

Research on the Operation Strategy of Fresh Food Industry under the Background of “New Retail”

— Take FRESHIPPO as an Example

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Abstract: In recent years, the development of traditional retail and e-commerce has fallen into difficulties, and various factors have led to the emergence of new retail, which is a new balance mode of the previous two. This research is based on theory, with FRESHIPPO as the research object, its operation strategy is studied and analyzed, and through the research business model it encouraged, it promotes the new development of fresh goods sales. This paper mainly analyzes the operation strategy of FRESHIPPO through Strengths, Weaknesses, Opportunities, and Threats (SWOT) and The Marketing Theory of 4Ps(4P theory). This paper finds that there is a lot of room for progress for the fresh industry in the new retail industry, the industry's digital management is not very perfect, and in cost saving, it can also have a great improvement.

Keywords: Market Positioning, Marketing Environment, SWOT Analysis, 4P Theory

1. Introduction

In recent years, with the improvement of living standards, consumers' demand for fresh products has also increased, at the same time, the rapid development of the new generation of information technology, and the rapid rise of logistics industry distribution efficiency, making the fresh electricity business market rise suddenly. These fresh e-commerce platforms can not only provide consumers with high-quality dishes but also send the products to their doorstep, which is undoubtedly a good way of shopping for busy workers in big cities. In 2016, Jack Ma, founder of Alibaba, put forward the concept of new retail[1]. "new retail" refers to the deep integration of online services, offline experience and modern logistics industry by relying on the Internet and using advanced technologies and means such as big data and artificial intelligence. Through modern information technologies such as big data and cloud computing, the new retail can better meet the diverse needs of consumers and is conducive to promoting the new development of the retail industry. The fresh electricity business industry is closely related to consumers' daily life, there is a huge potential market, but due to the short shelf life of fresh products, easy to lose, the degree of product standardization is also low, fresh electricity business marketing methods still have many places to improve. This paper aims to use the SWOT analysis method and The Marketing Theory of the 4P to analyze the marketing strategy of

FRESHIPPO to provide some useful inspiration for other fresh e-commerce marketing under the new retail background.

2. The Analysis of the Market Positioning and Marketing Environment of FRESHIPPO

2.1. Target Market and Market Positioning

At present, FRESHIPPO is mainly aimed at the younger generation, most of whom are born in the 1980s and 1990s[2]. They are the main consumers of e-commerce and the people with medium and high consumption levels. These consumers can have the ability to buy goods and can adapt well to the information age. The consumers facing FRESHIPPO are mainly family users who mainly cook by themselves, and they are consumers who pursue a certain quality of life. Also, people who like good food. These consumers generally pay more attention to the improvement of their own living standards, pay more attention to the quality and actual function of the goods, and their needs are very diversified, more of the pursuit of personalized customization, the price of the goods is not very sensitive. FRESHIPPO's target population preference has a significant international trend.

2.2. Marketing Environment

China has always paid great attention to the development of the Internet, and also to agricultural development and the sale of agricultural products. FRESHIPPO uses the Internet to sell agricultural products, which are upgraded on the basis of traditional retail enterprises, and can better promote the development of sales and agriculture. At the same time, FRESHIPPO physical stores also provide a lot of new job opportunities, which will adapt to the development of the market. In recent years, China's economic environment is also very good, and consumers' purchasing ability is also improving, providing a great space for the development of the e-commerce industry. Several e-commerce leaders, such as JD, Tmall, are paying attention to the development of the fresh industry, but also to provide a good competitive environment for fresh e-commerce, which is conducive to the progress of each other.

3. SWOT Analysis and 4P Theory-- Take FRESHIPPO as an Example

3.1. SWOT Analysis

The SWOT analysis, a basic approach to corporate strategy analysis, was proposed by a professor of management at the University of San Francisco in the early 1990s. This paper will use SWOT analysis to study the strengths, weaknesses, opportunities, and threats present in FRESHIPPO marketing.

