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DEVELOPMENT OF BUSINESS IDEA BASED ON MARKETING ANALYSIS

CASE: JIA LE YUAN GROUP CO., LTD

Bachelor’s Thesis 2013
ABSTRACT

This paper focuses on studies how to develop a business. Through the case study, the good methods and modes of how to develop the kind of small-medium sized business are compiled. And also try to find the problems during the process of business development. The case company is mainly in China’s economic situation and social environment as the background. Through the analysis of big economic of China as well as analyze the economic development trend in the future. Thus the advantages and disadvantages of small and medium business during the development can be described. Another aim was to define thinking about how to find the correct marketing positioning as well how to find and use correct strategies to develop the small and medium business.

The overarching goal of this thesis is to find what factors can influence a business growth, mainly through the marketing segments, especially in such complicated social environment as China and then trying to find the solutions how to promote and guarantee the small and medium business develop rapidly and stably.
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1. INTRODUCTION

1.1 Reasons to Choose This Topic

China, as the country which has the biggest population and comprehensive national strength ranked the 7th in the world. More than that, it is with the rapid growth of economy in recent years. (See Table 1) Undeniably the economy of China has already directly or indirectly affected the whole world’s economic development. In the whole process of economy development of China, these small and medium businesses have played an important role with the influence which cannot be ignored.

Such as the situation of China, there is enormous quantity of small and medium business involved many areas. Just the state-owned small businesses make up more than ninety percent of the total number of state-owned enterprises and the employment accounted for more than sixty percent.

For a long time, the small and medium businesses have promoted the development of national economy. On the one hand they have maintained the markets prosperity and increase the financial income; on the other hand they provide more job opportunities to promote the employment issue. (Wang, 2004) Consequently, they are maintaining the society stability.

The small and medium businesses are important part of the national economy. The latest data from the National Twelve Five-year' Planning Report shows. In China the small enterprises already reached 99% of the whole amount. They have made the contribution to the urban population employment above 75% to 85%. The tax and economic contribution have already got 50% some provinces even more than 50% reached 60% to 70% (See Figure 1).
Figure 1  The Contribution of Small and Medium Business (China.com, 2011)

“The World Factbook” which as published by American Central Intelligence Agency (CIA). (See Table 1)The most authoritative reported, at the end of 2008, the World GDP as follows (unit: millions of US dollars) (Finance Sina, 2008)
Table 1  World GDP of 2008 (Chris, 2010)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>GDP (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>14,330,000</td>
</tr>
<tr>
<td>2</td>
<td>Japan</td>
<td>4,844,000</td>
</tr>
<tr>
<td>3</td>
<td>China (PRC)</td>
<td>4,222,000</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>3,818,000</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>2,978,000</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>2,787,000</td>
</tr>
<tr>
<td>7</td>
<td>Italy</td>
<td>2,399,000</td>
</tr>
<tr>
<td>8</td>
<td>Russia</td>
<td>1,757,000</td>
</tr>
<tr>
<td>9</td>
<td>Spain</td>
<td>1,683,000</td>
</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>1,665,000</td>
</tr>
</tbody>
</table>

All of those illustrate above, the small and medium sized enterprise group is forming and it is the trend all over the world. So the healthy and rapid development of small and medium business really has important influence to the whole business system. In addition share the good and successful experiences how to develop the small and medium business to a big one, it can really help more enterprises get benefits and fewer detours.
1.2 Background of case company

1.2.1 The City Of Xingtai

As the map (Figure 2) shows, in the middle of the map which is green color is the capital of China, Beijing and the red color part is the city Xingtai.

From the data of year 2010, the population of Xingtai city is 7.1 million. Xingtai city has had more than 3500 year’s history of city and more than 600 years of capital city. Xingtai has been the capital cities of 5 dynasties. Xingtai city is one of the second and third-tier cities in China and it is as big as 12497 square kilometers.

Xingtai city is located in southern part of Hebei Province. East by a river named Weiyun and Shandong Province. It is West by the Taihang Mountains and Shanxi Province. South connected with Handan city. Its northern part borders on Shijiazhuang and Hengshui Cities. The Xingtai municipal government is
located 106 kilometers away from the provincial capital city, Shijiazhuang and it is away from the capital city, Beijing 396 kilometers.

Xingtai is an important city of southern part of Hebei Province. It is a new industrial base of Hebei area. The main industries are steel products industry, equipment manufacturing industry, coal and salt chemical industry, new energy, automobile industry, new building materials industry. At the same time, it is an ecological garden city which with rich historical and cultural characteristics.

In the city master plan (from year 2008 to 2020), it is planned to increase the central city population. In 2010 will reach 0.76 million and in 2020 the population will be more than 1 million. In addition the scope of the central city will be expanded from 67 square kilometers to 665 square kilometers. Try to form the layout of city like “Northwest life, Southeast industry”.

The planning of new Xingtai city to determine the framework of city is “one city four zones”. The Northern new district as a new modern district mainly uses for office and living. The high and new technology development zone is an industrial park predominantly, and the functions of new Qili district are collect flood discharge, zoology, the leisure and livable zone as one. Another new district named Huangsi is a new zone mainly use for tourism. (Xingtai government, 2013)

The new plan determines the urban general layout is five stars around one city. One city refers to the city center, and “five stars” refer to the five satellite cities; they are Neiqiu, Shahe, Renxian, Nanhe, and Huangsi. Xingtai city will promote integrate the city and surrounding countries or cities. The government will speed up to construct the highway between downtown and five satellite cities and try to form the 10 minutes’ traffic circle. (Xingtai baike, 2013)
1.2.2 Establishment of the Company

The JIA LE YUAN Group Co., Ltd. (Hereinafter referred to as JLY Group) was established in 1999, in Xingtai City, Hebei Province of China. And as the group growing year by year, now it is already includes a lot of different business parts, such as the real estate, banking and operation industry. Nowadays this Group work as the city responsibility operator, it has two headquarters. One is in the capital city of China, Beijing Fengtai District and another one located in Xingtai City, Hebei Province.

The JLY Group was grown up in Xingtai City. They use the strategy of develop rooted in small city which they were established there, then face to the whole Bohai sea area and following the nation’s strategy. Now they has their mission of improve the quality of public life in their home city. They have four main segments of their business like commercial operations, commercial management, commercial real estate development and banking. Between the four major business segments, they are mutual support, enhance and promote each other. They form the organic business as a whole to provide consumers with high quality goods and services which the customers need in their daily life. Till now their main scope of business are in Xingtai and Shijiazhuang. (Jialeyuan, 2013)

Through about more than 10 years’ development, the company is really grown up from a little kid to a young man. At the beginning of establishment, this group had just 1500 square meters as the business area, and total employees were about 80 people. Nowadays the Group’s Retail System has department stores, supermarkets and household appliances stores, these main three formats. In addition the total business area is more than 40 million square meters. It has 31 chain stores in various formats. Includes 3 high-end department store brand “Ocean Department Store”, 9 Mass brands’ department stores, 13 supermarkets and 6 household appliances stores and the number still increasing.(Figure 3)
In 2012, it is expected that sales will reach 30 billion Yuan which about 3.75 billion Euros (according to the current exchange rate), and it will strive to enter the ranking top 5 of Hebei Province Retail Services System. (Jialeyuan, 2013)

Figure 3 Views of JIA LE YUAN Group

1.3 Research Objective and Limitations

The rise of small and medium business brings infinite vitality for the economic development of our country and in China’s economic and social development the small and medium sized businesses are playing an increasingly important role.

The Small and Medium-sized Enterprise Department of the state economic and trade commission issued a report which is named “The Small and Medium-Sized Enterprise Development Report of 2001”. It is said that in China, generalized
definition of small and medium-sized enterprise is about 39.8 million households, and narrow definition of small and medium-sized enterprise is about 10 million households. (Neteast, 2001)

Small and medium-sized enterprises with 48.5% of its assets provide 69.7% of the jobs in the employment. The amount of sales accounted for 57.1% of the total social sales amount, and makes a contribution to the social tax account for 43.2%. Especially the small and medium businesses, with 32.7% of its assets take as much as the 52.7% of the jobs in employment and they provide 42.6% of sales for the society. For country, they account for 28.7% of the tax. (Neteast, 2001)

Small and medium business has become an important force for China’s economic and social development and they got attention from central to local all the levels’ governments. Because of the small and medium size enterprises have flexible mechanisms; they can play a leading role in technological innovation, management innovation, and organizational innovation etc. The small and medium enterprises promoted to create social wealth and improve the market competitiveness as well they providing more employment opportunities and increasing exports foreign exchange earnings.

