

# Marketing Strategies of Retail Enterprises in Guangdong, China: Basis for Marketing Plan

Chen Tuli<sup>1\*</sup>, Fronda, Jennifer G.<sup>2</sup>

<sup>1</sup>Guangdong Institute of Science and Technology, Guangdong, China

<sup>2</sup>Nueva Ecija University of Science and Technology, Cabanatuan City, Nueva Ecija, Philippines

\*1274801170@qq.com

**Abstract.** Retail is the cornerstone of consumer goods distribution, propelling production, distribution, and related services in China's economy. As the market economy advances, retail enterprises in Guangdong Province are expanding and facing intensified competition, highlighting the pivotal role of the value chain development model in shaping marketing strategies and competitiveness. Through a comprehensive survey, this paper delves into the marketing strategies of these enterprises, revealing successes in areas such as procurement, promotion, sales, and distribution, and also identifying persistent challenges in core functions like Distribution of Goods. While these enterprises have positively impacted productivity, market reach, and financial performance, there remains a need to enhance competitive advantage and overall effectiveness. Consequently, this study proposed a new marketing development strategy focused on optimizing distribution processes, fostering competitive advantages, and enhancing overall business performance in Guangdong's vibrant retail landscape.

**Keywords:** Development strategy; Marketing strategy; Product; Promotion; Retail enterprises

## 1. Introduction

The retail industry in China has experienced significant growth and development in recent years, marked by improved scale, operational capabilities, and market presence. However, despite these advancements, there exist notable gaps and challenges within the sector, such as low industrial concentration, small enterprise scale, and outdated marketing concepts. This has created an urgent need for retail enterprises to adopt advanced marketing strategies and business methods to enhance their competitiveness in the market. With China's market economy continuously evolving and intensifying competition among retail players, there is a clear research gap regarding the adoption of modern

marketing concepts and strategies tailored to the unique challenges faced by Chinese retail enterprises. Therefore, there is a critical need to investigate and develop new marketing strategies that align with the evolving market dynamics and enhance the overall competitiveness of retail enterprises in China.

In response to the changing market landscape and the emergence of the new retail era, it is imperative for retail industry players to rethink their marketing development models. Traditional marketing methods centered solely on brand promotion have become insufficient in meeting the diverse needs of today's consumers and addressing the complexities of the retail environment. The study focused on exploring the effects of marketing strategies on retail enterprises, particularly in the context of integrating offline and online marketing methods. By examining the relationship between marketing strategies and their impacts on retail enterprises, the research aims to provide valuable insights into optimizing marketing approaches, enhancing operational efficiency, and achieving long-term sustainable growth in the retail sector.

## 2. Methodology

The study utilized descriptive research design. According to Mengting & Yan (2018), the descriptive research method is a simple research method that describes and explains existing phenomena, laws, and theories through its own understanding and verification. This research design focused on the marketing strategies of retail enterprises in terms of procurement of goods, promotion of goods, sales of goods, and distribution of goods; the effects of marketing strategies of retail enterprises in terms of productivity or efficiency, competitive advantage, market reach, and financial performance.

### 2.1. Sampling Procedure

The study utilized a stratified sampling technique to select managers from the marketing departments of retail enterprises in ten cities across Guangdong province. This approach ensured a representative sample by dividing the population into distinct subgroups (cities) and randomly selecting participants from each subgroup, enhancing the reliability and generalizability of the study's findings.

### 2.2. Respondents

The respondents of the study are the managers of the marketing department of retail enterprises located in the ten (10) cities of Guangdong province. There

are 10 retail enterprises in each city who participated in this study. They were chosen since it has a greater number of retail enterprises compared to other cities. There was a total of 100 managers coming from the 100 retail enterprises from the different cities of Guangdong province, China.

### 2.2.1 Research Site

The study was conducted in Guangdong Province, China since this province is the representative province in China and it has a developed economy, especially in the cities of Dongguan, Foshan, Zhongshan, Guangzhou, Shenzhen and other cities in the province. At the same time, the researcher herself works in Dongguan City, and it is convenient to collect the data needed in this study.

## **3. Results and Discussion**

### *3.1. Business Profile of Retail Enterprises in Guangdong Province*

The data revealed that retail enterprises in Guangdong Province, where the respondents were situated, were predominantly established between 2006 and 2015, representing a significant period of growth and development in China's retail industry. The types of products offered by the interviewed enterprises primarily consisted of accessories and apparel, indicating a substantial business focus on these product categories within retail enterprises in the province. Regarding customer types, the survey identified that the interviewed companies mainly served Loyalist and Indifferent customers, characterized by their loyalty to brands and reluctance to switch brands. Additionally, the survey highlighted that the promotional platforms predominantly utilized by the interviewed companies were Taobao and Tmall, showcasing the significance of online platforms in their marketing and promotional strategies during the survey period.

