

6 Which type of goods do you think K Supermarket is the most competitive among its peers? [Multiple Choice] * ☐ fresh ☐

food

☐ department stores

☐ home appliances

☐ daily necessities

are not competitive ☐

7. Why did you choose to shop at K Supermarket? [Multiple selections] * ☐ close distance

☐ complete range of goods

☐ good quality of goods

☐ good supermarket service

☐ price concessions

8. Do you think K supermarkets have a full range of products? [Multiple choice] * ☐ Very complete

☐ General

☐ incomplete

- I haven't paid attention to
9. What kind of items do you often buy at K supermarkets? [Multiple Choice] *
- ☐ fresh fruits and vegetables
 - ☐ Packaged Foods
 - ☐ Household Daily Use
 - ☐ Home Appliances
 - ☐ Toys
 - ☐ Books, Department Stores,
 - ☐ Others
10. Have you ever purchased a private label item from K Supermarket? [Multiple Choice] *
- Frequent purchase
 - Occasional purchase
 - Never bought
11. What do you think of K Supermarket's private label items? [Multiple Choice].
- There are many varieties of ☐
- ☐ varieties are average
- There are too few varieties ☐
- ☐ quality is good
 - ☐ quality is average
 - ☐ quality is very poor
 - ☐ is affordable
 - ☐ the price is average
 - ☐ the price is too high
 - ☐ I haven't paid attention to it, and I don't know
12. What do you think of the prices at K Supermarket? [Multiple Choice] *
- Higher than other supermarkets
 - Lower than other supermarkets
 - Not much different from other supermarkets
 - No comparison
13. How often do you go to K Supermarket? [Multiple choice] *
- 1-2 days
 - Weekly
 - I only go to
 - Holidays
 - I have never been to
14. Which channel do you generally use to get K Supermarket promotional information? [Multiple Choice] *
- ☐ stores
 - ☐ traditional media
 - ☐ buses, color pages,
 - ☐ online
15. Do K Supermarket promotions affect your buying behavior? [Multiple Choice] *
- Yes
 - No

○Occasionally16

How do you feel about the service attitude of the K supermarket staff? [Multiple choice]

- *○Good service attitude
- average service attitude
 - Poor service attitude
- I haven't paid attention to

17. How familiar do you think the staff in the venue are with the products (placement, etc.)? [Multiple choice] *

- Very familiar
 - familiar
 - Average
- unfamiliar

18. Which type of promotion do you prefer?[Multiple Choice] * ☐ discount☐

buy a free

- ☐ full discount
- ☐ flash deals
- ☐ sweepstakes
- ☐ mobile payments

19. Are you satisfied with the checkout speed of shopping at K Supermarket? [Multiple choice] * ○Very satisfied

- Satisfied
- Average
- Dissatisfied

20 Are you satisfied with the after-sales service of K Supermarket?[Multiple choice]

- Very satisfied
- Satisfactory
- Average
- Dissatisfied

21 Have you heard of and understood the business model of "new retail"? [Multiple choice] * ○ Very well understood

- I know a little
 - I don't know
- much about 22

Which one do you prefer in the future consumption pattern? [Multiple choice] * ○Buy online and pick up at the store

- Online reservation, in-store purchase
- Get discount information online, in-store purchase
- Online reservation, cash on delivery
- Other

23. What do you think about the combination of online and offline shopping models? [Multiple choice] * ○Very good, in line with the trend of the times

- Too adventurous, I don't want to try
- I don't have any ideas

24 How popular do you think the new retail model will be? [Multiple choice] * ☐ It is very convenient and should be widely spread in the near future

☐ It may be widespread on a small scale

☐ It is not practical and will not be widespread 25 If new retail becomes the mainstream shopping mode in the future, please choose the shopping factors you care about.

[Multiple Choice] *

☐ product price

☐ product type

☐ product quality

☐ purchase process, operation

☐ payment method

☐ logistics, distribution

☐ after-sales service

☐ information

26 What appeals to you about the supermarkets you frequent? Or in what ways is it better than K Supermarket? [Fill in the blank] * _____

27. Do you have any other suggestions for the operation of K Supermarket? [Fill in the blank] * _____