On the other hand, we should know that there is large number of small and medium sized firms in our country that is faced many of difficulties in the process of developing. Such as the small and medium businesses got unfair treatment even discrimination in the capital, taxes, social security etc. All of those hindered the development of their development speed.

From the small and medium enterprises themselves, there are also some problems existing as unreasonable industrial organizational structure, production management is decentralized, product structure is low, personnel quality is not as high as expected etc. From the function of small and medium business, they play an important role in China’s economic and social development. Another side, all the
difficulties encountered by small and medium business and all the problems they are faced, all of those restricted them play a part in their functions.

Especially after China accede to the WTO. The small and medium business will encounter a lot of new situation and problems which the past does not meet. As the result, create a good environment to promote small and medium business play a better role, have got more and more attention in China even all over the world is very important.

The research work limited to get all the situations of case company. Since the case company has so many different department stores and supermarkets around all Xingtai area. So that, I just get some main information from the big stores and typical ones. All the situation and problems are just in this specific area, it cannot stand for the situations about all the small and medium sized enterprises in China.

Furthermore, all the suggestions and ideas in this thesis only work to enhance to develop this case company. And there are just some advices for about the big and obvious problems on the marketing area.

1.4 Research Questions

The thesis mainly through a case study tries to find the way how a small and medium business grows up to a big one.

The overarching goal of this thesis is found what are the factors can influence a business growth. Especially in such complicated social environment as China. And it is mainly focus on marketing factor analysis.

The research questions mainly around the following themes:

- Situation of small and medium business in China.
- What are the business direction, marketing direction and solution of the case company even for this kind of enterprise
What kinds of strategies these small and medium businesses can use in the developing process and how they worked for the objectives.

- Like analyze the 4P of the company. Analyze their Marketing strategies. How they positioning their products, price, promotion and place.
- What kinds of strategies of the customers service area they have used and how they worked?
- What are the responses from their customers?
- And for inside how about the management strategies the managers used. How is the impact during the intracompany actions?
- Social and external influence. What kinds of impacts this kind of business can produce to the external environment and the whole society. How to make more contribution to the society.
- How to make a successful branding in this kind of business.
- How to find the correct marketing position.
- How to make the business grows stronger by marketing positioning

1.5 Structure of Thesis

The thesis has 7 chapters in total and they belong to 3 parts. The first big part is introduction and theoretical part. Introduction part is basis on explain the basic information about the thesis and the case company. Theoretical part has explained basic concepts which have used in the following texts. They are including concept of marketing, value of service, marketing communication etc. (See Figure 4)

The second big part is about practical part. This part mainly used to describe and analyze the situation of case company. It is more concentrate on case study. Then the following part is the third part, it is the conclusion and development part. This part the researcher will summarize and analyze the results from both situation analyses of case company and questionnaires. Finally the researcher can provide some suggestions and advices to the case company on how to develop in the future.
Figure 4  Structure of Thesis
2. THEORETICAL CONCEPTS

In this part will introduce the related concepts involved. The thesis is talking about how to develop one business especially by marketing positioning. First of all, the marketing segmentation is introduced. The marketing segmentation will include several marketing factors which are important to affect how is one business grows in the target market. Secondly, management of one’s own enterprise is discussed. The issues about managements are also involved. The other things, which will include strategy part, promotion issues etc.

The business development has really involved many different areas. In this thesis, just according to the real case company, something about how to develop this kind of enterprise mostly for the case company is written. In addition it is mainly through the marketing positioning part.

2.1 Definition of marketing

Marketing is the process of planning and implement. It is through conception, pricing, promotion and distribution etc. on goods and services to meet the customers’ needs. (Fahy & Jobber, 2012, 5)

According to the modern marketing concept, the customers are as the soul of all. So the marketing activities are all around the customers. The purpose of marketing is trying to satisfy customer’s needs by all different ways. Then they try to build good relationship with the target customers to get more benefits. Customer-oriented as the most popular approach is used in today’s marketing world. The modern marketing concept can be described as “the achievement of corporate goals through meeting and exceeding customer needs better than the competition” (Figure 5) (Fahy & Jobber, 2012, 5)
2.2 Marketing Planning

As Fahy & David (2012, 18) said, in order to know more about the target and the corporate itself, they need to have a marketing planning before they really go there. In simple words, marketing planning is a clear plan to tell the enterprise where to go and how to get there. (Fahy & Jobber, 2012, 18)

When an enterprise has decided where to go, then the next is thinking about how to get there. Try to find the approaches how an organization to get the place they want to go is the main point about the planning. There are some ways to describe it, but normally analysed through marketing mix by 4Ps. 4Ps mean product, price, promotion and place. (Fahy & Jobber, 2012, 18)

2.2.1 Value through Services

A. Definition of Service

Service in simple word just mean do something for others. And make others to benefit from a paid or unpaid deed. Not in physical form but to provide in form of living. In order to meet someone’s particular needs. (Jobber, 2010, 822)
In the English word “SERVICE”, someone mentioned, in this word, the meaning of each letter represents a requirement for personnel behavior or language. (Liu, 2012)

S-SMILE, the service personnel should smile to every guest.

E-EXCELLENT, the person who provides services should try to make every small item excellent.

R-READY, the service personnel should ready to provide good service to guest during the work time.

V-VIEW, the service personnel ought to every guest as a VIP to provide high quality service.

I-IMPORTANT, the service personnel should consider every time of service for customers is important.

C-CREATING, the personnel should try to create a good atmosphere for customers to enjoy the enthusiastic service.

E-EYE, the service personnel should always keep warm and friendly eyes focus on customer, try to predict the customers’ needs. And let the customers can feel they are care about them. (Liu, 2012)

So we can see, good service has very high level requirements that are not easy to reach.

B. Characteristics of Service

- Intangibility, as earlier mentioned in the thesis means that the service is thought as a deed or a performance, it is not in a physical form to existing. So it is intangible, which mean the customers cannot evaluate that by themselves
before they really taken and purchase. For example, one customer wants go to
have a massage, they cannot judge how the enjoyable of massage before they
really experienced. If a physical product, such as a phone, before purchase, the
customers can really put them in their hands to feel it, to touch it even to try it.
So the physical products are easier to judge and evaluate compared with this
kind of intangible products. Therefore, when customers choose services, they
always with higher risks than physical goods. (See Figure 6)

So that, there are more challenges for the only service providers, if the
providers also have physical products provide to customers, may be it will be a
little bit better. Keep a high quality of service is still an important way to
maintain long-term customer relationship.

In my opinion, the biggest challenge for the service provider is how to show
the service quality to the target customers. Here use the same example, such as
the massage industry. If the provider want show the high quality of their
service, they will make some photos to show how they work for the customers,
and also some pictures about how is their work environment looks like. But the
most effective way is customers’ propaganda. To sum up, high quality of
service and make customers satisfy is the most effective way to promote this
intangible service. (Fahy & Jobber, 2012, 174-175)

➢ Inseparability, it is different from the physical products, service is a kind of
performance or deed; it is cannot separate with the provider or separate the
produce and consume. (See Figure 6) (Fahy & Jobber, 2012, 175)

Contrast with the physical products, one physical good need produced,
transported, stored and delivered then it can sell to the customers. This process
could last for very long time. Service is produced and consumed at the same
time. They cannot be separate. Such as one customer want the haircut. When a
customer wants go to cut the hair, she/he needs go to the barbershop and tell
the hairdresser what kind of hair style you want. The hairdresser completes this process; which means the customer gained this service. It also highlight the importance of quality of service just depend on how the provider do it each time. That required the service should be provided at right time and in right place, the most important it should in right way. Such like this, the service can satisfy the customers’ needs. (Fahy & Jobber, 2012, 175-176)

Variability, the quality of service is important aspect for considered. It is not only for customers but also for the service providers. (Figure 6) But the standards of service is very difficult to control, service is not the same as the physical products. The physical products can use one production line to produce, and the quality of the products almost in the same level, but the service is variable. The quality of it mainly depends on the provider, and how the provider does it this time. For example, the hairdresser, even the customer go to the same barbershop and find the same hairdresser, it cannot be really same hair style in two times. There are also some other factors may affect the result of hair style. Such as the work environment, the work attitude and mood of the hairdresser’s that day etc. (Fahy & Jobber, 2012, 176-177)

Even a small factor can affect the final result. So that the professional training must be required before the service organizations start working in order to guarantee them provide high quality service to customers.

