

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY NATIONAL AGRARIAN UNIVERSITY
ECONOMICS AND MANAGEMENT FACULTY**

Finance, Banking and Insurance Department

QUALIFICATION WORK

Second (Master's) level of higher education

on the topic: «**Improving the Competitiveness Level of IT Enterprises**»

Completed:

student of the specialty

073 "Management" (EP "Administrative Management")

Sun Yanbo

Supervisor:

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SUMY NATIONAL AGRARIAN UNIVERSITY

Faculty	Economics and management
Department	Finance, Banking and Insurance Department
Level of higher education	<i>Second (master's)</i>
Specialty	<i>073 "Management", EP "Administrative Management"</i>

Approved:
Head of the department _____ PhD in Economics, professor
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« _____ » 2023 p.

TASK on qualification work for student

Sun Yanbo

1. The topic: **Improving the Competitiveness Level of IT Enterprises**

2. Base of practical research:

Shandong Quanfuyuan Commercial Group Co., Ltd

Supervisor Nataliia Maslak, Ph.D. in Economics, Associate Professor of the Finance, Banking and Insurance Department, SNAU

approved by order of the university dated

№ 561/oc 23.02.2024 y.

3. Deadline for submission of completed work by the student

September, 5 2024

4. Input data to work:

educational and methodical manuals, monographs, textbooks on the subject of research, scientific publications, statistical information, information Shandong Quanfuyuan Commercial Group Co., Ltd.

5. Content of the settlement and explanatory note (list of issues to be developed):

- to investigate the theoretical and methodological aspects of increasing the level of competitiveness of retail enterprises, including the development of strategies for increasing the level and the development of IT technologies;*
- analyze the current state of the Shandong Quanfuyuan Commercial Group Co., Ltd competitive environment to identify key areas where improvements can enhance competitiveness;*
- evaluate the impact of existing IT solutions on the operational efficiency and market performance of retail enterprises;*
- investigate the role of e-commerce and digital platforms in expanding market reach and improving customer satisfaction in the retail sector;*
- examine the effectiveness of data analytics in optimizing inventory management, marketing strategies, and customer relationship management within retail enterprises;*
- assess the potential of emerging technologies, such as artificial intelligence and mobile applications, in driving innovation and competitive differentiation in retail;*
- develop a set of recommendations for Shandong Quanfuyuan Commercial Group Co., Ltd on integrating and leveraging IT technologies to achieve sustained competitive advantage in a rapidly evolving market.*

6. The date of issue of the task: **June, 19 2023**

CALENDAR PLAN

№	Name of stages of the qualification work	Date of performance project stages	Note
1	Defining the object, the subject of research, formulating the goal and tasks of the qualification work, preparation of the plan - schedule of work	<i>June 2023</i>	
2	Selection and analysis of literary sources, the preparation of the first theoretical chapter	<i>September - October 2023</i>	
3	Generalization of the theoretical material on the selected research topic and presentation of the draft version of the first chapter of the qualification work	<i>November 2023</i>	
4	Collection and processing of factual material, generalization of the analysis of the application of the researched question on the basis of practice (professional internship and pre-diploma practice)	<i>December 2023</i>	
5	Preparation of the theoretical part of the qualification work, generalization of the analytical part, defense of the report on pre-diploma practice	<i>January 2024</i>	
6	Designing directions for improvement of the investigated problem	<i>January 2024</i>	
7	Completion of the design part of the qualification work and submission of the preliminary version of the third chapter to the supervisor	<i>January 2024</i>	
8	Update of data for 2022, 2023 and refinement of the analytical and project chapter of the qualification work	<i>March 2024</i>	
9	Completion of the qualification work and its submission for preliminary defense and review	<i>August 2024</i>	
10	Verification of qualification work for authenticity (submission of work for plagiarism check to the department, to the department of quality of education)	<i>August 28 2024</i>	
11	Submission of completed work and related documents to the dean's office	<i>September, 5 2024</i>	
12	Defense of the qualification work	<i>September 11-12, 2024</i>	

Applicant

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Nataliia Maslak

The authenticity check has been carried out

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Nadia Baranik

The qualifying work is admitted to the defense

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SUMMARY

Sun Yanbo Improving the Competitiveness Level of IT Enterprises.

Master's qualification work in specialty 073 "Management", OP "Administrative Management", SNAU, Sumy-2024 - Manuscript.

Since the reform and opening up more than 30 years ago, China's retail industry has developed rapidly. The industry scale and growth rate have repeatedly hit new highs and have become an important industry driving domestic economic demand. Along with China's economy moving towards international markets, China's retail market has gradually entered into various countries around the world, with retail giants such as Walmart and Carrefour rushing into the Chinese market. The strong foreign retail enterprises have posed unprecedented pressure on China's domestic retail industry, but pressure brings motivation, which is also a good opportunity for the development of China's retail industry. At the same time, various theories on retail industry reforms have emerged, making strategic research on retail competition of strong practical significance.

The main target of this qualification work is Shandong Quanfuyuan Commercial Group Co., Ltd. (hereinafter referred to as Quanfuyuan Group). The paper mainly analyzes the current status, corporate culture, PEST analysis, and competitive environment analysis of Quanfuyuan Group. The analysis process adopts Porter's Five Forces Model analysis method, combined with SWOT analysis method, to summarize and summarize the overall development strategy, competitive strategy, cooperative strategy, and diversification strategy of Quanfuyuan Group. The paper focuses on the development of the group and proposes several aspects to be achieved in the competitive strategy: first, improving the level of informatization. With the advent of the information and intelligent era, the development of the group also needs to improve the level of informatization, and strive to make Quanfuyuan Group's network information system achieve systematic, flexible, and intelligent high-efficiency characteristics. Second, strengthening the development and management of human resources. To achieve sustainable development, effective human resources management is an important factor for enterprises to gain competitive advantage. Third, strengthening the construction of corporate culture. The development of a good enterprise cannot do without excellent corporate culture. Excellent corporate culture permeates the thoughts of employees, brings positive energy to enterprise employees, and generates a sense of mission among employees, which has a profound affection for the enterprise and brings strong core competitiveness to the enterprise. Through the research on the competitive strategy of Quanfuyuan Group, this qualification work has positive practical significance and reference value for the operation of this enterprise. At the same time, relevant companies will also have a feasible plan to refer to or learn from when they are in strategic transformation.

Key words : competitive strategy; Retail trade; Quanfuyuan Group

АНОТАЦІЯ

Сун Янбо Підвищення рівня конкурентоспроможності ІТ підприємств.

Кваліфікаційна робота магістра зі спеціальності 073 «Менеджмент», ОП «Адміністративний менеджмент», СНАУ, Суми-2024 р. – Рукопис.

За 30 більше ніж років з часу реформ і відкриття, роздрібна торгівля в Китаї стрімко розвивалася і займає важливе місце у внутрішньому економічному попиті. Зі вступом китайської економіки на світові ринки, роздрібний ринок Китаю поступово проникає в країни всього світу, відомі роздрібні торгові магнати, такі як Walmart і Carrefour, активно входять на китайський ринок. Завдяки сильним іноземним роздрібним підприємствам, китайська внутрішня роздрібна торгівля дійсно відчуває безпрецедентний тиск, але саме тиск створює потужний тягар, що водночас є великою можливістю для розвитку роздрібної торгівлі Китаю. Одночасно, у галузі роздрібної торгівлі виникли різні теорії про зміни, що дають силу інновації та змаганням у даній галузі, що робить стратегічне дослідження конкуренції в роздрібній торгівлі дуже актуальним.

Основною метою дослідження є Шаньдунська компанія «Чжуань Фу Юань» з обмеженою відповідальністю (надалі - Група «Чжуань Фу Юань»). Дослідження зосереджене на аналізі поточного стану розвитку Групи «Чжуань Фу Юань», корпоративної культури, PEST-аналізу групи, аналізу конкурентного середовища тощо. Аналіз здійснюється за допомогою моделі «П'ять сил» М. Портера в поєднанні з SWOT-аналізом, загального стратегічного напрямку розвитку, конкурентної стратегії, стратегії співробітництва і диверсифікації Групи «Чжуань Фу Юань» узагальнюються і узагальнюються. Особлива увага в роботі зосереджена на розвитку конкурентної стратегії, включаючи наступні аспекти: по-перше, підвищення рівня інформатизації. З появою інформаційно-інтелектуальної епохи розвиток групи також потребує підвищення рівня інформатизації, щоб забезпечити гнучку, систематичну та інтелектуальну мережеву інформаційну систему Групи «Чжуань Фу Юань». По-друге, покращення управління розвитком кадрів. Ефективне управління людськими ресурсами є важливим чинником для отримання конкурентної переваги та стійкого розвитку підприємства. Третє, зміцнення побудови корпоративної культури. Розвиток успішного підприємства неможливий без виняткової корпоративної культури, яка проникає в мислення працівників, надає їм позитивну енергію, викликає у них почуття місії та глибоку прив'язаність до підприємства, що надає компанії сильну конкурентоспроможність. Результати даної кваліфікаційної роботи, через дослідження конкурентних стратегій групи «Чжуань Фу Юань», мають позитивне практичне значення і варто використовувати як засіб орієнтування та джерело для підприємств при здійсненні стратегічної трансформації.

Ключові слова: конкурентна стратегія, роздрібна торгівля, Quanfuyuan Group

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INTRODUCTION

Relevance of the topic. With the rapid economic growth and increasing purchasing power of consumers, the retail industry plays an increasingly important role in China's economy. In recent years, driven by the rapid development of internet technology and e-commerce, the retail industry has exhibited new trends and patterns. At the same time, international retail giants such as Walmart and Carrefour have also entered the Chinese market, adding to the competitive pressure on domestic enterprises. Therefore, exploring the competitive strategies and development directions of the retail industry is of great significance. Additionally, the emergence and impact of the COVID-19 pandemic has further accelerated the trend of online and offline integration, and new technologies and models such as 5G, IoT, and big data are gradually being applied in the retail industry. Therefore, conducting in-depth research and exploration of the retail industry can provide development directions and ideas for enterprises, and also have important theoretical and practical implications.

The goal and tasks of the research. Through the elaboration of the concept of new retail and the research on the competitive strategies of retail enterprises, this paper explores the competitive strategies of Quanfuyuan Supermarket, a county-level physical retail enterprise, in the new retail environment, in order to help the enterprise adapt to the new environment and achieve sustainable development.

To achieve this goal, the author set the following tasks:

- definition of the main concept and the corresponding theoretical base;
- analyze the financial survey data of Shandong Quanfuyuan Commercial Group Co., Ltd. in the past three years;
- summarize the results of the survey;
- introduce the research object of this paper, Quanfuyuan Supermarket, and analyze the industry competition environment of Quanfuyuan Supermarket using the Porter's Five Forces model;
- analyze the internal and external environments of Quanfuyuan Supermarket, and establish an Internal Factor Evaluation (IFE) Matrix and an External Factor Evaluation

(EFE) Matrix;

- research and analyze the existing business strategy and current operating conditions of the enterprise to conduct specific and detailed analysis in order to find a competitive strategy suitable for the development of the enterprise.