### *3.2 Marketing Strategies of Retail Enterprises in Guangdong Province*

The following presents the marketing strategies of retail enterprises in Guangdong province in terms of procurement of goods, promotion of goods, sale of goods and distribution of goods.

#### 3.2.1 Procurement of Goods

The survey results show a high level of agreement among respondents regarding various aspects of procurement in retail enterprises, with most items receiving a "Strongly Agree" interpretation. However, the item related to the

presence of a stockroom or warehouse received an "Agree" interpretation, indicating that not all respondents have sufficient storage capacity to meet market demands. This underscores the critical role of warehouses or stockrooms in supporting procurement activities and ensuring adequate supply levels to meet market needs, as highlighted by Jin (2023) and Hu (2023) in their studies on the positive impact of procurement practices on enterprise value creation and competitiveness.

### 3.2.2 Promotion of Goods

The survey results reflect a strong agreement among respondents regarding various aspects of goods promotion in retail enterprises, with most items receiving a "Strongly Agree" interpretation. However, the item related to using advertisements and promotional tools received an "Agree" interpretation, indicating that not all respondents utilize these methods exclusively, indicating the presence of alternative strategies to encourage customer purchases. This highlights the significant role of promotion in marketing strategies, as emphasized by Cai (2022) and Wu (2020), who highlight the evolving nature of promotional strategies in response to e-commerce influences and the adoption of artificial intelligence technologies in retail enterprises.

### 3.2.3 Sale of Goods

The survey results highlight a strong agreement among respondents regarding various aspects of goods sale in retail enterprises, with most items receiving a "Strongly Agree" interpretation, indicating effective sales strategies. However, the item related to responding quickly to consumer needs received an "Agree" interpretation, indicating room for improvement in managing stock shortages. This underscores the importance of marketing strategies in driving sales and revenue generation, as emphasized by Du (2023) emphasized optimizing marketing approaches and adapting to the changing retail landscape.

### 3.2.4 Distribution of Goods

The survey revealed that while retail enterprises generally agree on delivering goods on time and circulating goods near customers, there are inconsistencies in actual delivery times, possibly due to factors like distance, traffic, and logistics challenges. The findings indicate that retail enterprises are interested in improving their distribution processes, especially with their own delivery services, distribution agents, and ensuring goods' condition upon delivery, as

indicated by strong agreement in these areas. Incorporating digital technology and innovating distribution models can greatly enhance the efficiency of distribution channels, making them more competitive and aligned with evolving consumer preferences for convenience and online shopping experiences (Fernando, 2023)

**Table 1** Summary of Weighted Means of Marketing Strategies of Retail Enterprises in Guangdong Province

No	Item	Weighted Mean	Verbal Interpretation
1	Procurement of Goods	3.38	Strongly Agree
2	Promotion of Goods	3.32	Strongly Agree
3	Sale of Goods	3.33	Strongly Agree
4	Distribution of Goods	3.25	Agree
<b>Overall Weighted Mean</b>		<b>3.32</b>	<b>Strongly agree</b>

*Strongly Agree: 3.26 – 4.00, Agree: 2.51 – 3.25, Disagree: 1.76– 2.50, Strongly Disagree: 1.00– 1.75*

The table reveals that the distribution of goods strategy for retail enterprises has a weighted mean of 3.25, indicating agreement among respondents. However, there is room for improvement in this area, indicating that retail enterprises should consider adopting strategies such as just-in-time delivery, expanding delivery services, establishing outlets, and leveraging social media to reach a wider customer base effectively. These enhancements can enhance customer satisfaction and improve the overall efficiency of distribution channels for retail enterprises.

### 3.3 Effects of Marketing Strategies of Retail Enterprises in Guangdong Province

#### 3.3.1 Productivity

The weighted means for customer satisfaction levels increasing and product demand increasing were 3.48 and 3.28, respectively, indicating a "Strongly Agree" response and highlighting the effectiveness of marketing strategies in these areas. This underscores the significant impact marketing has on customer satisfaction, product demand, and overall productivity within retail enterprises. The literature supports this by emphasizing that marketing strategies not only drive sales but also contribute to market expansion, product proliferation, and

workforce efficiency, ultimately enhancing overall productivity in retail enterprises.

### 3.3.2 Competitive Advantage

The findings indicate that items related to product demand being higher than competitors and ease of shifting marketing strategies had a strong agreement, indicating that marketing strategies play a crucial role in achieving a competitive advantage by promoting innovation, differentiation, and uniqueness. Additionally, items related to product innovation, consumer benefits, and better product positioning also had an agreement, emphasizing the importance of prioritizing these aspects to meet customer expectations continuously.