In allusion to the variability of service, the service providers should pay a lot of attention on the evaluation system to try to make that sure the customers satisfied with the service as well help to improve the quality of service.

As the service is variable and it is hard to evaluate before really experienced. So many service organizations make surveys in their customer group and got the feedbacks from the customers and reward the customers who give the useful feedbacks, this is a good way to get the in time information from their
customers and it is an effective way to know what are the bad things during their service.

- Perishability: there is another characteristic of service is perishable. As earlier mentioned, service is not as the same as physical products. Physical products from produce to sell may last for very long time and the suppliers can also store some products in advance. If the products cannot be sell out today, they can just leave them for tomorrow. (Fahy & Jobber, 2012, 177-178)

However the service is a kind of deed, produce and consume at the same time. For instance, a restaurant, we all know that the busiest time of a restaurant in one day, are in the mealtimes. If one restaurant has full occupancy at lunch time and more customers want come in to take a seat. Can the restaurant tell the customer that they book one seat for him/her at another time if she can come to enjoy lunch at another time of day? The answer is no. So what the restaurant can do for that situation. The restaurant can give up catching this customer or get more seats in their place. Therefore it is important to match the service supply and customers demand in right time and in right place.

Furthermore, as the employees, the organization should through training to make sure they can be flexible and skillful to reply the situation when they cannot meet the customers demand. They can through communicate with the customers and give some discounts for those customers to comfort them in order to catch the potential customers as well. (See Figure 6)
2.3 Marketing Mix

2.3.1 Product

Product is considered as target market’s demands and it used to meet the customer needs. It can be a tangible product or an intangible service. Normally, intangible service can be such as hotel industry, tourism industry and financial industry, these kinds of industries. (See Figure 7)

Tangible product refers the products that we can really see them on the shelf in any kinds of markets, such as cars, computers, food or cups. Product refers to a product or services existing for satisfy one kind of customer group. (Fahy & Jobber, 2012, 18)

2.3.2 Price

The amount of money charged for a product or a service. Another meaning of price to explain is the sum of the value that consumers exchange for the benefits of using or having that product or service. (See Figure 7)
Price is the cost which the customer pays for the products and the appropriate adjust the price for the marketing strategy has a profound effect. The adjustment of price should according to the product price elasticity; in general, the price will affect the demand and sales. (Fahy & Jobber, 2012, 18)

The price also has defined as, it is one company considered about the customers demand and acceptable range as well the competitors’ behavior. Make a price point for one product in a reasonable range. (Fahy & Jobber, 2012, 18)

2.3.3 Place

Place refers to a kind of distribution activity. That takes place through the proper channels to arrange transportation, storage of the products or service to the target market or target customers, and put the product or the service in a right place, make the target customers easily to find and obtain. (See Figure 7)

The place chosen must decide regarding to what kind of products and which is the best place. For example, some kind of products or service is good and convenient sell online, and some kind of products or service is good sell in retail stores. That means the company should know their product as well the demand of customers. (Fahy & Jobber, 2012, 19)

2.3.4 Promotion

Promotion in a simple way to explain is to help how an appropriate product informs the target market and target customer group. Also the product should with a reasonable price and in the proper place. The approaches include sales promotion, advertisements, and salesman etc. (See Figure 7)

Promotion also means various marketers use the ways of communication, it can help the different groups understand the products, and mainly they through the
ways to promote like advertising, public relations, personal selling and sales promotion. (Fahy & Jobber, 2012, 19)

![4P S in Marketing Mix](image)

2.3.4.1 Significance of Marketing Communication

Communication as the important means of expresses emotion and conveys information between people. It is also indispensable in business activities. All the enterprises, no matter they are large or small, commercial or government, profit and not-for-profit. All of them need communication with someone in a certain extent. The object of communication could be shareholders, partners or some other stakeholders, and the contents of communication will involve many different aspects. Such as need some support, get some information, get some help or want to know some other related industries. Even more want to know the stakeholders’ activities etc. (Fill, 2009, 15)

Communication is a two-way street, both internal and external. External is mainly communicate with the target customers, sometimes may be with competitors. The
purpose of communication with the customers, it is certainly hope to get more customers, by the way of communication let the customers like and choose their products.

In such a fierce competition and customers always have thousands of choices when they want buy something. Good and skillful communication with customers definitely can help to get more potential customer.

Naturally, there are many different kinds of communication approaches. How to effective and successful communicate with others, and how to through the way of communication to get more customers. It is still a vital point in marketing competition. (Fill, 2009, 15)

2.3.4.2 Marketing Communication Tools

The marketing communication mix of 3 elements, they are tools, media and message. In order to better communicate with the target customers, with time, there is more progress with the communication nowadays. New technology will help to improve the communication more professional and skillful, but no matter how they developed, they are based on these basic things. There are five principal and basic marketing communication tools. They are named advertising, public relations, sales promotion, direct marketing and personal selling. (Fill, 2009, 19)

- Advertising, comparing with other communication tools, it has the high costs and high investment. But advertising is really important in communication campaigns. No matter the advertising is an international or national one or local one, it really has a big potential audiences. (Fill, 2009, 483)

  We all know that advertising can with very simple and short words to reach huge customers in very short time especially in high development of network currently. Advertising is through the text, image, sound and performance etc. It can attract the customers in very short time. It can be done just with simple words in very short
time to show the characteristics of one product to the audience as well show the product appearance and performance, even let the customers interested in this product. There is one disadvantage is that the control of target audience is not that high, so although the customers have seen the advertising and like it, but they want to buy it or not, just depend on the customer’s decision, advertising cannot through skillful ways to help customers decide to buy. Neither it is that credible. (Fill, 2009, 24)

➢ Sales promotion, it is a communication tool with a low ability to deliver a personal message as well it has the low level of interaction. The costs of sales promotion not that high like advertising, it cannot reach that much of audience but it is better to target smaller group of audience. The degree of controllable is much higher than advertising. As well credibility is somewhat higher than advertising. (Fill, 2009, 24)

The sales promotion usually just aims to an effect the audience to behave in a particular way, most of time it encourage the customers to buy one product in a specific time period. But advertising has another main function, it mainly aim to improve the marketing awareness.

Sales promotion has many different ways to offer the customers additional values. For example, the discount pricing, money-off coupons instead of use money, refunds, quality increase etc. All of those can encourage the customers to choose the product in the specific time. This is an effective way to get more customers but it is a short term communication tools. And it is not in a high level of interaction. (Fill, 2009, 538)

➢ Public relations, this is a wide range of useful communication tool. It can play in both internal and external communications. As well it used for all kinds of organizations. Public relations is effort to establish and maintain the understanding and good reputation with the interests. It is called a management of relationship between enterprise and the stakeholders. Public relations are in the low level of
deliver personal messages, and it is not that interactive. In the ability to reach the audience, it is not that effective but still work. In the costs aspect, public relations have the lowest costs of these five basic communication tools. But this is the most credible of communication tools, for this characteristic, many customers will like it absolutely. (Fill, 2009, 24)

Because of Public relations is more like a management or strategy of establish and maintain the relationship with the stakeholders, it will be not that easy to control. The organizations just can try to make goodwill between them and stakeholders, but they cannot decide how about the others thinking. (Fill, 2009, 565-566)

This is a good tool as well as a difficult one. The public relations have different kinds of objects. Such as internal relations, the organization should try to manage the good relationship with their employees. For the financial relations, they should work effort on the financial groups, the investors and shareholders. In addition, they also have media relations, the customer groups. So they need arrange much different types of relationships. (Fill, 2009, 567-569)

- Personal selling is understood as the face to face selling activity by the sales persons. It is a very traditional way to communicate with customers. Because of this way of communication is use the form of face to face mostly, it has high level of ability to deliver a personal message. The same reason, so that this tool cannot reach very large of audience. But it is very interactive between the communicate persons. According to ourselves experiences, we know that the sales persons always exaggerate the benefits of goods when they sell one thing to the customer, so that the credibility of personal selling is not that high, but it should a little bit more credible than advertising. (Fill, 2009, 23-24)

The cost of it is higher than public relations and sales promotion, because of training the sales personnel really needs a lot of investment. But this personal selling is the more effective way of communication. At least there are two persons involved in
this communication, seller and buyer. The sales person can get the direct feedback from the buyers during the communication that will be easy to effect the customer’s final decision of purchase. So this is still an important way to increase sales amount. (Fill, 2009, 655-659)