The object of the research is competitiveness of retail trade enterprises.

The subject of the research is the tools for increasing the level of competitiveness of Quanfuyuan Commercial Group Co., Ltd. in Shandong Province.

The business strategy of enterprises is a critical factor for their development, as it determines the direction and achievement of overall goals. Therefore, formulating scientifically feasible competitive strategies to maintain the market advantage of the enterprise and improve its economic performance is essential for achieving long-term development.

This research primarily applies various relevant theories on corporate competitive strategy, using Quanfuyuan Group as the research subject. It conducts in-depth research and analysis on the external market environment, internal organizational environment, industry economic characteristics, and competitive environment of the company. It summarizes the opportunities, challenges, strengths, and weaknesses faced by Quanfuyuan Group. Through the use of analytical tools such as PEST analysis and SWOT analysis, it aims to identify a competitive strategy that is suitable for the company and find a path for it to firmly stand and develop amidst such intense industry competition.

The following ***research methods*** were used when writing the paper: literature research, survey interviews, tool analysis, and case study.

Literature research method: Firstly, relevant books, journals, academic papers, professional journals, reports, conference records, and other materials related to the study of competitive strategy are searched through the school library, internet, Wanfang database etc. The current status and development trends of the department store retail This ensures that the research content of this qualification work is based on the latest theoretical and practical research.industry are understood, and the information related to the study of competitive strategy in various literature is analyzed and integrated to establish the research structure and system of this qualification work.

Survey interview method: Firstly, targeted questionnaires are conducted among the internal employees of Quanfuyuan Group, including top management, middle management, and ordinary staff, as well as customers and other relevant personnel. Their opinions and views are obtained in a timely manner. Then, the data results of the comprehensive and detailed analysis of the survey are integrated to organize the useful information needed for this research. Secondly, the comprehensive situation of competitors in the local department store retail market is forecasted and analyzed, in order to identify the advantages of competitors and the disadvantages of the company itself.

Tool analysis method: Firstly, SWOT analysis is conducted to analyze the external market environment faced by Quanfuyuan Group and its own strengths and weaknesses. Based on the analysis results, suitable competitive strategies for the company are proposed. Secondly, PEST analysis is conducted to analyze the external environment of Quanfuyuan Group, including the political, economic, technological, and socio-cultural environments, in order to further study the impact of the macro environment on the company's competitive strategy. Thirdly, using Porter's five forces model, the competitive environment faced by Quanfuyuan Group is analyzed, including major competitors, potential entrants, threats of substitute products or services, supplier bargaining power, and buyer bargaining power. This helps to further clarify the internal competition situation of the industry where the company operates. By applying the results obtained from these three types of analysis tools, a solid foundation is laid for the formulation of the company's competitive strategy. Then, the data information is comprehensively analyzed to develop a competitive strategy suitable for the development of Quanfuyuan Group.

Case study method: This study mainly focuses on Shandong Quanfuyuan Group, analyzing its existing business strategies and current operational status to conduct a detailed and specific research, in order to find a competitive strategy suitable for the development of the company.

The scientific novelty of the results. The terms for determining its scientific novelty and submitting it for protection are as follows:

received further development: strategy is the soul of an enterprise. In the process of development, enterprises need to combine their own characteristics, grasp the

development direction and goals, and balance the achievement of short-term and long-term objectives to ensure sustainable development. Through analysis of the internal and external market environment of the enterprise, it is possible to clarify the strengths, weaknesses, and competitive positioning of the industry peers, and formulate a competitive strategy that is suitable for the company's overall goals, thereby safeguarding its position and strength in the challenging market and competitive environment. Formulating a competitive strategy that is suitable for the company can ensure stable and healthy development from the overall objectives.

improved: through the study of Quanfuyuan Group's competitive strategy, it is hoped to provide references and guidance for the development of other department store retail groups, and have certain guiding significance for industry development.

The practical significance of the obtained results lies in replenishing the theoretical base in matters of increasing the level of competitiveness of retail trade enterprises. Currently, many domestic enterprises are facing the pressure to transform in the department store retail industry. In addition, the tremendous impact of e-commerce on the market adds to the severity of the situation. Being able to find a competitive strategy that suits the company is of great practical significance for both the enterprise and industry development.

Approbation of the results of the qualification work. The provisions of the qualification work were presented by the author at two scientific conferences: **the twelfth international science and practice Conference «Enterprise economics: modern problems of theory and practice» (Odesa, September 8, 2023); the II International Scientific and Practical Conference (Sumy, November 16, 2023).**

Publications. The results of the scientific research are reflected in two scientific works.

Structure and scope of work. The qualification work consists of an introduction, three sections, conclusions, a list of used sources from 59 names, appendices. The main text is laid out on 55 pages of computer text, the work contains 10 tables, 1 figure, 1 appendix.

CHAPTER 1

THE THEORETICAL AND METHODOLOGICAL ASPECTS OF INCREASING THE LEVEL OF COMPETITIVENESS OF ENTERPRISES

Core competitiveness is a comprehensive and complex concept that has not been clearly defined by scholars both domestically and internationally. Based on different research perspectives, there are different understandings of the concept of core competitiveness. This paper draws on relevant theories and research at home and abroad to define core competitiveness as the ability of a company to gain advantages in market competition through integrating and utilizing resources. The concept of core competitiveness includes the following three aspects:

First, as an independent business entity, the company competes freely in the market, and its core competitiveness is aimed at pursuing competitive advantages in the market.

Second, from the perspective of market performance, core competitiveness is a manifestation of the company's market expansion and sustainable development capabilities. The company uses its scarce and heterogeneous resources to produce more attractive products or services, thereby gaining market share.

Third, core competitiveness originates from the possession of scarce and heterogeneous resources and capabilities, especially the ability to acquire and integrate resources. This ability is influenced by both internal and external environments and changes with changes in these environments.

From the concept of core competitiveness, it has multiple dimensions and is specifically reflected in the following four characteristics: (1) Relativity. Core competitiveness is measured in comparison with competitors in market competition and is a relative standard of measurement. The market performance of competitors directly affects a company's core competitiveness. The level of measuring core competitiveness should be based on the level of other competitive opponents in the industry, considering internal and external factors. (2) Complexity. Core competitiveness is reflected in two

aspects: first, the factors that affect core competitiveness are complex and diverse, and second, core competitiveness plays a role in many aspects of a company's survival and development. Complexity increases the difficulty of researching core competitiveness, and evaluating a company's level of core competitiveness should be analyzed from multiple dimensions. (3) Dynamic. Core competitiveness is influenced by internal and external environments, whether it be macroeconomic changes, policy adjustments, or changes in organizational structures and management systems. Therefore, measuring the level of core competitiveness should be researched from a dynamic perspective and evaluated with a developmental approach. (4) Systematic. Core competitiveness is the result of the combined action of many factors through integrating and utilizing resources to gain competitive advantage. No single resource or capability can form a company's core competitiveness. These resources and capabilities must be integrated to show advantages over competitors in market competition. However, the systematic nature of core competitiveness does not mean that every aspect or every part of the company needs to have an advantage over competitors. On the contrary, core competitiveness only needs to have advantages in specific aspects. The purpose of researching core competitiveness is to identify these specific aspects that have competitive advantages through scientific methods, thus providing guidance for improving core competitiveness.

As an important criterion for evaluating a company, core competitiveness reflects the performance of a company in market competition and has always been a focus of research for scholars both domestically and internationally. As early as the 1980s, foreign scholars gradually formed a complete theoretical system for core competitiveness, including market structure theory, resource-based theory, and core capability theory.

(1) Market structure theory, represented by Michael Porter

A strategic scholar from the United States, understands core competitiveness as a company's competitive advantage in the market. It mainly evaluates a company's core competitiveness based on its market performance and emphasizes the impact of market structure and market opportunities on a company's development. Market structure theory considers the industry as a collection of homogeneous companies and uses industry

structure analysis models to analyze core competitiveness. Porter has proposed well-known strategic management models such as the "Five Forces Model" and value chain analysis, which have established a systematic theoretical framework and research methods for market structure theory. They have had a profound impact and continue to be important tools in the study of core competitiveness. Domestically, many scholars have conducted research on core competitiveness based on market structure theory. For example, scholars like Yu Wei and Chen Qiang have systematically reviewed Porter's theory and analyzed core competitiveness from the perspective of market structure and market competition performance. They believe that environmental regulations can stimulate company innovation and improve core competitiveness.

(2) The basic theory of resources represented by Wernerfelt

In 1984, Wernerfelt proposed the theory of the resource-based view (RBV), which views a company as a collection of resources. It believes that the core competitiveness of a company lies in possessing scarce and difficult-to-replicate resources, which can be transformed into unique capabilities that create value for the company. Subsequently, his theory was improved and refined by scholars such as Barney, gradually forming the resource-based theory, which has a profound impact on researching core competitiveness.

The resource-based theory believes that the source of core competitiveness is the possession of scarce, valuable, and heterogeneous resources. The reason why a company can maintain sustained competitive advantage is because these resources are difficult to replicate. The key to improving core competitiveness and gaining competitive advantage lies in the acquisition and management of these resources. Many domestic scholars in China have drawn on the resource-based theory to research core competitiveness. For example, Lun Rui believes that the core competitiveness of a company originates from the possession of heterogeneous resources. Li Zuowei and others believe that core competitiveness lies in the ability to use their own resources and capabilities to acquire external resources, integrate and apply them to create value.

(3) Core competence theory represented by Prahalad and Hamel

In 1990, Prahalad and Hamel proposed the concept of core capabilities and argued that core competitiveness is the unique capabilities within the company's internal behavior and processes, and these unique capabilities ultimately determine competitive advantage. Their viewpoint marked the formation of core capabilities theory. Core capabilities theory believes that core competitiveness is fundamentally the ability system possessed by a company, and not all capabilities can generate competitive advantage. Only those capabilities that can create competitive advantage for the company belong to core competitiveness. The company's competitive advantage is precisely due to different capability reserves, and the accumulation and utilization of capabilities are key to enhancing core competitiveness.

Many domestic scholars have conducted extensive research on the basis of core capabilities theory, forming rich theoretical achievements. For example, Liu Chunhui believes that core competitiveness is the ability to effectively integrate and utilize internal and external resources in market competition, providing more attractive products or services. This ability can enhance a company's performance and promote its healthy development. Jian Rui and others believe that core competitiveness is the ability of a company to gain a competitive advantage in intense market competition.

