

A Business Analysis for the Taier Company Based on STP Model and Market Forecasting

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ABSTRACT

Taier pickled cabbage fish is one of its main brands, and the market size and volume is large. The number of pickled cabbage fish stores in China is as high as 35,000. The industry profits are high, and the competition among enterprises in the track is fierce. We choose one of the top enterprises "Taier pickled cabbage fish" brand as the research object, using market analysis and other methods to provide marketing suggestions for enterprises. In this paper, we choose the fish as the research object of marketing strategy. We will explain Taier, a pickled vegetable fish brand, through the brand introduction, analyze the brand's marketing strategy through STP theory, and put forward corresponding 3C market suggestions. Then, we will make risk predictions and critically consider the content and process of our research. Finally, we suggest that The company should start from the customer value, organize the product value chain, explore new catering needs and production structure, increase SKU (number of dishes) appropriately, follow the healthy catering trend, and continue to develop more low-fat and high-protein dishes to meet customers' growth and diversified dining needs.

Keywords: 3C market, Taier company, product value chain

1. INTRODUCTION

Taier as a strong brand competition track leader, accelerate the exhibition store quantity and quality. The main dish of the brand is highly addictive in taste. As a popular single product, it has entered the market dividend period. According to industry research data, the market size of the pickled cabbage fish is expected to reach 68.1 billion yuan in 2020, and will soon enter the market track of 100 billion yuan, attracting many brands to enter, and it is expected that the next two years will enter the key period of competition.

Taier has built a strong brand force by virtue of various advantages, standing out from many competitors and becoming the head company of the track. (1) Be good at using new media channel marketing strategies to penetrate young consumer groups; (2) Fully self-supporting food quality and taste, standardized service process to ensure that guests have a good dining experience; (3) The management team share the same rights, from the team structure to product research and development comprehensive innovation; (4) The single

store profit model is superior after repeated grinding, and the exhibition efficiency is high, and the balance of both ends of the lever is emphasized; (5) 99 percent listed to raise funds for the expansion of Taier to provide sufficient financial support.

For the Market environment analysis, Fast fashion pickled cabbage fish catering are hot, and the competition among top enterprises is fierce. In recent years, the market size of China's catering service industry has grown rapidly. According to the statistics of iResearch Consulting, the scale of China's catering industry has reached 4 trillion yuan. As Internet consumers such as the post-90s generation have become the main force of food consumption, the current market demand for convenience, personalization, and branding of food consumption is increasing, which makes restaurants continue to improve user consumption experience, and the trend of the Chinese food chain is obvious.

The chain restaurant market is expected to grow at a compound annual growth rate of 9.6% over the next few years and reach \$1.44 trillion by 2024, according to

Forrest&Sullivan. Fast fashion chain restaurants usher in the "industry dividend period" with their standardized and high-quality service. As one of the four major cuisines of Chinese cuisine, Sichuan cuisine is at the forefront of the market share with its fresh, spicy, and spicy taste, which has laid a solid consumer base for its classic dishes, pickled cabbage, and fish. At present, the number of pickled cabbage and fish stores in China has reached 35,000, which has achieved a doubling growth in cities at all levels nationwide. The whole pickled cabbage and fish industry is in a rapid outbreak period. According to industry research data, the market size of pickled cabbage and fish is expected to reach 68.1 billion yuan in 2020, and the pickled cabbage and fish track will fully enter the market track of 100 billion yuan. Sauerkraut and fish subdivision circuit attracts various brands to strongly enter, and the head enterprises represented by Taier sauerkraut and fish continue to emerge to share this huge cake. Represented by the top ten pickled cabbage fish brands in the first tier, Taier pickled cabbage fish topped the list with a 4.4 percent market share.

This histogram blow is talking about the pickled cabbage fish main nutrients It includes vitamin B6, protein, carbohydrates, dietary fiber, vitamin A, and beta carotene and we can find the protein is way higher than others is very fit with the needs of a new generation for healthy diet and fitness.