- Direct marketing, it is a modern way to communicate with the customers nowadays and mostly through online to communicate. With the very developed and rapid development of network, most of direct marketing use direct mail, telemarketing and fast developing area instead of the face to face communication. Direct marketing focus on the individual customers more and they try to build a relationship with the target customers by direct communication with them. (Fill, 2009, 23)

Direct marketing has the high level of ability to deliver a personal message as mostly it is focus on the individual customer. So that it is an effective and interactive communication tool. But as this characteristic, it is cannot reach very large audience. The credibility of it is in the medium level. In a certain degree, it is a high level of costs, such as the cost per contact. But in totally the costs of this direct marketing way is not that high as advertising and personal selling. In addition, as the target customer is the individual one, it will be easy to effect the final decision of customer. It is in high level of ability to control the target audience. (Fill, 2009, 24)

Sometimes the direct marketing tool considered as the management of customer behavior. Comparing with the other communication tools, the advertising and public relations most use to provide information to the target customer group, mainly aim to improve the marketing awareness and develop the brand value, try to make more customers know the products and interested in this brand. But direct marketing and sales promotion more use for react with the customers. More responsible for build and maintain a long term relationship with the target customers. (Fill, 2009, 624)
3. METHODOLOGY

3.1 Research Method

The main research method in this thesis is case study, as earlier mentioned the work experience in this company for several months is helpful. During the training period in this company really can learn a lot of things about this company as well that can provide more favorable conditions to write this thesis. Since the managers help to provide some internal documents and archive records when needed during this thesis, the work goes more effective.

As Ghauri and Grønhaug (2010, 109) mentioned, case study is one of particular and useful way in business study. And when the phenomenon under investigation, it will be very difficult to find out the results, at this time case study approach can help a lot. Case study approach as the qualitative research method is to help describe the situation of management in one enterprise.

And the case study approach always involved the data which can find out from verbal reports; personal interviews etc. and the case method can find the data from financial reports, budget, and operating statements etc. (Ghauri and Grønhaug, 2010, 109)

In addition, a questionnaire is prepared to know how the customers think about this company, furthermore, after collecting the answers about the questionnaire. That can help to get what are the advantages of this group as well what the disadvantages about this group are.

3.2 Data Acquisition

Ghauri and Grønhaug (2010, 103) said, in business studies the researcher should collect some useful information work for the research. The basic information and data about the case company are collected from their internal materials and their web pages.
In this study, the managers those from different departments of case company really provide many help. Such as the Administrative department, the Accounting department, the Sales department, the Marketing department etc. Also some ideas about how to development are from their internal newspapers and magazines, the newspaper named”Windows of Jia Le Yuan” . On the newspapers, involved a lot of different kinds of articles which are from their employees and also from some famous writers.

3.3 Data Analysis

The purpose of data analysis is tried to get a result of this research. All of the data which collected from different ways are aim to get some results finally. And all the steps before in the research process are in order to support to get the meaning of search. (Ghauri and Grønhaug, 2010, 150)

In this thesis, the main method of analysis the data is use the statistic way to get the results. In addition, a questionnaire was prepared to collect more information about how is the case company, and after interview got the answers from different kinds of respondents. Then analysis all the data from the real customers which they have really experiences and use different kinds of charts to show the results. This is a clear and effective way to get the meaning of all the data. And help to reach purpose of this research.
4. BUSINESS GROWTH

4.1 Achievements

The commercial business area of JLY Group is more about 40 million square meters and it has the staff about 8000.

JLY Group has assets about 180 million Yuan about 22.5 million Euros (according to the current exchange rate) and annual turnover exceeds 150 million Yuan which about 18.75 million Euros (according to the current exchange rate). (Jialeyuan, 2013)

It is already one of the largest commercial retail enterprises in Xingtai city.

The Supermarket Company of JLY Group in line with the operation principle “Fresh, Cheap, Comfortable and Convenient” is developing constantly, now it became the most large-scale Chain Supermarket in Xingtai.

In the following five years, JLY Group will form the development strategy as “based on Hebei, and look to the whole nation” and tries to achieve keeping abreast developing commercial operation and real estate industry. It is in order to become a modern and large-scale enterprise with normative management and steady operation. (Jialeyuan, 2013)

4.2 Operation Principles

The core idea of this enterprise’s culture is “people oriented, and treat enterprise as home”. They thought employees are the root of the enterprise. They play an important role of create wealth for the enterprise.

So at the same time, when develop and operate the company, they also treat the staffs’ development as the basic contents of the whole enterprise development.
In JLY Group, various social and medical insurance system, let every employee can set his mind at work and enjoy the peace of mind. All of them have paid sick leave, paid maternity leave, sometimes have chance to individual learning and training. As well the company has about 100 thousand Yuan about 12.5 thousand Euros (according to the current exchange rate) reward to the outstanding staff to go to travel. All the welfare can show this company is really a responsible enterprise.

In their business operation, the self-department is the main part. They use Customer-centric as the business philosophy, as well as they have improved logistics and distribution, use the advanced ERP management software to manage the daily work. The group adheres to balance developed with the main three parts, as commercial retail, real estate and commercial operation. (Jialeyuan, 2013)

4.2.1 Operation Principle of Supermarkets

They positioned to seize the 3-line and 4-line retail markets. The agricultural and sideline products in their supermarkets which use the direct to the farms, in order to reduce procurement costs as well to ensure them fresh and cheap.

On Sep. 1st of 2011, JLY group made a public commitment to the social community on quality, price and service standards. They promise that, the price will not higher than the other similar businesses in Xingtai, Shijiazhuang and Handan cities. If the customers are not satisfied with the service they will return money without any reasons. And about the quality, they promise they do not sell expired food, do not deal in counterfeit and shoddy products. (Jialeyuan, 2013)
4.2.2 Operation Principle of Real Estate

The real estate company is responsible for land acquisition, investment and construction. The operating company is responsible for the planning and investment operations and commercial company responsible for mainly self-support stores. They mutually support each other, and integrate the industry chain. It is so as to form a virtuous circle of value chain. Till now they really made some achievements.

Last two years they have finished built the “Tianyi Square” as the top brand, they try to made the “urban complex” products. It is according to the different consumers’ characteristics and different consumption capacities. They design, planning different commercial real estate projects to satisfied more customers.

The JLY group effectively solves the local employment problems. Just The TianYi Square can arrange about 10 thousands people’s jobs. And it is also promoting economic development, promoting the upgrading of the third industry. They leading the consumption ideas, improve the people’s living standards. Eventually, promote the harmonious development of the whole society.
5. COMPANY SITUATION ANALYSIS

The shopping environment of a store always is an important competitive factor. Good shopping environment will be greatly enhancing the competitiveness of the enterprises. Department store shopping environment should be good enough at these four sides. They are landscaping, security, comfort and convenience. Good shopping environment can make the customers feel comfortable and happy, and then they can enjoy the fun of shopping during the shopping process.

In JLY Company no matter the equipment or the decoration level are all consistent with their taste and fashionable grade. In the shopping mall or department store, the layout of goods is according to the classification of customer requirements. All the commodity display are reasonable and indicated information are clear. Everything surrounding include lights, color and temperature are try the best to make costumers feel more comfortable.

In addition, all the department store, shopping mall and supermarkets will renovate decoration regularly. This is not just a better guarantee for the safety of stores shopping environment but also enable the customers can keep feeling of freshness as well as attract more new customers.

Another important thing in a department or a shopping mall, right marketing positioning and good management, can help to make a good staff image as well spontaneous good manners of customers.

And all of those are important part of good shopping environment.

Everything is in a relationship. Due to the formation of a good shopping environment, the customers will form high sensory quality and higher expectations to this company. So that also will help to attract more new customers and maintain the old ones in certain degree.
5.1 Marketing Positioning Strategy

Nowadays in the fierce market competition, no matter it is a department store or a shopping mall, the company must have a clear and correct marketing positioning, in order to form their own operating characteristics and competitive advantages.

The department stores and shopping malls compare with other kinds of industries; they have their own special marketing elements, like the shop address, products, services, prices, communication and environments etc.

A lot of shopping malls or department stores failed in the competitive marketing. There are various reasons but the most important one should be those companies they do not have clear and correct marketing positioning. They do not have a very clear target market and target customers. Resulting in regional markets, all the stores and shopping malls are in the same range and same level to competing and try to attract the same kind of customer group.