In 1999, American scholars Johnson and Scholes proposed the PEST model as a tool for analyzing the external environment of a company. It is still widely used today. The PEST model, also known as macro-environment analysis, includes four aspects: P represents politics, which refers to the political environment, including factors such as the country's economic system, industry policies, investment policies, and political stability; E represents economy, which refers to the economic environment, including both macroeconomic and microeconomic factors such as GDP and its growth rate, consumer spending trends, interest rates, inflation rates, and price levels; S represents society, which refers to the social environment, including factors such as the education level and cultural level of the population, customs and habits, values, and aesthetic concepts, all of which can impact consumer demands; T represents technology, which refers to the technological environment, including not only the technological means directly related to the company's

field, but also factors such as national technology policies, technology transfer, and the speed of technological commercialization.

The PEST model is an important theoretical tool for analyzing the external macro environment of a company. By analyzing these four aspects, it can provide a clear understanding of the external environmental conditions of the company. It is suitable for analyzing and researching the core competitiveness of a company from an external environmental perspective. This qualification work adopts the PEST model to analyze the external macro environment of Quanfu Yuan Group, extracting the factors in the external environment that impact the core competitiveness of the company.

The SWOT analysis framework was proposed by Andrews in "The Concept of Corporate Strategy" in 1971. It is actually a comprehensive and summary analysis of various aspects of internal and external conditions of an organization, which helps analyze the organization's strengths, weaknesses, opportunities, and threats. SWOT analysis is a commonly used tool in strategic management methods, and conducting strategic analysis based on SWOT helps identify core competencies and refine strategies for enhancing core competitiveness.

The four letters in SWOT represent Strengths, Weaknesses, Opportunities, and Threats. Overall, SWOT can be divided into two parts: the first part, SW, is mainly used to analyze internal conditions; the second part, OT, is mainly used to analyze external conditions. During the analysis process, the internal and external environment and conditions of the organization should be summarized, and then classified according to strengths, weaknesses, opportunities, and threats. Based on these classifications, strategic combinations can be formed, concentrating the resources and actions of the target object in areas where strengths and opportunities are concentrated, making the strategic objectives of the target object clearer.

SWOT analysis provides four different strategic combinations: The first is Strengths and Opportunities (SO) strategy combination, which is the most optimal combination. In this combination, external opportunities for growth exist, internal strengths are prominent, and external threats are not particularly targeted. This strategy is

often adopted in the rising stage of an industry and is suitable for proactive expansion in a sunrise industry.

The second is Strengths and Threats (ST) combination, which is adopted when industry opportunities are not apparent, but threats are prominent. The target object needs to leverage its own strengths to mitigate the external threats.

The third is Weaknesses and Opportunities (WO) strategy combination, which is used when the target object's own strengths are not significant, but external opportunities are apparent. The target object can compensate for its weaknesses through external opportunities. This combination often occurs in the initial stage of industry development, where companies take advantage of industry welfare opportunities.

The fourth is Weaknesses and Threats (WT) strategy combination, which is common in mature industries with relatively stable markets and limited growth potential. The target object often needs to reduce internal weaknesses to mitigate the impact of external threats. This strategy is often adopted in situations where the target object faces some survival crisis.

Overall, the SO strategy combination is the most optimal one, which can bring significant development for the target object. By analyzing and combining these four strategies, we can refine strategies for enhancing the core competitiveness of an enterprise.

CHAPTER 2

CURRENT ANALYSIS OF THE SHANDONG QUANFUYUAN COMMERCIAL GROUP CO., Ltd COMPETITIVE ENVIRONMENT

2.1 Current situation of Quanfuyuan supermarket

This sector focuses on Quanfuyuan Supermarket, a retail format of Shandong Quanfuyuan Commercial Group. "Quanfuyuan" embodies the idea of comprehensively improving the quality of family life, benefiting local residents, and continuously innovating to usher in a new era.

The group is committed to the rapid development of the supermarket format, with the service motto of "Happy Shopping, Quanfuyuan". The goal is to achieve "no difference in shopping experience between urban and rural areas". Quanfuyuan chain supermarkets operate under the principle of "six unification": unified image, management, procurement, distribution, accounting, and pricing. This ensures that people in both urban and rural areas can enjoy the same quality of goods and services, achieving equal shopping opportunities for all.

Quanfuyuan supermarkets, using standardized layout standards and management practices, have established a modern chain operation model with standardized operations and unified brand image. With the advantages of being a local brand and the business philosophy of "integrity wins gold", Quanfuyuan Supermarket has been operating for 38 years and has built a favorable brand image in the minds of local people, gaining wide recognition among consumers.

Currently, Quanfuyuan Supermarket is mainly established in Shouguang and has expanded to the cities of Weifang, Dongying, and Binzhou. It has a total of 15 large-scale stores, 53 directly operated chain stores, and over 200 convenience stores. In 2018, Quanfuyuan Supermarket has achieved sales revenue of 2.57 billion yuan, accounting for 32% of the group's total revenue of 8.022 billion yuan. This represented an 8% year-on-year growth. Despite the challenging macroeconomic situation and intense competition

in the retail market, where physical retailers are facing significant impact, Quanfuyuan Supermarket has maintained stable growth, with all economic indicators showing positive results. The sales figures for different categories and their respective proportions of the total supermarket sales can be found in Table 2.1.

Table 2.1 - Sales and share of merchandise categories in Quanfuyuan supermarket

	Drink	Leisure	freezing	Rice	Egg	Processing	Clothing	General merchandise
Sale	2.96	2.39	2.12	2.18	2.60	3.15	1.57	4.36
Proportion of total%	11.52	9.29	8.26	8.52	10.11	12.26	6.12	16.99

Unit: 100 million yuan

Data source: Some internal statistics of the enterprise

2.2 Analysis of the internal environment of Quanfuyuan supermarket

2.2.1 Internal advantage analysis. Advantages of local brands: As a local retail enterprise in Shouguang, Quanfuyuan has accompanied consumers for 45 years. With its local brand advantage and the business philosophy of "integrity wins gold", the company aims to become a respected and customer-satisfied centennial store. It has formulated a development strategy of "brand-oriented operation" and is committed to building a long-lasting brand. After 38 years of dedicated efforts, Quanfuyuan has established 6 large-scale stores in the urban area of Shouguang and opened over 50 chain stores in the five streets and nine townships under the jurisdiction of Shouguang. The business network coverage has basically achieved full coverage of both urban and rural areas in Shouguang.

"Happy Shopping, Quanfuyuan" has become a well-known slogan deeply rooted in the hearts of the people in Shouguang. It has established a favorable brand image and gained widespread recognition among consumers. Quanfuyuan has become the preferred choice for shopping among local residents.

Regional sales scale advantage: To effectively control costs and maintain a competitive advantage, retail enterprises need to achieve a certain scale. As a local enterprise, Quanfuyuan has an absolute advantage in the Shouguang region. The main transportation artery from Weifang to Shouguang city runs through the vegetable region's main road, Shengcheng Street. Every few hundred meters on this vegetable traffic hub,

there are five Quanfuyuan city stores distributed from east to west, namely, Quanfuyuan Central Store, Quanfuyuan East City Store, Quanfuyuan Department Store, Quanfuyuan Century Square Store, and Quanfuyuan West City Store. Therefore, local people call this street "Quanfuyuan Avenue". Quanfuyuan's intensive layout planning of end points in the region has opened stores in Shouguang's urban areas, community chain stores, and township chain stores, achieving comprehensive coverage of the Shouguang region and becoming an indispensable shopping place for Shouguang's consumers.

Good quality and low price: Product quality and price are key factors in the competition of retail industry. Quanfuyuan aims to "optimize products to the extreme" by accurately controlling market channels and strengthening the construction of a "buying team". It continuously optimizes the "supply side" while ensuring product quality. Furthermore, it compares prices online and offline for all categories to ensure reasonable prices. In recent years, Quanfuyuan has expanded its self-operated imported food business. It has introduced high-quality products such as Bordeaux wines from France, Belli olive oil from Spain, and Manuka honey from New Zealand. It has also opened imported goods halls and bonded zone direct sales centers in each store to provide consumers with a wider range of high-quality products. The product supply in each store has gradually become more diversified, ranging from proprietary brands and local specialties to global products, fully satisfying consumers' diverse, personalized, and quality-driven consumption needs.

Food safety is a top priority for Quanfuyuan Supermarket, considering it as a lifeline during its 45 years of operation. The supermarket has established a solid defense line for food safety by starting from various aspects. It adopts a "zero tolerance" policy towards food safety issues and implements the strictest standards. Firstly, it controls the source strictly by rigorously verifying the qualifications and product certificates of suppliers. The distribution centers implement unified procurement and distribution, establishing a quality control system for seamless supervision throughout the entire process of procurement, sales, and storage. Secondly, it conducts thorough inspections upon receiving goods. Inspection personnel at each supermarket store inspect the delivered goods batch by batch according to acceptance criteria, implementing a

horizontal and vertical responsibility system for food safety. Measures taken include ensuring the quality of processed foods. Quanfuyuan Supermarket invests in the "standardization" upgrade and initiates the "reassuring kitchen" project in each store's processing area. It aims to create a "star-rated kitchen" by following the standards of "highlighted equipment, focusing on the source, and promoting norms," ensuring the health of people's dining tables. Additionally, strict testing of fruit and vegetable quality and the establishment of a traceability mechanism are carried out. As an outstanding pilot enterprise for "agricultural-supermarket integration" in China, Quanfuyuan Supermarket's procurement staff are spread across the country, picking fruits and vegetables from fields and mountains. Strict pesticide residue and pollution-free testing are conducted, and the test results are publicly displayed in the supermarket daily, under the supervision of consumers.

Good service: Quanfuyuan Supermarket embraces the development of the consumer sovereignty era by catering to consumer demands, upgrading service carriers, promoting scientific and rational consumption, listening to consumer voices, protecting consumer rights, and becoming the most trusted friend of consumers. In response to situations where the settlement price of a product does not match the store's price, the supermarket has implemented a price supervision and compensation mechanism to enhance the shopping experience and service quality for consumers, allowing them to become both supervisors and beneficiaries of the price difference. The mechanism is as follows: if the total amount of the product is within 50 yuan (including 50 yuan), the product will be given as compensation; if the total amount exceeds 50 yuan, three times the price difference will be refunded as compensation.

Quanfuyuan Supermarket values its after-sales service and has established an efficient, fast, and transparent complaint platform. To facilitate consumer rights protection and enable timely complaints and consultations, the company has set up after-sales service rooms in major stores. The after-sales personnel have undergone professional and systematic training. In addition, the general manager service hotline 5250315 has recently been upgraded to create a professional customer service system and

listen closely to customers' feedback to ensure the smooth operation of the consumer complaint channel.