Strengths. FRESHIPPO has the information resources provided by Alibaba, and the combination of online and offline sales model is the key to the rise of FRESHIPPO, while the underlying data of Alibaba is connected. Alibaba can provide FRESHIPPO with everyone's consumption ability and habits. Consumers mainly buy the quality and freshness of products[3]. Many FRESHIPPO products are small packages, which not only maintain the freshness of products, bring a good shopping experience for consumers, but also improve its economic benefits. FRESHIPPO has realized a new product supply chain. FRESHIPPO has its own storage warehouse, and it has its own relatively complete logistics system from the warehouse to the distribution. FRESHIPPO uses big data, automation technology and other technologies to build a logistics system. Its supply chain, distribution and logistics systems are completely digital. These tools make the operation simple and efficient, with a low error rate[4].

Weaknesses. FRESHIPPO in the process of operation will sometimes appear in the demand and inventory of the phenomenon of in-coordination. FRESHIPPO focuses on the fresh market, it is not only to avoid the phenomenon of out-of-stock but also to ensure a reasonable order volume, to avoid the backlog of inventory, FRESHIPPO ensures that consumers can buy fresh fruits, vegetables and meat, rather than leftovers and defective products. FRESHIPPO purchase volume calculation is not accurate and will cause fresh due to storage time being too long and rot, which is a huge loss. People's demand for fresh food in daily life and during holidays is different, and the balance of demand and inventory is difficult to control.

Opportunities. FRESHIPPO has a big market that can develop, FRESHIPPO is a fresh industry online pioneer, and it is now storing development mostly concentrated in first-tier cities, the cities of consumer consumption levels are generally higher, but in addition to the first-tier cities, many second and third-tier cities, the city consumption level is not low, and such business model has not been developed to these cities, FRESHIPPO can take advantage, less second and third tier cities, and in these cities operating costs are lower than the first-tier cities[5]. In the future, FRESHIPPO is a good choice to expand to second-and third-tier cities.

Threats. FRESHIPPO very pay attention to the development of first-tier cities, and its competitors DING DONG buy vegetables has begun to the first-tier cities, DING DONG buy vegetables the main target crowd is ordinary family users, and the main target crowd still stay in the high-end consumer groups, box horse market is divided, DING DONG buy food first occupied the ordinary consumer market. In addition to DING DONG, Dada - Jingdong Home, Meituan to buy food and other fresh e-commerce companies also began to develop, the market is gradually being divided up, the competition will be more fierce in the future [6].

3.2. The Analysis of the Marketing Strategy based on 4P Theory

4P marketing theory is summed up down to a combination of four basic strategies, namely product (Product), price (Price), promotion (Promotion), and channel (Place). Since the English prefix of these four words is P, plus strategy (Strategy), it is referred to as "4P's".

Product. FRESHIPPO focuses on fresh products, but fresh products are easy to wear out, have easy deterioration, high logistics and transportation costs, FRESHIPPO fresh products to ensure its product quality and freshness, to ensure their own advantages. FRESHIPPO should pay attention to the upgrade of cold chain technology, mature cold chain logistics technology and advanced food preservation technology, can ensure that fresh goods in long-distance transportation, storage and distribution and other links to maintain a good taste, color and nutrition, to ensure the quality of goods, is conducive to enterprises to establish a good brand image. Under the trend of consumption upgrading, consumers' pursuit of commodity quality has only increased. Whether or not the quality of online and offline goods and services are consistent is the issue that consumers pay close attention to[1]. In addition, the product life and shelf life can also be extended by introducing more durable products. In order to ensure the quality of products, FRESHIPPO should reach a long-term procurement agreement with high-quality agricultural products base, and FRESHIPPO products are directly supplied by the supplier. In the purchase of vegetables and fruits, FRESHIPPO should reach cooperation with the farms and pastures at the source of the supply chain to ensure the stable supply of fresh food. High-quality products cannot be separated from the standardization of products, which is an important bottleneck restricting the development of fresh e-commerce in China. FRESHIPPO should make certain labels for selling fruits and vegetables, such as the diameter and weight of fruits so that the product can maintain a unified high level.