In fact, in the consumer markets, there are a large number of buyers. They have different incomes and different abilities of purchase, they have different cultural backgrounds, and they have different social status, jobs, level of educations, as well as different gender and age etc. Those various factors can lead to a complex and varied demands of customers.

But many shopping malls or department stores do not have a clear and effective marketing segmentation and do not have correct marketing positioning. So it is very difficult to form own operating characteristics, which is unappealing for customers. JLY Group has such good development and achievement, there is an important reason is that they have the clear and accurate market positioning. The purpose of market positioning is through the analysis of this market and itself, to find out their advantages. Then form their own characteristics, which different to the competitors. Thus to attract the customers and also can set up the products image as well enterprise image.
Starting from 1990s, with the economy development and people’s income level increase, the ability of purchase enhanced. The demand of department store retail market became obvious differentiation.

The case company from their beginning has already found this change, and they made a clear and correct marketing position from that time. As I have mentioned the Xingtai City is not a that big and top level city in China, so the ability of purchase and income level is relatively low compare with the first-lined cities as Beijing and Shanghai.

According to the real condition of Xingtai, the JLY group made the accurate marketing positioning; it is “Wage Earners Shopping Heaven”. It is means they make the target customer group which is between 20 years old to 50 years old, and that group of customers has relative strong purchase ability. (Jialvyuan, 2013)

The company according to the characteristics of target market to made more accurately targeted strategies. Consequently they formed the correct operating characteristics which combine with fashion, taste, and also can satisfy most of customers.

5.2 Analysis of Marketing Mix

5.2.1 Product

The entire products sale in the department store or supermarkets must be consistent with the target market’s demand. That should be performance on the types of products, the variety of products, the grades of the products and also the brands of products etc.

In such a competitive markets which also with the various demands of different kinds of customers. One department store or a shopping mall cannot be good at all aspects of sale products. Instead of cover all the bases, one department store or a
shopping mall should be better if they can according to the conditions of its own and combine with the demands of the markets to make the “subject department store business” and be absorbed in several categories of goods. Then try to make each categories of goods has themes.

So that it can help to form the features of products and establish a distinctive enterprise image, and makes the customers to form a relatively fixed consumption habits in order to maintain the department stores have more loyalty customers.

JLY Group from the beginning “Wage Earners Shopping World”, then according to the changes of market demands, turns to extend marketing positioning to high-grade fashion. They want on the premise of fully meet the mass consumption; also give consideration to High-end customers. So the JLY Group has different levels of shopping malls in Xingtai City, one is more suit for the wage earners, and another ones are more high-end brands there.

In allusion to the characteristics of target market, the JLY group launched many distinctive themes’ products. For example, Daily life Goods, Department Store of famous brands, Popular Lady, Traditional Chinese Brands, Fashion Jewelry, International brands, Men's Elegant Demeanour, Leisure Sports, Home Appliance etc.

When the kinds of products, classes of products and brands of products are all consistent with the target markets, it always means they have a very clear target customer groups. That makes the promotion and publicity jobs easier to carry out and more effective.

5.2.1.1 Service

Compared with other retail formats, service is one of most significant factor in attracting customers of a department store and shopping mall.
And also it is one of most important factor to form a different operating characteristic from the other competitors.

Service in department store or shopping mall should target in comprehensive, meticulous, specialized and convenient. They should make an effort to improve the level of service and quality of service in order to form their own service features. In addition good service can reduce the customers’ costs and increase the buy value.

JLY Group has one service purpose as “customers first, close to the people and service the public” From the start of they establish this group; they paid a lot of attention on the service part. Whether the ways of sales or the standards of service, especially after sales service. All of those have good reputation in the industry. In some ways they are even the local precedent.

Along with the changes of market demand and competition, the group advancing with the time, they did not stop nor content with the status quo. They innovating their service constantly, through more emotional service like communication with customers; let the customers largely felt use the heart to serve everyone. Even in some subtle part of service, they try to let the customers more feel at home.

So as to gradually set up a good customer reputation and corporate image, this is another reason why they can attract a large number of loyalty customers and become more competitive in the market.

5.2.2 Price

Price is considered as one of the most important factors when choosing a product, as well as a kind of important means of enterprise participates in market competition. The different levels of income and purchasing ability of different customers also have different Price Tolerance and different Price Sensitivity.
When they are shopping, different type of customers will put the price factor in different order of important factors which can influence the shopping decision. Therefore, the price of goods in department store or shopping mall should as far as possible consistent with demands for the price in the target markets.

In generally speaking, the price of goods in department stores and in shopping malls should be a little bit higher than in other places. So the price is not the primary consideration when a customer selects department store or big shopping mall to shopping but also need to see two things:

First, goods in high quality with low price are always been popular with consumers. As a result, the department store or shopping mall must strive to improve their operation and management level, try to reduce the logistic costs, reduce operation costs, so as to improve the price competitiveness of them. At same time using a variety of price concessions try to keep long-term relationships with customers.

Second, the company can through the ways of service, brand, corporate image, and communication etc. to influence customers’ the understanding of value. So as to make the customers trust the understanding value of the products is higher than the real value of products.

That can really help the customers accept the prices of the goods. As well it can enhance the department store or shopping mall to control the prices of goods. In the real case company, they really have a lot of price concession activities usually. Some special days like festivals or birthday of any department stores or supermarkets, and in the wage earners’ shopping mall, most prices of the products are really sweet for the customers who are suitable for here.
5.2.3 Place

The department store site selection should follow 3 basic principles. They are coverage, convenience and avoidance. Coverage means the location of department store is consistent with the target customers. The convenience requires the location of department store has convenient transportation; it is easy to find and to go for the customers. In order to reduce the customers’ buy time as well as the other costs.

And the avoidance asks the department store site selection should try to fill the blank of that market on the geographic area, as far as possible to avoid the similar competitors. It could be good when a department store select the location if it can do all of those three.

JLY Group on the side of site selection is very prospective. In Xingtai City most of Densely Inhabited Districts have a JLY supermarket there. And the company still plans to construct more supermarkets in the area which are not having their markets yet. So the coverage of JLY supermarkets are very high, it is already became the largest number of supermarkets in Xingtai, and no other company can compare with it till now.

Another side, about the shopping malls sites selection. They have 4 shopping malls in downtown of Xingtai city, and they are located in several important commercial centers which have convenient transportation and easy to find.

The right store site selection and effective market strategy are the very important reason why the JLY Group can attract a large number of customers. It also helps to set up a good enterprise image and laid a solid foundation for the future competition.

5.2.4 Promotion

Promotion is an important way to attract customers; it also can help to set up a good corporate image. An enterprise can success or not, except for rely on the good
quality of products and good service. The promotion is also a very important which cannot ignore.

Good publicity and promotion not only the most effective way to attract more customers as well as increase sales amount, but also at the same time let the customers accept the operation idea of this company. Consequently enhance the competitiveness of company in this industry.

Currently, promotion is almost the most significant approach to set up one enterprise image and make an enterprise get a higher visibility in the market. No good promotion usually means there is no way to build a famous brand.

JLY group pay a lot of attention to Promotion part. It has membership system. And no matter in which one of supermarket or in any shopping mall, if you are the member of this company, then you can have a lot of discounts, which really can save some money. And never doubt, whenever, discounts always the most attract factor for customers.

In the end of every year, JLY group will have a series of discounts and activities for their members. Every member has a member card in their hand, and when you purchasing you will get credits according to how much you have spent. Then in the end of year, the members can use the credits to exchange some free gifts, of course it depends on how many credits you have got in your member card, then got different prices of gifts from the service center.

5.2.4.1 Communication

Marketing positioning is based on the target customers’ evaluation and judgment for the enterprise and products which are measured after comparing. The enterprise should try to make the customer’s both interest and emotion to bias. They can through the two-way information communication, try to prompt the customers to
form the understanding of enterprise and also interest in this enterprise even the preference.

Communication should be a two-way street. There are two purposes of communication, on the one hand it is can help to pass the enterprise information to the target customers, in order to make the customers understanding and interest in the products and the company. On another hand, communication can help the enterprise through market survey and collect information to know the changes of customers’ demand, and it is easy to let the company adjust the market strategy promptly.

The case company, JLY group always attaches great importance to the communication. And it reflects in different aspects. There are both communications between managers and staff as well as staff with customers. In addition, the details of their market research include both micro and macro contents.