An active and hard-working sales team: All middle-level managers at Quanfuyuan Supermarket are internally trained and typically have more than five years of experience in grassroots-level work. They have gained extensive experience and knowledge through hands-on experience and have been tempered by the challenges faced on the frontlines. They shoulder responsibilities and are the inheritors of Quanfuyuan's sense of responsibility and entrepreneurial spirit. Inheritance is a great force that enhances the cohesion of the company. This sense of responsibility and entrepreneurial spirit is passed down to frontline employees by middle-level managers. The frontline sales teams, led by them, work together in unity, actively moving forward, and diligently contributing day after day in their respective positions.

2.2.2 Internal disadvantage analysis. Management is not standardized: Quanfuyuan, which was transformed from a state-owned enterprise to a private one, has a majority of senior managers who are old employees. They rely mainly on experience and personal will when it comes to the company's operation, management, and decision-making, and there are relatively few personnel who possess professional corporate governance knowledge. The company is relatively deficient in modern corporate management systems, especially in terms of human resource management. Private enterprises inevitably encounter problems such as nepotism, leading to some employees lacking crisis awareness and innovation capability. This has also affected the promotion mechanism and atmosphere of fair competition within the company, and is not conducive to motivating the work enthusiasm of the vast majority of employees.

High turnover of personnel: Human resources are the first resource. As a fundamental social service industry, the retail industry has a vast majority of frontline employees, whose work status greatly influences the development of the company and customer interests. Their satisfaction is closely related to enterprise performance. The following is an analysis of the employee situation at Quanfuyuan Supermarket's benchmark store - Dongcheng Store - including employee education, age, and job

distribution.

Table 2.2 - Analysis of Dongcheng Store staff

Type	The distribution				Total
Education	Below junior college	Junior college	Undergraduate	Master's	366
Number	233	105	27	1	
Proportion	63.6%	28.7%	7.4%	0.3%	
Age	18-30	31-40	41-50	50-	366
Number	121	134	103	8	
Proportion	33.1%	36.6%	28.1%	2.2%	
Position	Manager of store Affairs Department Sales Counter Department				314
Number	2	7	305		
Proportion	0.5%	1.9%	83.3%		

Through surveys and interviews with employees, the author found that Quanfuyuan places more emphasis on cultivating middle and senior management talents while relatively neglecting frontline employees. Apart from two middle managers (store managers) and 35 grassroots managers (department heads), the remaining 90% are frontline employees. They generally have low educational backgrounds, limited training and leisure time, low income levels, high work pressure, and high turnover rates. Valuing and retaining frontline employees is of vital importance in establishing harmonious and stable employee relationships and enhancing the company's market competitiveness. As they serve as the bridge between customers and the company, directly representing the company's image and interacting with customers, their service attitudes and quality directly impact customers' consumption experiences and perceptions of the company. The level of service and sales capabilities they possess is a significant manifestation of a retail company's competitiveness. In addition, their growth and progress can also help the company build a pool of middle-level management talent with higher loyalty.

2.2.3 Insufficient construction of corporate culture. Corporate culture is a unique cultural image composed of a company's values, identity, and approach to dealing with things. It is a spiritual and material form of the company's unique characteristics, with rich connotations that make up the company's soul and soft power, and a never-ending driving force for its development.

The significance and value of corporate culture extends beyond paper, and it is essential to sink it to the grassroots level, penetrate into the hearts of every employee, gain their recognition, and maximize the cohesive role that corporate culture plays. Quanfuyuan has established its own corporate culture, but its content is broad and vague, which is not conducive to promoting and implementing it. In a survey of some supermarket branch employees, it was found that most frontline employees only knew about the company's relevant regulations and had no knowledge of the corporate culture, resulting in a lack of belonging and attraction to the company. This, in turn, affects employee responsibility and collective sense of honour.

2.2.4 Lack of private label. Independent production in retail not only reduces costs and ensures food quality and safety from the source but also is a key strategy for companies to create unique brands and increase competitiveness. In recent years, Quanfuyuan has developed a series of proprietary brand foods and registered trademarks such as "Quanfuyuan," "Maidizhi," and "Mixiang Manor." The company's food processing plant produces delicious pastries, and the room-temperature distribution center has applied for food production licenses for nut products, vegetable and fruit products, roasted foods, preserved fruits, and solid condiments, providing consumers with more cost-effective, environmentally friendly, and healthy proprietary brand food series. However, the construction of an end-to-end system that integrates production, sales, and distribution is relatively new and still in the early stages. The development and construction of proprietary brands are still a long-term and arduous task.

2.2.5 Short board of online channel. Quanfuyuan has continuously grown and expanded by leveraging its local brand advantage and strengthening its physical store layout. The company primarily focuses on offline channels, but its online business has not been successful in development. In 2014, the company established an online mall to develop e-commerce, but it did not receive enough attention and sufficient planning and promotion, resulting in stagnant online business. In 2018, Quanfuyuan partnered with Meituan to provide home delivery within a three-kilometer radius for fresh processed

foods and some popular products. In the past, e-commerce may not have posed significant pressure on county-level physical retail, especially the supermarket sector. However, in the current rise of new retail, the combination of online and offline channels has become a winning strategy, and it is necessary to consider how to effectively develop and utilize online channels.

2.2.6 Insufficient technological innovation capacity. The operation of various aspects such as procurement, sales, inventory, as well as finance and personnel in retail companies relies heavily on the strong support of information technology. Like most traditional retail companies, Quanfuyuan's information system was purchased from a professional system company and can only meet basic functions such as sales and customer analysis. However, in today's intelligent new retail era, such a system is far from meeting the requirements of industry development. It is imperative to improve and update the system. The drawbacks of relying on external support for information technology become particularly prominent in the era of technological updates and transformations, making it very passive in terms of system improvement.

2.3 SWOT analysis matrix

The SWOT analysis matrix of Quanfuyuan Group is shown in Table 2.3.

Table 2.3 - SWOT analysis matrix of Quanfuyuan Group

Internal environment	The advantages(S) 1.Advantages of local brands. 2.There are various types of department stores, supermarkets and home appliances Chemical, large scale advantage. 3.Strong support from local government policies. 4.Have a good customer reputation, perfect After-sales service system.	The disadvantages(W) 1.Lack of talent 2.Organizational internal management ability,It's weaker. 3.The brand quality is not strong
External environment	SO Strategy: 1.Capture the heart of local consumer groups Management and consumption	WO Strategy: 1.Introduce comprehensive professionals. 2.Enrich the brand category, add
Opportunities (O) : 1.GDP continued to grow.		

2.Second - and third-tier cities are developing rapidly Urbanization was accelerated. 3.Good store location and good location bar Pieces, large flow of people.	level. 2.Systematic, intelligent and integrated development Exhibition mode. 3.Gradually in each province have chain stores.	high The end element.
Threat (T) : 1.The number of competitors has soared, and the market Competition is increasing. 2.E-commerce to the traditional department store industry A big shock. 3.Operating costs continue to increase.	ST Strategy: 1.We should pay attention to informatization and science and technology in development. 2.Good service attitude to win consumers.	WT strategy: 1.Implement certain strategic alliances. 2.Advanced management concept. 3.Pay high salaries to hire high level managers Member.

2.4 PEST analysis

The external environment of an enterprise refers to the environment that the enterprise faces in its operations, which has an indirect yet crucial impact on every aspect of its business activities. In a broad sense, the external environment of a general enterprise can include politics, economy, society, and technology, which are commonly abbreviated as PEST. The following analysis of Quanfuyuan Group's main external environment will primarily focus on these four aspects.

Politics: Shandong Quanfu Yuan Group, as a business operating in Shandong province, is influenced by political factors. Government policies and regulations have a direct impact on the company's operations. Changes in government policies may result in adjustments to tax policies and the introduction of favorable measures such as tax reduction and fee cuts, which can affect the company's operating costs and profit margins. Additionally, political stability is crucial for the company's stable operations, as any instability in the political environment may negatively impact production and business activities.

Economic: Shandong Quanfu Yuan Group is affected by the macroeconomic environment. With the continuous growth of the Chinese economy, the demand in the

consumer market is also increasing, which is beneficial for the company's sales revenue. However, economic conditions also present risks and challenges. Inflation can lead to rising costs, and increased labor costs can further pressure the company's profitability. Moreover, changes in consumer purchasing power and consumption habits can also impact the company's products and market demand.

Society: Social factors have a significant impact on the company's development and success. As the social economy develops and people's living standards improve, consumer expectations for product quality, service quality, and environmental standards continue to rise. Shandong Quanfu Yuan Group needs to pay attention to consumer demands and trends, focus on product and service quality, and build brand image and market reputation. Additionally, the company should also monitor changes in the population structure and consumer habits in order to adjust product structure and market strategies to adapt to changing market demands.

Technology: Technology is a crucial driving force for the development of modern businesses. With the rapid development and widespread application of information technology, companies need to pay attention to technological trends and innovation to enhance their competitiveness. Shandong Quanfu Yuan Group should focus on the application of technologies such as supply chain digitization, the Internet of Things, and artificial intelligence to improve productivity, reduce costs, and strengthen communication and collaboration with suppliers and customers. Furthermore, the company should also pay attention to the development of mobile internet and e-commerce to expand new sales channels and leverage market opportunities.

In conclusion, PEST analysis of Shandong Quanfu Yuan Group, in terms of politics, economics, society, and technology, helps the company understand and analyze its external environment in order to formulate strategies and decisions that adapt to environmental changes and challenges. The company should pay attention to changes in policy environment, grasp the trends of economic development, prioritize consumer demands and quality improvement, and actively seize the opportunities and challenges of technological innovation and digital transformation, in order to achieve sustainable development and competitive advantage.

2.5 Five forces model analysis

2.5.1 Competition among incumbents. While Shandong Quanfu Yuan Group is experiencing rapid development, it is also facing intense competition from its peers. Taking Quanfu Yuan Group's Shouguang branch as an example, its main competitors include Zhongbai Tower, Jialejia Supermarket, Shengkai Supermarket, Yinzi Shopping Mall, as well as Gome Electrical Appliances, Suning Electrical Appliances, and other e-commerce platforms. I will primarily focus on analyzing Quanfu Yuan Group's Dongcheng store and its main competitors.