Price. According to the survey, the per capita consumption level of FRESHIPPO online is about 70 yuan, and about 120 yuan offline, which is low compared with the same type of enterprise. In terms of pricing, FRESHIPPO adopts a high-cost performance strategy and a high premium strategy

for different categories of goods. Because FRESHIPPO has direct suppliers, many fruits and seafood are cheaper than those on the general market. In terms of in-room food, FRESHIPPO's in-room raw materials are obtained directly obtained in the supermarket, so as to save the turnover cost in the middle. As long as there is a processing cost of food ingredients, it is very convenient. In addition, FRESHIPPO will also provide the already processed boutique fruits and vegetables, which are slightly more expensive than the ordinary fruits and vegetable market, but the price is not much different from that of the boutique fruit stores, to meet the needs of many people.

Promotion. In terms of consumer satisfaction, FRESHIPPO can pay attention to communication and sharing with customers, and subdivide customer groups. Through data screening, it can have different customer tastes, issue coupons for different products, and encourage customers to try new things. They can also hold tasting activities to increase communication with customers, improve the goodwill of customers, and improve their own products to improve customer satisfaction. Timely innovation, launch classic burst, maintain the freshness of FRESHIPPO, and attract customers for a long time. Community marketing is a new network marketing model, which can help FRESHIPPO to create a good user relationships. FRESHIPPO can build an online virtual community, enabling efficient interaction between users and platforms, and establishing close connections. Community members can share knowledge and experience within the community, and output valuable content in this way, which can help other users to make purchase decisions. At the same time, enterprises can also timely obtain user feedback information through the community, reflect users' suggestions in the products, constantly update and improve their own products and services, and better meet the needs of consumers. Similarly, the community is also convenient for enterprises to more accurately grasp the changes in market demand, conform to the trend of market development, improve the accuracy of marketing, and then achieve the purpose of promoting sales[1].

Place. In terms of building sales channels, FRESHIPPO should focus on deep, wide and strong sales channels. New retail is no longer a single offline shopping mode, but an omni-channel retail mode, which deeply integrates online services, offline experience and modern logistics to meet consumers' shopping needs anytime and anywhere. Online, FRESHIPPO needs to cooperate with multiple food delivery platforms, and users can also buy vegetables, fruits and seafood through FRESHIPPO's mobile APP. FRESHIPPO can complete the delivery within half an hour of three kilometers. Offline, users can buy fresh products in more than 140 stores in more than 20 cities across the country, and FRESHIPPO can not only provide fresh products but also provide cooked food for consumers to eat in their stores, providing food processing services, which is a new channel. FRESHIPPO can also analyze and tap consumer demand by mastering the collected big data, holding online and offline activities to interact with consumers, and providing them with more personalized suggestions, so as to improve the shopping experience of each consumer, improve customer satisfaction and customer stickiness of [1].

4. Conclusion

In the overall environment of the digital economy, new retail, as a new business model, has gradually entered people's vision, and the fresh domestic market has begun to diversify its marketing to adapt to the new economic background. Consumer needs are increasingly diversified, and the traditional marketing strategy can no longer meet the personalized needs of consumers. This paper through the analysis of FRESHIPPO development present situation and marketing strategy, from product quality, price, consumer satisfaction, and supply channels from four aspects, through analysis of FRESHIPPO development status and problems, put forward the new retail FRESHIPPO electricity development specific strategy, to provide a particular theoretical supplement to fresh electricity development in our country. This article wants to let more people understand the new retail model of the fresh industry through the analysis, so as to promote the new development of fresh commodity sales and promote

the efficiency of fresh new retail enterprises. FRESHIPPO still needs something to improve on. For all walks of life, the new retail is currently in the development stage, and the integration of online and offline retail is a necessary development trend. Future research can focus on collecting consumer information to meet consumer needs, and differentiated and personalized quality services can better improve the user shopping experience, so as to realize the sustainable development of new retail enterprises.

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