The group often arranges each department leaders go to the grass-roots markets to communicate with the staff and customers face to face. In the form of experience to better understand the actual situation and difficulties of each store. So that they can know what are the difficulties of employees and what the real needs of customers are. Then the leaders will try to find the solutions to solve the problems and difficulties of both staff and customers in time. Make sure the problems will not affect store’s daily sale. At the same time, any of the big activities and assumptions will do market research and ask opinions of staff before implementation. Then decide it is feasible or not.
6. PRESENTATION OF QUESTIONNAIRE RESULTS

6.1 Questionnaire Design

In order to know more about the case company, there is also a questionnaire used to collect the information (Appendix 1). Through the replies from respondents as well they are the customers who have shopping experiences in the case company before. Then it can help to get the real situation about this store or shopping mall. In addition that also can get the real impressions and evaluation from these customers.

The questions in the questionnaire almost about the real feelings when the customers shopping there. And another part in the questionnaire are ask about how are the marketing factors work in the case company as well how they work in customers opinions.

The respondents are all from the case company’s city, they know more deeply about case company, in order to make the respondents easier to answer the questions, there is also a Chinese version of questionnaire (Appendix 2). The total questions are 27 which include the basic information about the respondents, and the target group of respondents is the people who are from age 20 to 50. As we all know this age group has the strongest consumption ability as well this age group is also the company’s target customer group. That is the reason why choose this age group to be the respondents, they can give the most useful feedback and more valuable information.

There are about one third of the respondents are still study in school, they are students, they do not have salary from work but they are supported by family. As the situation in China, the children which are still study in school, they really have some consumption ability as the Chinese parents will not let their child do not have money when they are still do not have ability to provide for themselves. The rest of the respondents are already having jobs. Of course they are working in different areas. From the results, we can see most of the young people in the case city; they do not
have very high income yet. As earlier mentioned the case city is a 3-lined city in China, the wages there are not that high as the big cities in China.

During the survey, I have send out 100 questionnaires, from email, from all kinds of chat tools which I can use by internet, and finally I got 89 replies back. Thank you for all the respondents. After the data were collected and analyzed, according to the results to made the charts of each question, as thus it will be more easy and clear to see what are the evaluations from those respondents as well as they are the real consumers.

6.2 Results Analysis

![Gender distribution chart](image)

Figure 8  Gender distribution (total=89)

This pie chart (Figure 8) shows the total 89 replies; include 57 males, accounted for 64% in the total amount and the rest are females accounted for 36%, there are 32 replies from the girls or ladies.

Among the total 89 respondents, most of them are the young people which are in the age from 23 to 35. And they are working or study in different areas. But mainly are normal jobs, like teacher, civil servant, engineer, office lady and some individuals.

As the kinds of jobs are too much to statistics so that I have not make any charts to show the types of jobs, just statistic the income levels to show the consumption situation in the case city.
This chart (Figure 9) shows 5 levels of the income situations about the respondents. Among the respondents, most of them are the young people who are in the age group from 23 to 35; in addition the case city is a low-income level city. It is showed most of their income under 3000 Yuan RMB per month (about 375 Euros).

There are 26% of the respondents have income under 1000 Yuan RMB, they may be the students who are not work yet, and there are 25 respondents have income between 1000 to 2000 Yuan, they accounted for 28% in the total amount, as well they are the biggest income group during this survey. The third group is 2000 to 3000 Yuan as the income monthly; it accounted for 27% totally, and has 24 respondents in this level. The first 3 groups are the mainly situation among these respondents. The income level from 3000 to 5000 Yuan just have 10 respondents and about 11%, for the rest more than 5000 Yuan per month, are just have 7 persons. So it is very clear to know the case city-Xingtai, it is 3-lined city which has not high income level.
Figure 10  Likeability of Shopping Malls (n=89)

This is the chart (Figure 10) about question which shopping mall you usually go, and the options show 3 big and popular shopping malls in Xingtai City, and the others mean the rest of shopping malls or stores in case city.

From the result it can be seen that, the case company or said this group are really popular in Xingtai City. From the number of replies, there are 67 respondents choose JLY as the answer; and they are accounted for 75% in total amount. It is mean JLY group has a big potential target market in Xingtai city already.

The first option YINZUO shopping mall is also big and good one in my mind. But there are just 5 respondents choose it. The third one is named ZhongBei shopping mall, this one is more close to civilians, and they have 4 backers here.

Figure 11  The Frequency of Shopping (n=89)
This question (Figure 11) is how often you go shopping, and there are 4 options. The option A is like one time per week or more, there are 13% have chosen this one. Option B accounted for 27%, and there are 24 respondents have chosen this one. The third one is once per month, have 13 backers in this result. The most popular option is the last one, there are 40 backers have chosen this one, and take accounted for 45%. From the answers, it can be found most of respondents said they will go shopping when they need or have free time, it is not very regularly.

Figure 12 Contents of Shopping (n=89)

This column chart (Figure 12) shows the result of contents of shopping. The options are the normal shopping contents, but I think the contents depend on the gender, age, personal characters and also job etc. many factors can influence the contents of shopping. Clothes and food are the most welcomed options. Then it is the shoes and hats. The rest options should be rely on the personal preference.
This question is what the main reasons are when you choose one shopping mall. From the column chart we can see, the options are some important factors can influence the choice when a customer wants to go shopping.

From the result (Figure 13), it can be seen the most important factor is the location. There are 51 respondents choose this one and accounted for 17% in total amount. Then the types of goods, the price, taste of goods and quality also great influence the customers’ choices. But the transportation, brand and service seem not that important as expected.

So we can know that the location of one store is the first reason for customer to consider, and good taste, reasonable price, good quality and complete types of goods are also important to attract more customers.
Figure 14  Best Shopping Environment in XT City (n=89)

This pie chart (Figure 14) is the result of the question which shopping environment, you like best in Xingtai. The three shopping malls are the most popular ones in XT till now. It is very obvious. The best shopping environment is JLY, the case company. More than half respondents have chosen this one, and YIN ZUO shopping mall somewhat worse than case company but still a good one. It has 29 backers in the respondents and accounted for 33% of all.

Figure 15  Satisfied With Existing Shopping Malls. (n=89)

From this pie (Figure 15), we can see most of respondents have no idea of this question. Most of them should not care about this kind of things. Maybe they are called some kinds of “careless”, and 33% of respondents said they are not satisfied with those existing shopping malls. That is means in XT city, there are still big potential market for more shopping malls. At least, there is still a big potential market in young group. Because one third of young people think they are not
satisfied with those existing shopping malls in XT, and following I will show the reasons why they are not satisfied.

![Column Chart](image)

**Figure 16**  Reasons For Not Satisfied With Existing Shopping Malls. (n=89)

This column chart (Figure 16) have list some important reasons about why the customers do not satisfied with the existing shopping malls. From the result, the first reason is the category of goods are not enough, So it means the shopping malls or stores in Xingtai city should improve this kind of problem. Then the shopping environment, price and taste of goods are also important reasons why the customers unsatisfied. For one shopping mall, there are so many factors can affect the evaluation from customers. So that ask one shopping mall or store should take care of those factors which can help them get more customers.

![Pie Chart](image)

**Figure 17**  How about Meet the Customers Demand (n=89)
This pie (Figure 17) showed the result of if the existing shopping malls in XT can meet the customers demand or not. From above we can see, 57% of responders said can meet their daily shopping demand and 22% of them said no, and the rest 20% of them thought random.

![Pie chart](image)

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A, yes</td>
<td>66</td>
<td>74%</td>
</tr>
<tr>
<td>B, no</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>C, I do not care</td>
<td>21</td>
<td>24%</td>
</tr>
</tbody>
</table>

Figure 18  Willingness to Other Brand of Shopping Mall go to XT (n=89)

This pie chart (Figure 18) above showed the people’s mind of if they want some other brand of shopping mall go to XT. It is very obvious to know most of responders want some other brand of company can set up shopping mall in XT. There are 74% of responders said yes, they want. And just 2% of them said no need to set up more other brands of shopping mall there. Moreover 24% of responders said they do not care about this.

This result showed, in XT markets, most of customers want some more brands of shopping mall go to XT, then they can have more choices when they shopping. So thus it is very clear most of the customers still feel unsatisfied with the existing markets there.
Figure 19  Willingness of Top Level International Brands comes to XT (n=89)

This result (Figure 19) is about if the customers want some top level of international brands shopping mall or supermarkets go to XT. It is really a remarkably unified answer. 79% of the respondents said yes, they want the international brands of shopping malls can set up in XT city, none of them said no. the rest of 21% of respondents thought it is Ok, none of their business.