Table 2.4 - Advantages and disadvantages between Quan Fu Yuan Group and competitor

Department store	Analysis of advantages	Analysis of disadvantages
Quanfu Yuan East City shop	1. There are many high-end brands 2. Pay attention to the development of corporate culture and service mode Degree is better. 3. Relatively loose and comfortable shopping environment. 4. Advanced business philosophy and consumption concept Read.	1. The products are too high-end and the number of customers with high consumption is high Limited. 2. Product layout is often adjusted, affecting consumers' business Product selection and purchase. 3. In terms of talent introduction, there is a lack of senior management talents The introduction of. 4. Located in a bustling commercial area, it is prone to traffic jams Plug, the number of underground parking is limited, the ground is basically Electric vehicles and bicycles storage points.
Zhongbai Building	1. High business reputation, recognized by consumers Luxury department store. 2. Good service quality. 3. The shopping environment is relaxed. 4. Advanced business philosophy, consumption concept.	1. The enterprise has been established for a period of time, and the enterprise decoration style Backward, not suitable for modern tastes, part of the commodity Storage layout is not considered. 2. Lack of senior management talents, easy management process There is a loophole. 3. Located in the downtown area, parking is difficult.
Ginza Mall	1. Corporate brands have great influence Degree. 2. Strong clothing management and brand control Ability. 3. It is a major investment attraction project and has politics The strong	1. Commodities are available in both high and low grades, which lowers the consumption level Times. 2. Commodity supply channels are not reasonable. 3. Lack of consideration of the consumption

	support of the government is guaranteed.	level of local residents. 4. Consumers do not recognize high-end products.
E-commerce flat Taiwan	1. Time and space are more flexible. 2. Convenient and fast, suitable for young people Expense habit. 3. Low operating cost, no need to lease the field Land and shops.	1. There is a certain lack of after-sales service, such as commodity storage It is difficult to have a uniform standard for refund of defects. 2. There is some communication between sellers and buyers in online consumption Obstacles. 3. There is a certain gap between the description of the commodity and the real thing. For example, the color difference of many goods, size and so on.

2.5.2 The threat of potential entrants. Potential entrants may be newly established businesses or companies operating in diversified industries that are expanding their operations. The threat of potential entrants refers to the possibility of these new or expanding companies posing a threat to existing businesses. Whether it is a new business or the invasion of an existing business, it increases the competitive threat and pressure on the existing company. The threat of potential entrants can manifest as a sharp decline in product prices due to increased competition, increased inventory causing a cash flow problem for the company, skyrocketing production costs due to the need to improve product performance or quality, and increased competition for talent resulting in high salaries and improved employee benefits. These threats from potential entrants can jeopardize the survival of the company.

The retail industry in Shandong Province, China, has tremendous development potential. Currently, Shandong Province has ranked third in China's total retail sales of social consumer goods for several consecutive years. As a result, many large foreign retail companies have entered Shandong Province, and domestic companies have also made it a key target for their development. In recent years, major domestic and foreign retail giants such as Lianhua Supermarket, Walmart Supermarket, Wanda Plaza, Darunfa Supermarket, Yinzuo Shopping Mall, and Zhongbai Lejia Supermarket have gradually entered the Weifang market and expanded their operations. In addition, other major and small cities in Shandong Province have also started to see the presence of major

international retail companies such as WALGREEN from the United States, CARREFOUR from France, Uni-President from Taiwan, and METRO from Germany.

2.5.3 Substitute threat analysis. In summary, the increasing number of potential competitors is promoting the development of the retail industry in China, but it also brings a certain threat to large-scale retail enterprises. The main aspects of the threat of substitutes are analyzed below.

The farmers' market is a relatively primitive and primary market form. As a place for residents to buy and sell, the farmers' market mainly exists in areas where the economy is relatively slow to develop, and people's income levels are not very high, while consumption levels and willingness are also relatively limited. Compared to large-scale retail enterprises, farmers' markets have relatively price advantages. However, the long-term environmental and management issues, as well as the problem of shortweights, is difficult to overcome. Furthermore, the quality and safety of the products cannot be guaranteed. Farmers' markets mainly serve low-income and low-level customer groups. Compared to farmers' markets, large-scale department stores have many advantages, including a wide variety of products, with high-end, medium, and low-end goods available, a comfortable shopping environment, transparent pricing, quality assurance, perfect after-sales service, and the ability to return goods at any time, and many other benefits. With the increase of residents' income driven by the increase of GDP, their living standards and consumption ability continue to rise. During the consumption process, consumers pay more attention to the happiness of the consumption process. Therefore, consumers at the middle and high end of the market tend to consume in large supermarkets. However, compared with some developed Western countries, China's consumption level is relatively low, and e-commerce is just getting started. The logistics level is also not high, so the threat of farmers' markets to large supermarkets will continue to exist for some time.

The biggest advantage of small and medium-sized supermarkets and convenience stores is the convenience they bring to customers. These stores are typically around 200 square meters and are commonly found in residential areas, providing easy access to

shopping for local residents. The product categories offered in these stores are limited to daily necessities and food items, and their prices are slightly higher than those in large supermarkets. Due to restricted operating hours, these stores are often unable to cater to all consumers. Although small and medium-sized supermarkets and convenience stores do not pose a significant threat to large supermarkets at present, adjusting the product structure and increasing product variety may impact the profits of larger stores.

2.5.4 Analysis of Suppliers. The interests of suppliers and retailers are mutually constrained, leading to conflicts and negotiations. Specifically, suppliers serve as the upstream providers for retailers. Currently, there is a considerable number of suppliers in the market, but homogeneity is a significant issue. Moreover, limited distribution channels and limited technological capabilities result in many suppliers having to lower prices to gain a competitive advantage in the market and rely on large retailers for the sales and distribution of their products. As a result, suppliers have relatively low bargaining power because, to some extent, product pricing in the Chinese market is determined and controlled by retailers. Several factors currently determining supplier prices include: 1) The brand recognition of supplied products, where well-known brands have higher prices, whereas lesser-known brands, although possibly of good quality, struggle to command higher prices. 2) The number of suppliers, as a greater number of suppliers for the same product leads to lower prices, but a scarcity of suppliers can result in higher prices, following the principle of scarcity value. 3) Conversion costs for suppliers, as varying raw materials for the same product can contribute to different prices. 4) Different distribution channels for products result in varying circulation costs. These factors, among others, influence the bargaining power of suppliers while simultaneously affecting the development of retail enterprises across regions.

2.5.5 Analysis of buyers. The purchasing power of buyers is influenced by various factors such as their age characteristics, regional characteristics, and job characteristics. Even within the same group of buyers, their purchasing abilities may differ, with key influencing factors including the demand for the product, performance requirements,

income level, consumption level, and the amount of information the buyer possesses about the desired product. As competition intensifies among retail enterprises, price wars become common, and consumers often compare prices among different stores both offline, considering factors like color, style, and performance, as well as online, where prices are relatively transparent.

Now let's focus on analyzing the customer base of Quanfuyuan Department Store, a subsidiary of Quanfuyuan Group. The main consumer group of our store consists of young and middle-aged individuals pursuing a high quality of life, with stable and higher incomes, and a penchant for trendy fashion. These consumers generally have higher incomes, no financial burdens, and emphasize the brand and performance of the products they purchase. To capture the attention of this consumer base effectively, Quanfuyuan Department Store continuously updates its business concept. For example, we carry sporting brands such as Adidas, Nike, and Jordan, fashion brands like Veromoda, Jackjones, and Only, and international cosmetics brands such as Chanel, Lancome, and Estee Lauder, as well as domestic brands like Dingjiayi and Xiao Hushi. Additionally, we offer diverse consumer entertainment services, including children's playgrounds, mother and baby experience centers, and beauty and health centers. Quanfuyuan Department Store has become an integral part of customers' shopping experience in Shouguang, and even the larger Weifang city area.

This chapter provides an overview of Quanfuyuan Group, including a PEST analysis and an analysis of the company's competitive environment. It then focuses on conducting a SWOT analysis of Quanfuyuan Group, summarizing the strengths, threats posed by potential entrants, weaknesses, and opportunities encountered during the company's development process. Based on these findings, the chapter lays a solid foundation for formulating the next steps of Quanfuyuan Group's development strategy.

CHAPTER 3

COMPETITIVE STRATEGY DESIGN OF QUANFUYUAN SUPERMARKET UNDER THE BACKGROUND OF NEW RETAIL

3.1 Competitive strategy choice

3.1.1 Types and evaluation of competitive strategy. According to Michael Porter's competitive strategy theory, there are three commonly used competitive strategies for Quanfuyuan Supermarket to choose from, based on its development and future transformation needs: cost leadership strategy, differentiation strategy, and focused strategy. The focused strategy can be further divided into cost-focused strategy and differentiation-focused strategy. The relationships among the three commonly used competitive strategies are as follows:

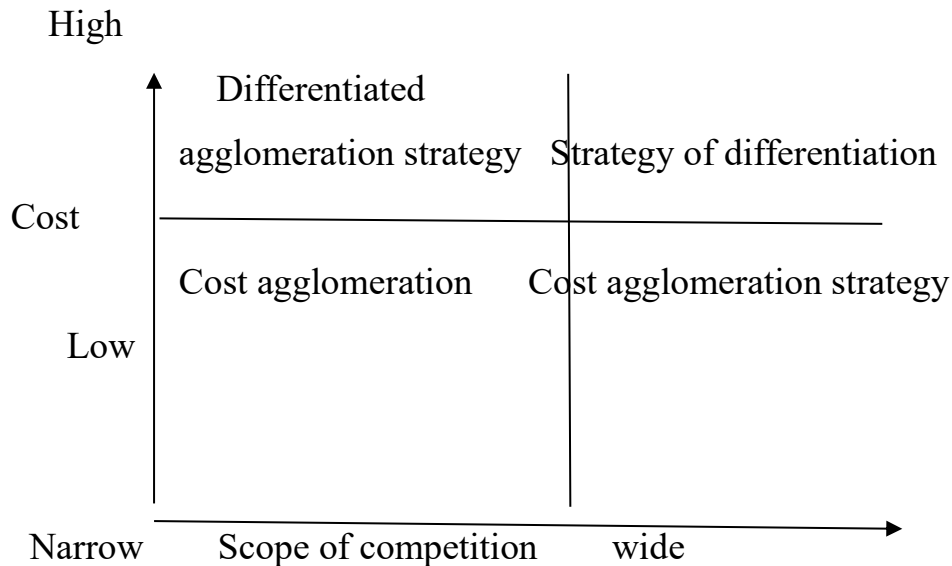


Figure 3.1 - Three competitive strategic relationships

(1) Cost leadership competitive strategy

The cost leadership strategy is when a company takes various measures to control and reduce operating costs in order to provide products and services to consumers at a lower cost. Looking at Quanfuyuan's 45 years of development, key measures to achieve

cost reduction include: Reduction in raw material costs, Reduced management costs, Reduced marketing costs, Service cost reduction (Table 3.1).