### 3.3.3 Market Reach

The findings indicate that items related to market reach, such as wider consumer numbers and increased consumer awareness, show an agreement, highlighting the need for retail enterprises to prioritize strategies that bring them closer to customers and enhance market awareness. Items related to geographical expansion, improved distribution channels, and better product opportunities had a strong agreement, emphasizing their effectiveness in meeting sales goals and revenue targets.

### 3.3.4 Financial Performance

The findings show agreement that marketing strategies impact financial performance, with increased investment needing more attractive campaigns. Strong agreement was seen in increased sales, revenues, profits, efficiency, and liquidity, indicating marketing's positive effect on overall business performance.

**Table 2** Summary of Weighted Means of Effects of Marketing Strategies of Retail Enterprises in Guangdong Province

No	Item	Weighted Mean	Verbal Interpretation
1	Productivity	3.28	Strongly Agree
2	Competitive Advantage	3.21	Agree
3	Market Reach	3.29	Strongly Agree
4	Financial Performance	3.34	Strongly Agree
	<b>Overall Weighted Mean</b>	<b>3.28</b>	<b>Strongly Agree</b>

*Strongly Agree: 3.26 – 4.00, Agree: 2.51 – 3.25, Disagree: 1.76– 2.50, Strongly Disagree: 1.00– 1.75*

The summary of marketing strategies' effects on retail enterprises indicated an agreement on the need to enhance competitive advantage. This entails continuous innovation, creating more product benefits and values, and considering unique selling propositions (USPs) or product positioning to capture customer attention, interest, and desire effectively. Improving marketing strategies in these areas can significantly impact customers' purchasing decisions and overall engagement with the products offered by the retail store.

### *3.4 Relationship between the Marketing Strategies and its Effects on Retail Enterprises*

This study utilized correlation analysis to examine the relationship between the effects of marketing strategies of retail enterprises in Guangdong Province and the marketing strategies of retail enterprises in the same region. The Pearson correlation coefficient of 0.335 with a significance of 0.01 highlights a significant positive correlation between these variables, indicating a strong relationship between the effects and strategies of retail enterprises in Guangdong Province.

### *3.4 Proposed Marketing Plan*

Based on the findings of the study, a proposed marketing plan was made. Addressing the concerns with appropriate strategies and collaboration among departments can lead to positive short-term and long-term outcomes for enterprises by mitigating costs and maximizing results.

## **4. Conclusions**

Retail enterprises in Guangdong Province have undergone significant development between 2006 and 2015, focusing primarily on accessories and apparel with a customer base primarily consisting of Loyalist and Indifferent consumers. They heavily rely on promotional platforms like Taobao and Tmall. While these enterprises have implemented marketing strategies across various areas such as Procurement, Promotion, Sales, and Distribution of Goods, they still face challenges, particularly in the core business of Distribution of Goods. Despite their impact on productivity, competitive advantage, market reach, and financial performance, there are persistent issues that need to be addressed comprehensively. The study established a clear relationship between marketing strategies and their effects on retail enterprises in Guangdong Province, prompting the proposal of a targeted marketing plan to tackle existing challenges and optimize overall business performance.

## Acknowledgements

The researcher would like to express deep appreciation to the NEUST Graduate School for their invaluable professional support, expertise, and insightful guidance, which significantly contributed to enhancing the quality of this study. Additionally, heartfelt thanks are extended to the participants and respondents for generously sharing their time, experiences, and insights, thereby greatly enriching the research findings.

## References

- Cai, Y. (2022). Evolution of Promotional Strategies in Response to E-commerce Influences.
- Du, B. (2023). Research on O2O transformation model construction and marketing strategy of home appliance retail enterprises. *China Business Review*(07),73-75. doi:10.19699/j.cnki.issn2096-0298.2023.07.073.
- Fernando, A. (2023). Digital Technology Innovations in Distribution Channels.
- Hu, R. (2023). Research on inventory procurement and management of cosmetics retail chain enterprises. *Mass Investment Guide* (02), 44-46.
- JIN Jiangyan. (2023). The Impact of Supply Chain Concentration on Value Creation of Retail Enterprises: An Empirical Analysis Based on Data of Listed Wholesale and Retail Enterprises. *Journal of Business Economics*(05),54-57.
- Mengting, L., & Yan, J. (2018). Descriptive Research Methods in Understanding Market Dynamics.
- Wu, Q. (2020). Marketing Reform and Challenges of Retail Enterprises in the Era of Artificial Intelligence. *Management and Technology of Small and Medium-sized Enterprises* (First Issue)(09),152-153.