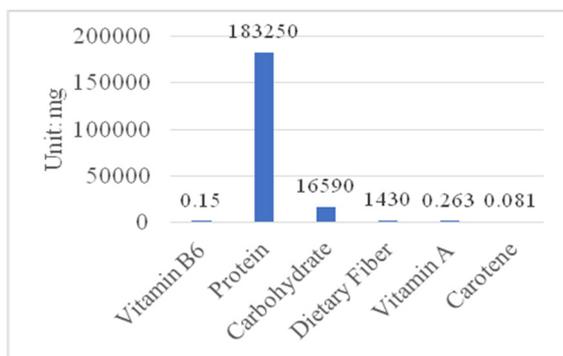


Fig. 1. Main Nutritional Components of Pickled Cabbage Fish.

The theme of our article is to apply STP theory based on the market environment and the development of Tai2 enterprises. By analyzing the current situation and prospect of fast fashion pickled fish track, combining the brand characteristics of Taier pickled fish and the existing store situation, the strategy of retaining the characteristics and supporting the rapid exhibition of the store is put forward. By using 3C and other marketing strategy analyses, some suggestions are put forward for Taier company's foothold and development in this track.

Many literatures conduct researches on market strategy. Morgan et al. [1] indicated that marketing strategy is a construct that lies at the conceptual heart of the field of strategic marketing and is central to the practice of marketing. Tie Z. [2] found that the market

competition is gradually evolved from a pure market positioning tactic to a consumer behavioral focus. Ghouri et al. [3] suggested that different approaches to marketing planning and practices are supposed to be used in different phases of the company's life. DeSarbo et al. [4] pointed out that the Segmentation-Targeting-Positioning (STP) process is the foundation of all marketing strategies. Liang et al. [5] took HaiDiLao and Little Sheep, two well-known catering enterprises in China, as empirical examples to demonstrate that WeChat is considered an important means to cope with the international competition and is essential for the catering industry marketing. Kannan [6] stressed that digital technologies are having and will have a significant impact on the marketing strategy process. Venugopal et al. [7] argued that external entities need to understand subsistence marketplaces from the bottom-up in terms of customers, communities, and the larger context (3C). Chen [8] took McDonald's and HaiDiLao as examples and found that companies need to be flexible during COV-19, secure steady cash flow, use proper marketing strategies and build a good reputation with the communities and the consumers. Chien-Hsiung [9] found that through service innovation, catering businesses gain the most trust of customers, win the extensive support of the society, and set up the brand image completely to acquire customers' satisfaction and loyalty. Ndubisi [10] found that the four variables (trust, commitment, communication, and conflict handling) significantly affect customer loyalty and are significantly related to one another.

In this article, we used STP structure to analyze the current situation of the fast-fashion pickled fish track in which Taier is located, and found that the pickled fish industry is in a rapid eruption period and has a promising prospect. Several leading enterprises in the industry have formed differentiated competition, and Taier ranks at the forefront of the industry with its unique market positioning.

The remainder of the paper is organized as follows: Section 2 analyzes markets of the brand by using STP theory; Section 3 demonstrates the marketing strategies of Taier through case analysis; Section 4 introduces the classical 3C models to analyze the market situation of pickled cabbage fish in China and predicts the marketing trend and market scale in the future; Section 5 discusses problems the brand faced and reminds enterprises of risks so that we can give suggestions on how to maximize the profits. The last section presents our conclusions.

2. STP STRATEGY ANALYSIS

We use STP to analyze the development of this enterprise. STP analysis refers to market Segmenting, Targeting, and Positioning. STP law is the basis of the whole marketing construction. STP law subdivides each

market, selects its own target market, and communicates its different Positioning.

2.1. S analysis

2.1.1. Age segment

New generation: Taier pickled cabbage fish focuses on the young people after 85, with students, white-collar workers, and office workers as the main target consumer groups.

2.1.2. Consumption preference

The consumption characteristic of this group is to pay attention to experiential consumption and pursue refinement and health after having a full stomach

2.1.3. Location segment

As a typical spicy and sour dish, Taier Pickled Cabbage Fish serves as its main market to consumers in southeast China, who are obsessed with spicy and sour food. The market positioning of Taier Pickled Cabbage Fish

2.2. T analysis

On the way of the giant ship of pickled cabbage and fish heading for a hundred billion level track, more competitors will compete for supremacy in the future. The authors have sorted out the top ten brands in the industry from the existing brands of pickled cabbage fish track from multiple perspectives, including brand strength and performance, and found that the market of differentiation competition is the only way to go.