Table 3.1 - Key measures to achieve cost reduction in Quanfuyuan supermarket

Cost reduction dimension	Key Initiatives	Analysis of feasibility
Reduction in raw material costs	Start from the supply chain link to reduce supply Bargaining power	With the advancement of China's supply-side reform, backward production capacity will be phased out, and the cost of raw materials will remain at a relatively high level, with limited room for future reduction
Reduced management costs	Starting from the operation of the whole value chain,Reduce the daily management cost of each department	In general, there is some room for reduction, but with the progress of management toward standardization and specialization, management costs represented by compensation and benefits will increase, which will adversely affect the implementation of cost leadership strategy
Reduced marketing costs	Reduce promotion and channel operation costs	In the future, with the sinking of the network, channel operation and promotion costs will rise rather than decrease
Service cost reduction	Reduce the logistics cost of after-sales service and intermediate circulation	With the upgrading of consumer demand and the satisfaction of last-mile logistics demand, there is no possibility of reducing this part of the cost

To sum up, to meet the demand of future market competition, the cost leadership strategy of Quanyuan supermarket has great resistance, which is not suitable for the sustainable development of the enterprise.

(2) Differentiated competitive strategy

The differentiation competitive strategy focuses on meeting consumer needs by providing corresponding products and services based on consumers' different occasions, situations, and periods. This strategy gradually cultivates consumer loyalty and dependence on the company's brand, thereby reducing consumer sensitivity to prices. The core of implementing differentiation strategy lies in the unique characteristics of the products and services offered by the company, which must be recognized and accepted by consumers and generate consumer interest.

Under the context of new retail, consumer demand characteristics have five features: personalization, showcasing individual tastes; experiential, emphasizing interaction and scene experience; socialization, advanced methods and fragmented scenes; flexibility, breaking away from tradition and offering convenient services; and

integration, sharing resources and integrating channels. Implementing differentiation strategy from the perspective of changing consumer demands can bring Quanfuyuan closer to consumers, enhance its core competitiveness, and effectively withstand competition from five sources, thereby improving profitability and market share.

As a localized brand, Quanfuyuan's loyal consumer base is its foundation for maintaining a competitive advantage. Additionally, catering to the upgraded needs of consumers in line with the changing times is crucial for Quanfuyuan's future competitiveness. Therefore, implementing differentiation competitive strategy is the key to achieving competitive success for Quanfuyuan supermarket.

(3) Target agglomeration competition strategy

There are two prerequisites for implementing a target clustering competitive strategy: first, the company is relatively small in scale, and various decision-making processes are relatively fast, enabling the transformation of various strategies in competition; second, the target clustering strategy is based on the development of segmented markets and cannot take into account the entire market scope.

As a comprehensive retail group, Quanfuyuan Supermarket has developed for nearly forty years and has a considerable market size and business scope. Giving up the current favorable situation and focusing on the development of one or a few segmented markets would not be cost-effective. In addition, if the selection of segmented markets is inappropriate, there will be a greater risk of acquisition or merger. Therefore, the feasibility of implementing a target clustering competitive strategy is low for Quanfuyuan Supermarket at present.

3.2 Determination of differentiation strategy

Based on the analysis, in order to achieve long-term sustainable development, implementing a differentiation competitive strategy is the optimal choice for Quanfuyuan Supermarket. However, this differentiation is based on the existing resource endowment and conducted through innovation. The implementation of a differentiation competitive strategy needs to meet three requirements: 1) Adapt to the organization's self-

development requirements and provide fundamental guarantees from an institutional perspective. 2) Adapt to the requirements of resource and capability enhancement and provide basic guarantees from a conditional perspective. 3) Adapt to the changing demands of internal and external environments and provide macro guarantees from a policy perspective. Therefore, the implementation of Quanfuyuan's new differentiation competitive strategy should start from the organization's existing resource conditions and propose new requirements for various aspects such as organization and personnel. At the same time, it should consider the development and changes in the external environment and embark on a new journey of transformation and upgrading. Based on the current conditions, the following are the conditions possessed by Quanfuyuan Supermarket for the implementation of a differentiation competitive strategy (Table 3.2).

Table 3.2 - Conditions for implementing differentiated competitive strategy in all Fuyuan supermarket

The conditions required	Quanfuyuan supermarket has the conditions	The next improvement direction
Standardized management mechanism and efficient decision-making	The organizational structure is relatively perfect and flat, and the process decision-making has certain efficiency	Further improve the construction of organizational system, form standardized and process-based management, improve response efficiency
Forward-looking market insights	It mainly depends on the strategic vision and decision-making preference of senior leaders	Establish separate strategic research institutions for high-level decision-making Input information support
Perfect people	A group of excellent middle management personnel with relatively reasonable age and educational background have been cultivated	The professional quality of personnel at all levels needs to be further strengthened and improved
First-class products	The products are of high quality and low price, leading in the regional market and obvious advantages in localization	Make efforts to create product features and further strengthen advantages
Good service	Have a wide range of brand recognition and good reputation, good service	Focus on the creation of segmented service market and cultivate new service competitiveness
A reasonable network	It has implemented the operation mode of "first-level large supermarket + second-level department store + third-level convenience store", and has more than 260 networks at all levels	Sink the network with the community as the unit, and adjust the mode of network operation to gradually achieve full network coverage
An Effective Strategy	The traditional marketing 4P strategy	On the premise of 4P strategy, to 4I

		strategy
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Therefore, based on the conditions possessed by Quanfuyuan Supermarket and the existing problems in competition, the design of Quanfuyuan's differentiation strategy mainly includes differentiation in organizational structure, human resource management, corporate culture, consumer scenarios, and marketing strategies.

3.2.1 Differentiation of human resource management. Human resources are the most valuable asset for enterprise development, and the implementation of differentiation competition strategy cannot be separated from the support of talent resources. Especially in the context of new retail, Fullness Yuan Supermarket needs the support of professional and high-end technical talents for format innovation. Therefore, it is necessary to strengthen the construction of the human resources team, optimize the structure, ability, and incentive mode of the existing personnel, and establish a sound and advanced human resources management mechanism.

(1) Construction of the human resources team

As a whole, the supermarket needs to first establish a stable sales and service team. In addition, in order to better and quickly adapt to the various changes brought about by the new retail background, Fullness Yuan Supermarket can consider introducing some high-end professionals. The information technology departments of each store should be equipped with professional IT technicians. From a long-term strategic perspective, this lays a solid foundation for the scientific development of business.

From the perspective of age and education level, the age structure of frontline sales personnel and after-sales service personnel needs to be gradually optimized to be biased towards the post-80s, post-90s, and post-2000s young people. The education structure requires at least a vocational diploma or higher for these positions, while the education structure for middle-level management personnel requires at least a college degree or higher.

From the perspective of personnel development, the sales department supervisors should implement a regular job rotation mechanism to cultivate versatile employees. A hierarchical training mechanism should be strengthened, prioritizing the selection of 1-2

personnel from internal departments to form a professional instructor team, supplemented by inviting professional training institutions. The specific capacity building for personnel at each level is as follows in Table 3.3.

Table 3.3 - Training planning for capacity-building of personnel

Level of personnel	Capacity training level	Period of training
Senior executive and manager level	Leadership, strategic management ability, retail format related ability	1 time/half a year
Middle management	Mainly professional ability and management art training	Once per quarter
Information technology staff	Construction and maintenance of online sales platform, new technology application ability	From time to time
Head of Marketing	Marketing, customer and marketing strategy and other professional ability training	Once per quarter
First-line shopping guide	Professional shopping guide ability, communication ability, negotiation ability	Once a year
Service personnel	Customer management and communication skills	1 time/half a year
Other ordinary employees	Enterprise culture, recreational activities and quality development	From time to time

(2) Adjustment of talent incentive mode

The focus should be on three aspects: KPI performance management, optimization of incentive models, and human care:

KPI performance management: Starting from the managerial level, establish KPI indicators for every frontline and backend personnel who are involved in business operations. Formulate a standardized system for rewards and penalties, encouraging excellence and eliminating underperformance to create a fair and competitive environment.

Optimization of incentive models: For core positions and middle to senior management personnel, consider establishing an incentive mechanism based on equity incentives to retain talent.

Human care: From the perspective of employee well-being, improve employee benefits and organize various activities for human care, such as paid leave policies, incentive systems for exceeding targets, birthday blessings and care, and family-related activities.

Overall, by focusing on KPI performance, optimizing incentive models, and providing human care, Fullness Yuan Supermarket can enhance the effectiveness and motivation of its workforce.

3.2.2 Differentiation of corporate culture

The cultural elements of Fullness Yuan Supermarket are relatively rich, but the problem lies in the abundance and generality of the cultural content. The implementation of promotional activities is not easy, and at the same time, there is a lack of brand cultural element design, leading to unclear brand positioning in the minds of consumers. Therefore, the key to differentiating the culture of Fullness Yuan Supermarket lies in the reshaping and implementation of corporate culture.

Firstly, existing cultural elements should be sorted and categorized into corporate culture, marketing culture, and management culture. At the same time, brand positioning elements should be integrated into the promotion of corporate culture. Various forms of cultural implementation activities should be widely conducted to make culture one of the core competitive advantages of Fullness Yuan Supermarket.

The enterprise culture is centered around the vision, mission, and purpose of Quanfuyuan, with the brand positioning and slogan integrated into it. The brand positioning is "to become the leading brand in the retail industry", and the brand slogan is "Happy shopping with Quanfuyuan, healthy consumption every day". All these elements are designed into a corporate culture promotion image and posted throughout the company to enhance employee identification with the company culture and leverage the influential power of culture (Table 3.4).

Table 3.4 - Marketing Culture Design

Level of design	Specific ideas	Remarks
Business Philosophy	Integrity and competence	
Concept of Service	Smile from the heart, service from sincerity with professionalism and sincerity to win customers, customers are always right	
Code of Service	Sunshine smile gratitude	
Management objectives	by always in progress	Daily + ten-day + monthly target management mode
Employee culture	Team work, not afraid of difficulties, dedication to duty	A clear division of labor and a strong character

The focus of management culture is implementation, which involves promoting the company's talent concept, learning concept, safety concept, and competition concept to every individual through various entertainment activities and meetings. The goal is to ensure that each person understands and identifies with the company's culture, and in the long run, to maximize the significant role of implicit influence.

Emphasizing the principle of people-oriented and adhering to the principle of people-oriented is the accumulation of an excellent enterprise's culture over many years. The development of any enterprise depends on a team that is enthusiastic about the enterprise and willing to work hard for its development.

Firstly, advocating humane management, employees are the foundation of an enterprise. Giving full attention to the personal feelings of each employee and addressing their emotional needs, guiding their emotions towards positive and constructive directions. Based on the current situation of the enterprise and its responsibility to the country, the employees' values should be correctly guided so that they are enthusiastic in their work, fully understand the essence of the enterprise culture, and stimulate their work enthusiasm, thus alleviating work pressure and creating more value for the enterprise.