So from this question, we can see that in XT city, there are still big leak on the international brands. Most of people in XT, they want in line with international standards.
In this question showed some big and popular brands of shopping mall or supermarkets. I just want to know which big brands are preferred in the customers’ mind of XT city.

From the result (Figure 20), the first choice is Wal-mart, there are 33% of responders have chosen it. Wal-mart is really a successful company even in the whole world. The second popular company is Carrefour; it has 35 backers in the responders, and accounted for 18% of all. We all know that, Carrefour is one of the top 500 companies in the world; obviously it is one of very successful companies as well, and the rest 4 big brands are also good successful model to learn something for those small and beginners in business industry.

Figure 21  Probability of responders have been to JLY for shopping (n=89)

This question (Figure 21) is ask if the respondents ever been to the case company to shopping, and the result is same as expected most of people in XT have been there. So in this result 96% of responders have been there before and there is 3% of them have not been there yet but they have heard and know this company. Just 1 respondent have not been there nor heard about it before. From this question we can see, the case company has a really a big influence in XT city as mentioned in above text.
This pie chart (Figure 22) above is to ask the responders who have been to the case company for shopping satisfied or not. There are 63% of respondents said they are satisfied when they shopping in the case company and 28% of them said no, the rest of 9% of responders said just ok for the experience shopping in JLY. Following question will show the reasons why they are not satisfied with case company.

This pie (Figure 23) is about the results what the big problems of the case company are. The options just list 5 main factors of one shopping mall or department stores. Most influence factor is price, this answer very easy to understand, most of customers will consider with the price when they shopping. So 29% of respondents choose price as the big problem in case company, there are still some unreasonable prices in their shopping mall. Another big problem is the taste of goods in their store,
there is 26% of responders thought the taste of goods is a big problem in their business. Moreover product quality and service are also having some problems in the case company. But we all know that, there is no chef can satisfy the all foodies in this world, although there is must exist some problems in the case company.

![Figure 24](image.png)

**Figure 24  Directions the Customers Want JLY develop (n=89)**

This question is asked which direction the customers want this case company going, as well how to make the marketing positioning (Figure 24). The options have listed 3 main directions. Option A is in line with international standards and there are 29 respondents have chosen this one. The second option is mainly service for middle-class customers and 36% of them thought the case company should develop in this direction. And 20% of responders thought JLY should take low-end line and more close to people, they chose the option C.

The answer for this question is relative equally. Just depend on the personal thought, but still more respondents thought the case company should position in the middle-class.
This pie (Figure 25) above is the answers of question, if the case company establishes a new shop or store, dose the customer want to have a look or not. This kind of question can show how the reputation of this company in customers mind is. The result showed to us, 48% of respondents will go to have a look and 2% will not go. This mean in customers mind, the case company is expected, but there still has 49% of them will wait and see, according to my understanding, those who chosen wait and see just because of they thought it should be too crowded when the new store opening. Unfortunately, this is really a big problem as China has the biggest population in the world.

This question (Figure 26) is about why the customers want go to have a look at the new shop when it open, and in the options there are 3 main reasons from customer’s point of view. The first one is the customers like they have some promotion activities and discounts, and it is very reasonable, most of customers just for this
reason and go to buy something in this good chance. So there is 54% of respondents have chosen this option. 24% of respondents have chosen the second one; they trust the brands of this company and reputation, so they want go to the new shop to try. As well there are 13% of them going to the new shop just join in the fun but no serious reason, the rest of 8 respondents chose no reason or other reasons.

![Column chart showing reasons why the case company can develop rapidly](image)

**Figure 27  Reasons Why the Case Company Can Develop Rapidly (n=89)**

The column chart (Figure 27) above is showed the result of question what do the customers think how the case company can develop rapidly in XT, even it is already became a leading business group in XT currently. In the options there listed 5 main ideas about why they can develop rapidly. Big part of respondents have chosen the option B, the case company catching the opportunity and extend the market in time. It has 46 backers in the total responders. Then 38 respondents have chosen the case company has accurate market positioning to develop.

In addition, good store site, reasonable price and good service and quality also are significant reasons why they can develop rapidly in the customer’s opinion. It is clear that catching opportunity to extend market in an accurate market positioning is really good way to become stronger.
The last question (Figure 28) in questionnaire is about how the case enterprise influences the whole city. A good enterprise is not only bringing more conveniences to their customers but also can bring some good influences to the whole city.

The options of this question have listed 5 options, and this question is a multiple one. From the chart, we can see option E have most backers of all the options. There is 27% of respondents have chosen this. They think the case company creates a better shopping environment for the home city. Option A and option D have same number of backers in respondents. 20% of them thought the case company can promote the development of economy and bring more job opportunities. There is 16% of respondents thought the case company has improved the consumption level in the case city. In addition, 12% of them thought the case company helps to form a good commercial atmosphere. From this result, we can get the answer, the case company made a great contribution to the development of the city.
7. CONCLUSION AND DEVELOPMENT

7.1 SWOT-Analysis & Major Findings

Through analysis the marketing situation of case company as well as the results of questionnaires, I show the key findings by SWOT-analysis.

The figure below is showed the main idea of strengths, weaknesses, opportunities and threats of case company.

**Figure 29  SWOT-Analysis**

From the figure above (Figure 29), we can clear to see how the situation about the case company is. Since the case company was born in XT city and grows up there for many years. The case company in XT city already has big customer base.

From the results of survey, there is big part of consumers will choose JLY group as the first choice when they want buy something, and the other reasons for that must be because of the high coverage of stores. As mentioned before, the JLY Group has opened many department stores and supermarkets in different area of XT city. We can consider that, right and good store site can really help to get more customers.
The accurate marketing positioning and store sites are the significant factors to decide one enterprise success or not. In addition, another sign of business success is how about the organization makes contribution to the city construction. JLY group not only have got big achievement for their business, but also make big contribution to the whole city. It brings a lot of work opportunities to the residents of this city as well it really improves the whole shopping environment in XT.

Although, the case company is developing rapidly, at the same time there are a lot of problems they should face both internal and external. From the results of questionnaire, there are a lot of customers are not satisfied with the big shopping environment of XT and most of them want some international big brands can come to XT city, it virtually brings very great pressure to JLY group definitely. There still a lot of customers mentioned they are not satisfied with the taste and quality of products. Look at these pressures both from inside and outside, all of those push the case company keep pace of the times and effort to develop.

7.2 Managerial Implications

7.2.1 Clear Marketing Positioning

Since there are more and more big-brand organizations want open in XT area. JLY group should clear know what are the advantages and disadvantages of themselves.

Rather than blind compete with those big and international brand companies capture the high-end markets, it inferior to use their own advantage to limit first. After all, XT city is a relative small city with a relative low ability of consumption in big China. So most of the consumers in XT, they are still just can afford medium consumption level, but the case company should improve the tastes of products and quality of product with their medium consumption level.
7.2.2 Bring in Some Top International Brands

In order to meet the demand of some customers want the top international brands, JLY group can try to bring in some bigger brands to XT before the international organizations coming. JLY group also have some high-end shopping malls in XT city, and same time the customers want some bigger brands products, so in my opinion, JLY group really can try to bring in some bigger international brands to XT.

In one side, it can satisfy some customers demand, help them to get more high-level customers, another side, and the big brands also help them become more competitive when the international brands organizations come, but they still need consider about the city income level, when they choose the big brands to introduce.

7.3 Ideas for Further Research

In the business study area, there are a lot of thesis write about how to develop the business, and they are involved various aspects. Since to form a shopping mall or a department store will involve many different elements, if you want deeply analysis how to develop this kind of business and try to find how to better develop it. That is a quite large and complex subject.