(1) From the perspective of development layout, there are still few national brands of pickled cabbage fish in the development of pickled cabbage fish track, and the market concentration is not high. Among them, two brands, Taier and Yuyou together, are developing rapidly, based on the whole country, while the other brands have obvious regional characteristics. (2) From the point of view of customer unit price, the brand-customer unit price represented by Taier and Lu Ding Ji is about 80. Compared with the customer unit price below 50 such as Yu You Together and Yu Shihu, the per capita consumption is higher, positioning different consumer markets. (3) From the point of view of brand positioning, 'eating fish together' are almost fast-food brands. The other eight brands are positioned in the dinner market. Different positioning makes the single consumption level, turnover rate, and dishes' types different. Therefore, the market competition of the two brands is relatively small, and they can harvest different market segments without conflict. (4) From the perspective of operation mode, Taier and Youjia Pickled Cabbage Fish adopt all self-operation modes, while the other eight brands adopt the

mixed mode of self-operation and franchise. Full self-operation mode is conducive to quality control, to ensure the stability of food taste and quality, and the cost of exhibition shop is relatively large; The hybrid mode of self-operation and franchise is conducive to the rapid development of stores and the seizing of regional markets through franchisees, but at the same time, the quality control is relatively weak, and the quality problems of dishes frequently appear in recent years.

2.3. P analysis

It is positioned as a fast-fashion pickled cabbage and fish brand, and its business model is similar to McDonald's and KFC. The taste control that prioritizes spiciness is addictive, which attracts a large number of spicy-loving groups and increases user stickiness

3. MARKETING ANALYSIS ABOUT TAI ER

3.1. Key marketing concept

The key marketing concept of Tai Er Pickled Cabbage Fish is community operating. They use social media, especially WeChat, as a tool to operate all kinds of communities, such as fans communities, secret menu communities, peripheral product communities, etc. Social media has snowball effects on promoting user growth, which can attract new customers and consolidate old customers.

There is a special campaign that Tai Er will hold monthly called Secret Menu. Every month, Tai Er will create a new special dish only people in the community can unlock and get to eat. The procedures to attain a secret dish are as follows. First of all, customers need to join the community, asking for the password and gesture. Secondly, they should go to the store, then say the password, and do the gesture at the same time when ordering. Finally, they can unlock the Secret Menu and appreciate the special dish.

Tai Er's community operating help its brand appeal to more consumers and strengthen the stickiness of customers, enabling the brand to become on a larger scale in recent years.

3.2. Main marketing strategies

3.2.1. New social media channels

Undeniably, nowadays Tai Er is faced with a new environment and a new generation: young people have become the dominant consumers in the catering industry and most of them are born in the era of the Internet and social media.

Therefore, they create official accounts on new social media marketing channels, such as WeChat, Microblog, Red, and Tik Tok, to engage more potential customers. People can search for information, purchase peripheral products, and do self-service ordering on WeChat. The brand will release new information, interact with people, and recommend dishes on Microblog. The red app is used as a new platform to launch new events or campaigns and recommend dishes and products by KOL. Tik Tok is widely used to shoot interesting videos, catching people’s eyes, and attracting more potential customers.

Overall, through social media, the brand offers a platform where people can get updated information. It will help Tai Er bond with customers and strengthen communication between the brand and customers.

3.2.2. Interesting slogans

Tai Er has its special slogans, such as “The second most delicious pickled cabbage fish in the universe” “Pickled cabbage is better than fish” “Eat fish to save the world”.

Tai Er positions itself as the second most delicious pickled cabbage fish in the world. Why not the first? For one thing, the advertising law does not allow the use of the highest level in the advertisement. For another, it reflects that Tai Er is extremely confident about itself that people cannot find the best-pickled cabbage fish except for Tai Er. Meanwhile, their promotion strategy is focused on pickled cabbage instead of fish, which will help consumers distinguish it from other brands and leave a deep impression on customers.