Secondly, continuously improving innovative incentive mechanisms. Enterprises should pay attention to establishing incentive systems such as regular bonuses, material benefits, stock dividends, spiritual recognition, rewards, and punishments. They should also focus on the rational allocation of human resources and increase employees' recognition of the company. Actively guiding employees to regularly set work goals that are suitable for their own circumstances, these goals can be as small as everyday or monthly targets, or as big as contributing to the long-term development of the enterprise. This ensures employees' personal goals are aligned with the overall goals of the enterprise, making them aware of their achievements and gaps, continuously stimulating their work enthusiasm, and enhancing their sense of belonging and accomplishment.

3.2.3 Differences in consumption scenarios. With the upgrading of the consumer market, consumers' purchasing scenarios are constantly changing. It has evolved from a single offline channel to multi-channel and now to the current new retail omni-channel

sales, providing consumers with more choices for their purchases. The upgrading of the consumer market is driven by the upgrading of consumer demands. Instead of merely pursuing basic needs for goods, consumers now place greater emphasis on the consumption experience in an environment where the consumer market and the product market undergo significant changes. The specific changes in consumer demands are as follows: shifting from meeting basic needs to pursuing more; transitioning from being able to buy to pursuing quality and experience; moving from product demands to lifestyle demands; and evolving from homogeneous demands to personalized demands.

In an ever-changing market environment, All-Fu Yuan supermarket must prioritize the needs of consumers. It should create a precise scenario marketing system centered around consumers' living scenarios by employing accurate positioning and designing of scenarios. This system should fulfill the consumers' communication and emotional needs, explore and stimulate new consumption demands, and establish a virtuous cycle of customer satisfaction and repeat purchases. Additionally, efforts should be made to accelerate the improvement of the online shortcomings. Only through effective integration of online and offline channels can a multi-channel consumption scenario be created, enabling a seamless shopping experience across various scenarios. This will better meet customer needs, gain a deeper understanding of customer preferences, and, with the assistance of digital technologies, collect and analyze customers' purchasing information to obtain more accurate customer profiles, thus achieving precise marketing.

3.2.4 Differentiation of marketing strategy. (1) Product Differentiation. In the current product market, there is an abundance of product categories and brands. Product categories have become highly segmented, with diminishing differences between them. The market is continuously enriched with a wide range of product brands, particularly in the fast-moving consumer goods sector, where new companies and brands are constantly emerging, reducing the influence of established brands. While this extensive selection of products caters to diverse consumer demands, it also increases the difficulty for customers to make choices.

Consumer demands for products have also changed, shifting from basic needs to a desire for high-quality products, such as those that promote health, fashion, and personalization. During the early stages of new retail development, certain high-quality demands require specific influencing methods, targeted positioning, and specific product presentations to explore and stimulate consumer interest.

The rapid development of the commodity market requires Quanfuyuan Supermarket to improve the efficiency of commodity management. Firstly, it should optimize the selection of product categories and brands based on the different consumer groups and consumption characteristics of different stores, instead of adopting a one-size-fits-all approach. The width of product combinations should be controlled within a reasonable range, rather than blindly pursuing a wide range of products. Secondly, in terms of product display, it should strengthen the combination display of related products and break through the fixed and strict categorization pattern, using more flexible combination display to better demonstrate the functional value of products. Thirdly, in terms of product packaging, it should increase the safety and utility of packaging to meet the needs of home delivery services in the new retail environment. Fourthly, for its own products, besides ensuring quality and improving quality as always, it should also carefully study consumer trends and preferences, pay attention to the development of new products to meet new customer demands, and provide high-quality and cost-effective products. It should also focus on the design and innovation of product packaging to achieve comprehensive value-added products.

(2) Price Differentiation

Price is still an important criterion for consumers to choose products, and product prices are the result of various factors such as the supply chain and costs. Overall, Quanfuyuan Supermarket offers high-quality products at affordable prices, and the prices of its products are in line with the consumption and price levels in Shouguang. However, with the development of the consumer market in the new retail era towards "segmentation, niche, and personalization", and in an environment where brands are greatly enriched, brand positioning becomes particularly important. Therefore, as Quanfuyuan Supermarket's product supply is diversified and targeted towards different market

segments, the prices of its products should also be differentiated according to the different levels of high-end, mid-range, and low-end brands.

(3) Channel Differentiation

The development of new retail has bridged the online and offline sales channels, leading to the integration of traditional brick-and-mortar stores and e-commerce. Therefore, the ultimate goal of channel design for Quanfuyuan Supermarket is to achieve omnichannel retailing. Currently, Quanfuyuan Supermarket's online channel is its self-built online store, which has low visibility and few customers due to insufficient attention and promotion, resulting in poor business performance. In terms of the construction of online + offline channels, Quanfuyuan Supermarket has just taken the first step. In 2018, it partnered with Meituan to provide home delivery services for fresh processed foods and some popular products within a three-kilometer radius (Table 3.5).

Table 3.5 - Channel differentiation Design

The channel	Status	Direction of development
Physical stores	Relatively mature, hypermarket + chain store + convenience store, with local advantages, in Shouguang has achieved a high coverage rate	Further expand the community and rural network, seize the rural vibration brings opportunities to expand coverage
Online shopping mall	Low visibility, few customers, poor business conditions	Re-planning and accurate positioning
Online + offline	Low visibility, few customers, poor business conditions	Expand cooperation with well-known e-commerce companies

(4) Service Differentiation

From traditional brick-and-mortar retail formats to e-commerce and now to the current new retail era, there are increasingly diverse retail forms to cater to different consumer purchasing choices. In the process of development and transformation, the integration and upgrading of online and offline channels will undoubtedly generate high-quality innovative services that differentiate from traditional models. For example, the rapid development of fast home delivery services in physical retail stores nowadays brings great convenience, excellent experiences, and customer satisfaction to consumers, highlighting the essence of the new retail era, which is to meet customers' multidimensional needs and place customers at the center of business.

The design of service differentiation mainly focuses on the consideration of on-site and self-service needs. This requires continuous improvement in logistics systems and the development of channel networks by Quanfuyuan Supermarket to provide the following services in Table 3.6.

Table 3.6 - Service differentiation Design

Distance of service	Service differentiation strategy
Within 3KM	Provide home delivery or self-pickup services, by Quanfuyuan in rural and community convenience stores as the main service.
More than 3KM	The focus is to rely on the improvement of the construction of the large logistics system of Quanfuyuan supermarket, and to rely on the resources in the towns and distribution of Quanfuyuan to meet the needs of door-to-door delivery.

3.3 Safeguard measures for the implementation of differentiation strategy

3.3.1 Organization and human resource security. Talent resources are the primary resource, and reform and innovation cannot be separated from human resources guarantee. The implementation of new retail requires different organizational design and talent planning compared to traditional retail. In order to adapt to the changes in the commodity market, consumer market, and the development of online and offline channels, Quanfuyuan Supermarket needs to build a talent system for new retail corresponding to new business. The strategic management department should collaborate with the human resources department to assess their current situation and capabilities and establish a new retail team through self-development or the introduction of professional talents. They should also align with the existing organization and plan suitable talent incentive programs to retain and develop the new retail team. The company's network information department should introduce specialized information technology talents to engage in the research and development of new technologies, providing technical support and assurance for the integration and development of the supermarket's online and offline channels.

Additionally, addressing the difficulty of attracting talents for county-level enterprises, it is possible to consider leveraging nearby resources such as Weifang College and Weifang University of Science and Technology to establish school-enterprise

collaborations. A planned and ordered training approach can be adopted to meet the talent needs of Quanfuyuan Supermarket.

3.3.2 Optimizing the online shopping mall to achieve O2O. Under the trend of integration between online and offline channels, the online channel has become a tool for connecting various retail elements, and bridging the online channel has become an inevitable choice for traditional physical retail enterprises to upgrade and develop. Leveraging the retail experience of offline stores, Quanfuyuan Supermarket needs to reposition its existing online shopping mall and create and promote its own e-commerce brand. It can first attract offline members to the online platform through member points and benefits, establish an online and powerful CRM (Customer Relationship Management) system, and support omni-channel functionality. Furthermore, it should ensure consistent pricing between online and offline platforms, allowing consumers to place orders online and pick up the goods offline. Both online and offline platforms can share inventory, logistics, and services, optimizing resource integration. Through seamless integration and easy switching between online and offline, it can provide consumers with an ultimate shopping experience.

3.3.3 Technological innovation ensures the implementation of new retail. Technological advancements drive the continuous development of various industries, and technological innovation is a powerful driver for the development of new retail. The application of emerging technologies with features like connectivity and intelligence continuously optimizes the various elements of the retail system, upgrading the efficiency of goods circulation and consumer experience, effectively controlling costs, and ultimately leading consumers into the era of intelligent commerce.

In the era of new retail characterized by digitization and intelligence, the interconnectedness and information sharing between online and offline cannot be separated from the support of information technology. Retailers leverage big data technology to obtain accurate consumer data, enabling businesses to gain insights into consumer behavior, needs, and changes, thus achieving product optimization and

efficiency improvement. The network information department of the group headquarters should introduce specialized information technology talents to engage in the research and development of new technologies, providing technical support and assurance for the integration of online and offline channels and the application of big data. The information departments of each Quanfuyuan supermarket store should be responsible for testing and implementation, shifting from being solely responsible for network maintenance to taking the initiative in mastering technological innovation. Additionally, leveraging technologies such as "big data" and "cloud computing" can fully tap the value of data and focus on the application of cutting-edge technologies such as artificial intelligence, VR, and AR in retail practice, comprehensively optimizing the consumer experience.

3.3.4 Implementing supply chain optimization project. The supply chain plays a crucial support role for retail enterprises, and the improvement of the intelligence level of retail enterprises requires a new type of intelligent supply chain as a guarantee. The responsiveness of the supply chain will directly affect the competitiveness of the enterprise, thus requiring the supply chain to respond quickly and agilely to changes in front-end sales.

As a traditional physical retail enterprise, the level of supply chain management at Quanfuyuan Supermarket has gradually improved with the expansion of its scale. However, compared to advanced supply chain management by large well-known retail brands such as Walmart, there is still a significant gap. Facing the arrival of the new retail era, Quanfuyuan Supermarket needs to build a corresponding data analysis system to support supply chain and inventory optimization forecasting, restructure logistics and warehousing, and strive for direct cooperation with more manufacturers, expanding the scope and scale of direct-operated products from manufacturers. By optimizing resources in all aspects and forming strategic alliances, the company can reduce operational costs, effectively enhance management and operational efficiency, and ultimately realize more corporate value.

3.3.5 Expanding the self-owned brands and improving self-operation

capabilities. Expanding the self-owned brands and improving self-operation capabilities are crucial for retail enterprises in the era of new retail. Retail enterprises can fully leverage their own strength to manage core business operations, which is a demonstration of their adherence to the principles of business. Self-operation serves as a cornerstone in market economies, optimizing resource allocation, reducing transaction costs, and maintaining price order. Joint operation, on the other hand, mainly relies on bringing manufacturers into stores and renting counters, earning profits through commissions and rent. However, it lacks the internal drive to reduce transaction costs and curb price increases.