This paper is just according to the specific situation of the case company to analysis and to research. And the case company is in a certain city which has its own particular external environment. So thus it is relatively concentrated and easy to analyze. The case city, Xingtai as a small and medium sized developing city in China, although it is developed rapidly, but in China, it is really a simple city with a weak economic strength. The competitive environment is relative simpler than the big cities of China. Furthermore, this thesis is mainly focus on the marketing part. So in this kind of business study analysis, the other parts of business development I have not got in-depth analysis of them.
So that, if a thesis wants got very effective and significant result about how to
develop this kind of small and medium sized enterprises in China or in the world.
There are quite a lot of factors should considered and deeply analysis. We still have
a lot of things to do in this kind of business development area.
REFERENCE


APPENDICES

Appendix 1 Questionnaire in English

Questionnaire

1. Gender
   A, Female   B, Male

2. Age

3. Job

4. Income

5. which shopping mall you usually go?
   A, YIN ZUO   B, JIA LE YUAN   C, ZHONG BEI   D, OTHERS

6. How often you go shopping?
   A, once per week and more
   B, once every two weeks
   C, once one month
   D, others

7. what are the contents of your shopping, what kind of goods you usually buy?
   A, clothes
   B, entertainment and food
   C, living and daily stuff
   D, cosmetics
   E, shoes and hats
F, household appliance and communication stuff

G, others

8. what are the main reasons you choose this shopping mall?
   A, Price
   B, taste
   C, location
   D, transportation
   E, complete types of goods
   F, service
   G, reputation and quality
   H, brand
   I, no reason
   J, others

9. The shopping environment, which one you like best in XT?
   A, YIN ZUO
   B, JIA LE YUAN
   C, ZHONG BEI
   D, others

10. Are you satisfied with the existing shopping malls in XT?
    A, satisfy
    B, unsatisfy
    C, no idea
11. If not satisfy, what are the reasons?

A, do not like the environment
B, category of goods not enough
C, traffic problem
D, service not good
E, taste and level of goods
F, price
G, others

12. Are the existing shopping malls can meet your demand of daily shopping?

A, yes
B, no
C, no idea

13. If cannot, what you think they are lack for?

A, clothes
B, entertainment and food
C, living and daily life stuff
D, cosmetics
E, shoes and hats
F, household appliance
G, others

14. Do you want some other brands of shopping mall go to XT?

A, yes
B, no
C, I do not care

15. What are the reasons you want other shopping mall go to XT?
   A, improve economy
   B, more choices can choose
   C, can follow the international fashion trend
   D, help to make good competitive market
   E, others

16. Do you hope the top level of international brands of shopping mall or supermarkets go to XT?
   A, yes
   B, no
   C, none of my business

17. Which big brands you prefer?
   A, Wal-mart
   B, Carrefour
   C, Su-Ning
   D, Gome
   E, CR Vanguard
   F, Hua Lian
   G, others

18. If there are some big international brands supermarket or shopping mall, you will choose the local brand or the big brand?
   A, International brand
   B, local brand
C. random

19. Have you ever been to JiaLeYuan for shopping?
   A. yes I have
   B. not yet, but I know this shopping mall
   C. have not been there nor heard about it

20. If you have been there, are you satisfied with that shopping time there?
   A. satisfy
   B. not satisfy
   C. just OK

21. Which direction you want JLY group development? and how about the marketing positioning?
   A. in line with international standards
   B. mainly service for middle-class customers
   C. take low-end line and more close to people
   D. others

22. Do you think the types of goods covered enough in JLY?
   A. yes
   B. no
   C. no idea

23. If JLY have establish a new shopping mall, do you want go to have a look?
   A. yes I want
   B. no I do not
   C. I will wait and see
24. If Yes, what are the reason you will go to the new store to try?

A. Promotion activities and discounts
B. trust the brands of this group and reputation
C. join in the fun
D. others

25. As the one of the leading business group in XT, what do you think why they can success?

A. accurate market positioning
B. catching the opportunity and extend the market
C. good service and products quality
D. reasonable price
E. good store site
F. other

26. Do you think theirs is some problems in their business, what is the biggest problem?

A. service
B. product quality
C. price
D. taste
E. others

27. what do you think how this group influence the whole city?

A. promote the development of economy
B. improve the consumption level
C. promote to form a good commercial atmosphere
D. bring more job opportunity
E, create a better shopping environment

F, others
Appendix 1 Questionnaire in Chinese

问卷调查

1. 性别

2. 年龄

3. 职业

4. 收入（月薪）

5. 你经常去哪个 shopping mall（商场）购物
   A. 银座  B. 家乐园  C. 中北  D. 其他（具体说明）

6. 你逛街的频率是什么？
   A. 一周一次及以上  B. 两周一次  C. 一个月一次  D. 其他（具体说明）

7. 一般逛街 shopping 的内容，购物的类别有哪些（可多选）
   A. 服饰  B. 餐饮娱乐  C. 居家 生活用品  D. 化妆品  E. 鞋帽  F. 家电通讯  G. 其他（具体说明）

8. 选择该 shopping mall 主要考虑的因素是什么（可多选）
   A. 价格  B. 品味  C. 地理位置（就近）  D. 交通便利（方便停车）
   E. 物品种类齐全  F. 服务好  G. 信誉 品质好  H. 品牌  I. 随性  J. 其他（具体说明）

9. 在 XT（邢台）现有的商场中，你更喜欢哪一家商场的环境
   A. 银座  B. 家乐园  C. 中北  D. 其他（具体说明）

10. 你对 XT 现有的几家商场满意么？
    A. 满意  B. 不满意  C. 没有想法
11. 如果不满意，不满意的原因是什么？
A. 环境不喜欢  B.商品种类不够齐全  C.交通不便利  D.服务态度不好
E. 品味 档次不满意  F.价格不合适  G.其他（具体说明）

12. 就 XT 现有的 shopping mall 是否可以满足你的日常购物需求？
A. 能满足  B.不能满足  C.没有想法

13. 如果不能满足，你认为他们在哪些商品种类有所欠缺？
A. 服饰  B.餐饮娱乐  C.居家 生活用品  D.化妆品  E.鞋帽  F.家电通讯  G.其他（具体说明）

14. 你是否希望其他品牌的 shopping mall 进驻 XT
A. 是  B. 不是  C.无所谓

15. 希望其他 shopping mall 进驻 XT 的理由是什么 d
A. 带动促进 XT 经济发展
B. 更多价格实惠品种齐全的商品可供选择
C. 与国际时尚潮流接轨
D. 促进形成良好健康的市场竞争氛围
E. 其他（具体说明）

16. 你希望国际大品牌 shopping mall 和 supermarket 进驻 XT 么？例如：家乐福（Carrefour），沃尔玛（Wal-mart）
A.想  B.不想  C.随便

17. 你希望哪些大品牌进驻 XT ？
A. 沃尔玛  
B. 家乐福  
C. 苏宁
D. 国美
E. 华润万家
F. 华联
G. 其他（具体说明）

18. 如果 XT 有类似 carrefour 和 wal-mart 这样的国际大品牌 market 进驻，你会选择去 carrefour、wal-mart 这样的国际品牌店，还是去家乐园这样的 local（本地的）店？为什么？
A. carrefour、wal-mart(说明原因)
B. 家乐园（说明原因）
C. 无所谓 随性（说明原因）

19. 你去过家乐园购物么？
A. 去过 
B. 没去过但是听说过
C. 没去过也没听说过

20. 如果去过家乐园购物，你对那次经历是否满意？不满意的原因有哪些？
A. 满意（阐述原因）
B. 不满意（具体说明）

21. 你希望家乐园往哪个方向发展？如何市场定位？
A. 与国际接轨
B. 主要为中产阶级消费群体服务
C. 走中低端路线 更加贴近百姓生活
D. 其他（具体说明）

22. 你认为家乐园的商品覆盖领域是否够全面？如果不够，应该在哪些方面有所增加？
A. 够全面
B. 不够全面（具体说明）

23. 如果家乐园新开了一家 shopping mall 你是否愿意去新的 shopping mall 购物？
A. 愿意 
B. 不愿意
C. 先看看情况再说
24. 你选择去家乐园新开的 shopping mall 或者 supermarket 的原因是什么？
   A. 因为有很多促销活动 价格便宜
   B. 因为相信家乐园的品质信誉 品牌效应
   C. 凑热闹
   D. 其他（具体说明）

25. 家乐园作为 XT 首屈一指的商业集团，你认为它成功的原因是什么？
   A. 正确的市场定位
   B. 善于抓住时机 开阔市场
   C. 良好的服务及商品质量
   D. 价格实惠
   E. 地理位置好，shopping mall 的选址很重要
   F. 其他（具体说明）

26. 你认为家乐园集团在商业运作中是否存在问题？你最不满意的是什么？
   A. 服务
   B. 商品质量
   C. 价格
   D. 商品品味
   D. 其他（具体说明）

27. 你认为家乐园集团给整个城市带来了哪些影响？
   A. 促进 XT 经济发展
   B. 使得 XT 的消费水平有所提高
   C. 促进形成 XT 良好的商业氛围
   D. 带来更多就业机会 促进社会稳定
   E. 给市民创造了更好的购物氛围及环境
   F. 其他（具体说明）