In general, these unique and eye-catching slogans establish a harmonious relationship with customers, attracting customers to take photos and post them on social media, which will appeal to more and more new customers.

3.2.3. Advertisement and design

Tai Er creates two characters: Er boss and Er brother as their core IP content and uses comics as a visual image from online to offline. People can see these visual symbols and unique content inside and outside the store.

Generally, Tai Er’s style of advertisement and design can highlight its uniqueness and the concept of Er (Er means funny and stupid in Chinese). The brand designs these characters and comics to cater to the young group’s aesthetics, providing customers with a sense of relaxation and satisfaction when eating.

3.2.4. Simplifying the menu

Simplifying the menu is another marketing strategy of Tai Er. They specialized in pickled cabbage fish and streamline the product SKU to no more than 23. Tai Er

also insists that the pickled fish in the store has only one flavor that customers cannot choose the type of fish or the degree of spiciness. At the same time, the brand claims that no promotional activities will be made.

This strategy helps the band strengthen their uniqueness and also improve the recognition of dishes.

4. MARKETING FORECAST ABOUT TAI ER

4.1. 3C model analysis

The 3C analysis business model was created by a management consultant named Kenichi Ohmae from Japan. It has been used as a strategic business model for many years. This method has been focusing our analysis on the 3C’s or strategic triangle: the customers, the competitors, and the corporation. By analyzing these three elements, you will be able to find the key success factor (KSF) and create a viable marketing strategy.

4.1.1. First C: corporation

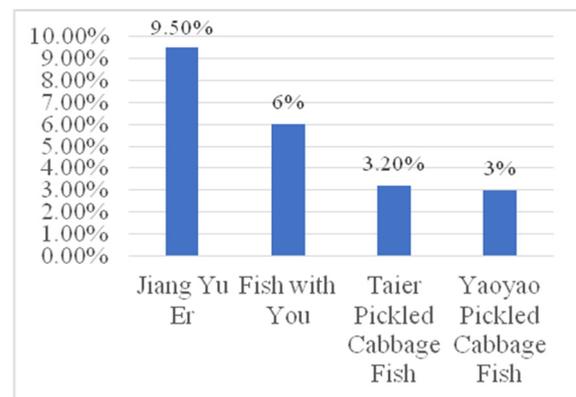


Fig. 2. Average Negative Rate of Chinese Major Pickled Cabbage Fish in 2020.

The first one is a corporation and here is a graph of the average negative rate of Chinese major pickled cabbage fish in 2020, We can find our brand has a relatively low rate about 3.5, as for a company holding more than 145 restaurants and one of the most famous pickled cabbage when all the customer’s interest it is a pretty good data.

4.1.2. Second C: customer

And second, we will talk about customers our brand holding the secret menu and customers can get it for free only need to do some move that engages the customer to our restaurant, which is kind of make a deep connection with the customers.

4.1.3. Third C: competitor

Table 1. 2019 Top Ten Brands of Pickled Cabbage Fish in China.

Rank	Brand	Brand Index
1	Taier Pickled Cabbage Fish	930.3
2	Fish with You	923.7
3	Youjia Pickled Cabbage Fish	918.1
4	Yu Shi Hu	915.3
5	Jiu Guo Yi Tang	910.0
6	Yaoyao Pickled Cabbage Fish	908.8
7	Wangrong City	900.2
8	Jiang Yu Er	898.4
9	Yanchu Laotan Pickled Cabbage Fish	890.9
10	Lu Ding Ji	889.3

The third one is the competitor, from this table blow we find that our brand is in the top one of the list and the comprehensive score is 6.6 points higher than the second place.

4.2. Prospect forecast

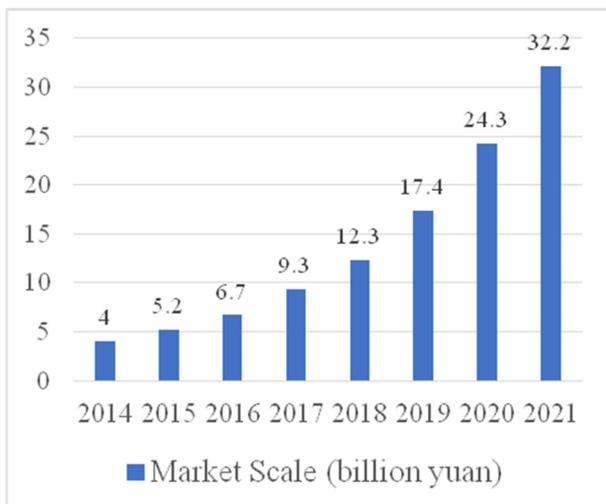


Fig. 3. Market Forecast of "Taier" after 2014.