Quanfuyuan Supermarket, as a traditional retail enterprise, has a relatively large number of joint ventures and leased categories. At the same time, the development and construction of self-owned brands are still in the initial stages and relatively limited. To enhance its competitive advantages in the long term, the supermarket needs to cultivate its self-operation capabilities, reduce reliance on joint venture suppliers, and expand the development of self-owned brands. The strategic management department should collaborate with the merchandise management department to formulate short-term, medium-term, and long-term plans for building and establishing self-owned brands, gradually increasing the proportion of self-operated and private label products.

CONCLUSION

The main objective of this qualification work is to study the Shandong Quanfuyuan Commercial Group. The paper focuses on the current development status, corporate culture, PEST analysis, and competitive environment analysis of the Quanfuyuan Group. The analysis process adopts the Porter's Five Forces Model and SWOT analysis method to summarize the overall development strategy, competitive strategy, cooperation strategy, and diversification strategy of the Quanfuyuan Group. The qualification work specifically emphasizes several aspects of the competitive strategy for the group's development:

1. Improve the level of informatization: With the advent of the information and intelligent era, the development of the group also needs to improve its level of informatization. Efforts should be made to make the Quanfuyuan Group's network information system systematic, flexible, and intelligent to achieve efficiency.

2. Strengthen the development and management of human resources: Effective human resource management is an important factor for sustainable development and gaining a competitive advantage for the enterprise.

3. Enhance corporate culture construction: A good enterprise development relies on excellent corporate culture. A good corporate culture permeates the thoughts of the employees, brings positive energy to them, instills a sense of mission, and creates a deep emotional connection with the company, thus giving the company a strong core competitiveness.

This research on Quanfuyuan Group's competitive strategy has positive practical significance and reference value for the company's operations. It also provides a feasible plan for relevant enterprises during strategic transformation. With China's rapid economic development and the country gradually becoming a major player in international trade, the retail market in China has broad prospects. In recent years, the Quanfuyuan Group has achieved rapid development, which has made significant contributions to the local economy. However, the company is aware that it will face increasingly severe market

competition and stronger competitors in the future, and it needs to continuously adjust its strategic objectives in line with economic trends to achieve better development.

During the research process, we consulted a large amount of literature and conducted social surveys. However, considering my limited theoretical knowledge, scientific research ability, and practical experience, there is a need for further exploration into many underlying issues in the group's development. Many aspects need further deepening and improvement. Additionally, some of the data cited in the paper may not be the most up-to-date. We will continue to improve and solve these shortcomings in future studies and work.

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APPENDIXES

APPENDIX A

APPROVAL OF RESEARCH RESULTS

1. Sun Yanbo Determining the labor cost level in the system of improving enterprise competitiveness

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DETERMINING THE LABOR COST LEVEL IN THE SYSTEM OF IMPROVING ENTERPRISE COMPETITIVENESS

The labor cost of an enterprise refers to the total of all direct and indirect expenses paid by the enterprise for the use of labor in the production and operation process. It is a quantitative monetary expression of the enterprise's use of labor, also known as labor costs, labor costs, or personnel expenses. It mainly consists of seven parts: total labor remuneration for enterprise employees, social insurance expenses, welfare expenses, education expenses, labor protection expenses, housing expenses, and other labor costs including union expenses, employee recruitment expenses, etc. Under the conditions of a market economy, competition among enterprises in the product and talent markets is becoming increasingly fierce, and high or low labor costs can affect the survival and development of enterprises. How to determine a reasonable level of labor costs for enterprises and improve market competitiveness has become a common concern for various enterprises. [1]

Enterprises should consider their affordability, the livelihood costs required for employees to maintain a certain standard of living, and the labor market prices of various personnel when determining reasonable labor costs. The payment ability of the enterprise. Firstly, analyze the factors that determine a company's payment ability through the following formula. Employee salary level=labor cost expenses/number of employees=number of fixed asset employees) X (production volume - product inventory y fixed asset) X price X added value (production volume - product inventory)>price) x labor cost expenses/added value. From the formula, it can be seen that the salary level of employees is determined by several productivity factors of the enterprise.

1. Physical labor productivity. It refers to the average quantity of products produced by each employee during a certain period, which is directly proportional to their ability to pay.
2. Sales labor productivity. It refers to a period in which the average sales value of each employee is directly proportional to their ability to pay.
3. Labor cost ratio. It refers to the proportion of enterprise labor costs to sales, which is inversely proportional to payment capacity.
4. Labor distribution rate. It refers to the ratio of enterprise labor costs to added value to net output value or added value, which is inversely proportional to the ability to pay.
5. Value added labor productivity. It refers to the added value produced by each employee on average, which is directly proportional to their ability to pay.
6. Unit product salary. It refers to the average labor cost per product, which is inversely proportional to the payment capacity.
7. Profit and loss divergence points. It refers to the sales volume when a company's profit is zero, and is the

dividing point between the company's profits and losses. The payment ability of different enterprises is affected by the above seven factors to varying degrees. It is necessary to develop the best implementation plan to improve payment ability based on the actual situation of the enterprise. The livelihood expenses of employees. The salary of employees is the main guarantee for maintaining a certain standard of living, and the cost of maintaining a standard of living is influenced by prices and the average social standard of living. In other words, the cost of maintaining a standard of living for employees varies with changes in prices and the average social standard of living. Therefore, the livelihood expenses for employees to maintain a certain standard of living are the lower limit for enterprises to determine reasonable labor costs, and should not be linked to the company's ability to pay. Enterprises cannot afford to pay salaries lower than their employees' livelihood expenses on the pretext of poor operating conditions. Reasonable labor costs are the median after weighing the company's ability to pay and the employees' livelihood expenses. Enterprises should determine the livelihood expenses of their employees based on statistical data published by government statistical departments on prices and average social living standards. The local price index is the lower limit for enterprises to determine the increase in employee monetary wages. Due to the lack of specific indicators for changes in the average social living standard, enterprises should negotiate with trade unions and employee representatives to determine the adjustment range of employee livelihood costs with changes in the average social living standard. Labor market wage guidance prices. Enterprises should also consider the guiding price of labor wages when determining the salary level of employees. If the salary level determined by a company is lower than that of companies in the same industry, it will be difficult to recruit the necessary talents in the labor market, and existing talents may also be lost due to low salary levels. The labor and social security department regularly publishes labor wage guidance prices, which are important channels for enterprises to understand the salary levels of various personnel. [2]

At present, ten cities in our province have established a regular release system for enterprise labor cost information, which has played a positive role in guiding enterprises to strengthen labor cost management. At the beginning of the year, clear implementation goals were established, striving to establish a labor cost information guidance system covering major industries at the provincial and municipal levels within two years. As an important component of the construction of the macro control system for enterprise wages, the establishment of the industry labor cost information guidance system is of great significance for further transforming government functions, promoting enterprises to strengthen labor cost management, and reasonably determining wage levels. [3]

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Continuation of Appendix A

2. Sun Yanbo Justification the improvement of the competitiveness level of retail enterprises

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Justification the improvement of the competitiveness level of retail enterprises

The competitiveness of retail enterprises is a topic that people talk about a lot, but what is the competitiveness of retail enterprises? What are the competitive advantages of retail enterprises? Many people haven't figured it out yet.

Retail enterprise competitiveness refers to the comprehensive ability of retail enterprises to fully leverage their competitive advantages in an open and competitive market, effectively meet consumer needs, sell physical goods and services, sustain and coordinate development, and have operational profitability and self-development. The main components include customer possession ability, value chain integration ability, financial operation ability, marketing technology ability, cost control ability, talent aggregation ability, brand value creation ability etc. [1].

1. Customer Possession

Retail enterprises are different from other enterprises in that they deal with customers every day. Whoever has more customers has more customers, which is a unique characteristic of retail enterprises compared to other industrial enterprises, agricultural enterprises, and wholesale enterprises. Therefore, their customer possession ability is their unique ability. The customer possession ability is determined by customer penetration, customer loyalty, customer selectivity, and other factors. The English translation of "The eus customer is a god" is incorrect, and its essential meaning is "customer is supreme". Therefore, many enterprises have proposed this slogan, but their understanding level is different, and their customer competitiveness is also different.

2. Retail value chain integration capability

The integration ability of Zero Snow Enterprise's value chain mainly includes the ability of retail enterprises to integrate upstream and downstream, to integrate resources upstream, that is, to extend to manufacturers and agricultural product producers, to wholesalers, and to logistics distribution centers, forming an industrial chain with upstream suppliers, and to integrate resources downstream, that is, to integrate resources with distribution centers, Forming a good "customer relationship" chain with customers, such as a retailer's own brand that is formed by combining with producers [2].

3. Retailer financial operational capabilities

The financial operational ability of retailers refers to the operational ability of retail enterprises in terms of goods and funds. The turnover level of goods and funds is the most important manifestation of the level of fund utilization, and the speed of product turnover

directly affects the competitiveness of retail enterprises. The turnover of goods in retail enterprises refers to the time and efficiency that goods go through from receipt to sale. The most important indicators to measure the turnover level of goods are turnover frequency and turnover days. The main sources of funds for retail enterprises include self owned funds, corporate profit accumulation, borrowing, and creating working capital. In addition, there are financing channels such as listing financing, bonds, and loans.

4. Retail marketing technical capabilities

The competitiveness of retail enterprises is ultimately reflected in the competition among stores, which requires marketing technology support. The most basic marketing technologies include preservation technology, settlement technology, rapid replenishment technology, zero inventory technology, JIT technology, and the combination of online and offline technologies. RFID technology and GIS technology are innovative technologies that have emerged in the past two years, and modern technology continues to promote the modernization of retail enterprises [3].

5. Retail cost control capability

The competitiveness of retail enterprises is reflected in the influencing factors of cost control, including procurement, logistics management, and human resources. Enterprises can adopt efficient management and supply systems, and inquire about supplier human resource costs, production sites, inventory control, and management work to reduce costs, reduce management costs, and improve supply channel efficiency. The store assessment indicators can be summarized into four aspects: safety indicators, profitability indicators, development indicators, and efficiency evaluation indicators [4].

6. Talent gathering ability

With 80% of the global top 50 entering the Chinese retail market, coupled with the development of domestic retail enterprises, the competition for talent in retail enterprises is becoming increasingly fierce, becoming a bottleneck for the development of retail enterprises. Gathering, cultivating, utilizing, motivating, and reserving talents are the driving forces for the development of retail enterprises.

7. Selling brand value creation ability

Retail brand competition is a major trend in the development of retail enterprise competition. Retail industry brands include: retail enterprise brand - enterprise brand, retail service brand - service brand, private brand - commodity brand, etc. Retail enterprise and industry competition has entered the stage of brand competition.

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