Table 2. The Increase Rate of Market Scale from 2015 to 2021.

Year	Market Scale (billion yuan)	Increase Rate
2014	4.0	
2015	5.2	30.0%
2016	6.7	28.8%
2017	9.3	38.8%
2018	12.3	32.3%
2019	17.4	41.5%
2020	24.3	39.7%
2021	32.2	32.5%
The average of the increase rate: <i>sum of all the increase rate</i>		34.8%
<i>all the years</i>		

So use what we calculated we can predict that in 2021 to 2022 the market scale will increase to 43.4, from 2022 to 2023 increase to 58.5, and can get 78.9 in 2023 to 2024.

We can see that the size of the market has increased about 20-fold in just 10 years.

5. DISCUSSION

5.1. How to maximize the profit?

We find that this brand has three mean ideas to maximize profit. Higher Table turnover rate (Table turnover rate = (all the customers we serve (per table)/all the table we have), based on the data we collect this company get highest table turnover rate in the restaurant industry about 4.9 per day. Lower initial investment and operation cost our brand only set the restaurant in the shopping mall with relatively small space (lower rent fee). We have a central kitchen that distributes semi-prepared seasonings to ensure a uniform flavor and decreases the chef's skill request that directly leads to whether we can find a chef or not with a relatively low salary. Both of them are lower the operation cost and lower the initial investment.

5.2. COVID's impact

During this special time (COVID-19) how could we survive?

Taier's net profit dropped to 46 million yuan (-75.19%) in 2020 due to the impact of covid-19. During the covid time, we think Taier should know how to manage the risk, for example, to stop the restaurant in a high-risk area and close stores which have low foot traffic. They also should provide the delivery service for cities with high demand for takeout to cut loss and relieve business pressure. And for the city which influences lots during the covid time make the delivery for free and give medical staff free meal to let them know Taier company are always by their side. Taier does some positive publicity to establish a good corporate image.

6. CONCLUSION

Taier pickled cabbage fish is commendable in terms of marketing: the whole process innovation highlights competitive advantages and creates unique brand power at various levels. On the way to the giant ship of pickled cabbage and fish heading for the 100-billion-level circuit, more competitors will enter the competition in the future. Taier pickled cabbage and fish will also boost category development with the head brand, complete the transformation from market power to brand power and become a national catering brand. At the same time, the new media marketing channel is highly recognized by the young group. The company comprehensively promotes the youth from products and services to brand publicity

through an in-depth understanding of the consumer psychology and demands of the new generation and breaks out in the new environment of consumption.

We use the STP model to subdivide the market of Taier Pickled Cabbage Fish and determine the brand target customers. This paper also analyzes the marketing strategy with practical cases and use the 3C model to analyze the brand marketing strategy, (1.corporation: have a relatively low rate of about 3.5 2. customer: engage the customer and get free food 3.competitor: top one comprehensive score about 930.3) including how to maximize profits and how to solve the problems faced by enterprises (especially during the epidemic). Finally, we use the calculation to find the forecast of this market, we find that Taier is growing at a steady increasing rate of 34.79% a year of market scale (in one billion Chinese yuan). So, we think this Taier company is a very promising and growing company.

The shortcomings of this paper mainly include two aspects. First, Taier Pickled Cabbage Fish has been established for a short time, and there are not much data that can be collected. The prediction of the future development of the brand can only be concluded by analogizing with similar enterprises. Secondly, we didn't use the empirical model to make linkage analysis on marketing strategy and various variables of the brand. In the future, we would collect more data, compare more peer companies, and quote empirical models to analyze the variables (customers, social media, products, etc.) that affect brand marketing strategies, enabling us to provide more effective suggestions for brand development.

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