

The Marketing Model of Chinese Warehouse Retailers under the New Retail Background

Yi Fei^{1, †}, Weiye Zhang^{2, †}, Zhao Zhang^{3, †, *}

¹ Department of Psychology, University of Toronto, Toronto, M5S 1A1, Canada

² Department of Economics and Management, Wuhan University, Wuhan, 430072, China

³ Business School, University of Nottingham Ningbo China, Ningbo, 315199, China

[†] These authors contributed equally

^{*} Corresponding author. Email: biyzz12@nottingham.edu.cn

ABSTRACT

New retailing refers to companies relying on the Internet to upgrade and transform the production, circulation, and sales processes of commodities through the use of advanced technology such as big data and artificial intelligence, thereby reshaping the business structure and ecosystem, and providing online services. It is a new retail model that integrates offline experience and modern logistics deeply. New media marketing is an increasingly vigorous marketing model, and more and more industries have begun to participate in it, including warehouse supermarkets. This article will start from this point and discuss how warehouse supermarkets can use new media to market under the background of new retail. This study found that warehouse supermarkets can increase their awareness and sales in the short term through influencers, but this approach does not provide the company with long-term sustainability. To avoid the possible negative effects of influencer marketing, the company inevitably needs to establish brand image and customer loyalty. Underlying the rapid development of China's e-commerce, it can be possible to conduct more research in the future on how to conduct new media marketing while also establishing a brand image faster and ensuring customer retention.

Keywords: Warehouse supermarket, New media marketing, New retail, China's market

1. INTRODUCTION

1.1. Background

In the 20th century, after three major changes and innovations, the global business model has been transformed and innovated, and the department store business model, supermarket operation model, and chain retail operation model have been introduced one after another. In the past 20 years or so, with the ups and downs of western economies, the mode of commodity production and consumption has been adjusted and changed accordingly, and new forms of commerce have emerged. Warehouse chain sales are one of the chain retailing, its emergence and rapid development of the situation is particularly noticeable. Warehouse-style shopping malls, also known as warehouse stores, warehouse-style shopping malls, super shopping centers, etc., are a collection of merchandise sales and goods stored in a space of the retail form. This kind of shopping mall is large, low input, low price, mostly use idle warehouse, plant operation. It has made great

achievements in the rapid rise and development of Europe and America. By contrast, warehouse supermarkets experienced many setbacks in the early stages of entering the Chinese market. Recently, however, more business behavior with the power of media to achieve significant growth based on the development of the media industry.

1.2. Related Research

Brown introduces that the concept of the warehouse-style supermarket, which is known as warehouse store, warehouse shopping mall, super shopping. It is a retail form that integrates commodity sales and commodity storage in one space. This kind of shopping mall has a large scale, less investment, and low price. Most of them use idle warehouses and factories to operate. There are few luxurious decorations in the venue, and everything is characterized by simplicity and nature. The goods are displayed on open shelves, and customers choose to shop. There are many kinds of goods and limited staff in the field [1]. Lowe introduces the first warehouse

supermarket, which is originated in the Netherland in 1968 - Makro. Wankelong warehouse-type wholesale and retail optional shopping malls are mostly built in the urban-rural fringe of urban suburbs, with a business area of up to 20000 square meters and attached with large parking lots. The shopping malls only do simple decoration and open shelf sales, mainly dealing in practical commodities. Their business has been expanded to Europe and Southeast Asia, with an average annual export sales of 400-500 million US dollars [2].

Hasan adopted Zakaria and Ahmed's research on the characters of warehouse stores. They believe that this business format has three significant advantages: it is mostly located in the suburbs, large shopping area, relatively low rent, and decoration costs, and obvious cost advantages; The products have fewer categories and larger packaging, and the unit price advantage is prominent under economies of scale; innovation, self-owned brands, and cost-effective products have won the favor of consumers [3]. Chang and Hu reviewed the histories of warehouse supermarkets entering China and give a conclusion that warehouse supermarkets did not succeed in entering the Chinese market in the early stages, but suffered a great blow. For example, in the 30 years since Wal-Mart entered China, Sam's has opened just over a dozen supermarkets. As early as 2003 Wal-Mart in Kunming and Changchun Sam's member stores were forced to operate dismally have been transformed into a shopping mall business [4]. Samiee et al. report that the warehouse supermarkets in China develop rapidly in recent years. The development of warehouse supermarkets in China is full of twists and turns, and everyone is looking forward to a turning point in recent years. For example, Wal-Mart has closed a large number of poorly profitable stores in first-and second-tier cities in China and will regain the membership-based warehouse supermarket format that has not been paid enough attention to for more than one year. It is planned to vigorously layout Wal-Mart Sam's member stores in first-and second-tier cities in the future. In addition, Costco opened its first store in Shanghai in 2019, and now claims to open the second store in Shanghai, and Ningbo, Hangzhou, and other places are carrying out site selection. It seems that these signals herald the spring of China's warehouse retail format [5].

Wang researches that the reasons why warehouse supermarkets could develop rapidly in recent years. The first reason is the change of consumers' concept. It was inconceivable for early Chinese consumers to charge a fixed membership fee every year, or the number of purchases made by consumers every year was limited, and the membership fee was too high, which made consumers feel uneconomical. Therefore, in the early years, many supermarkets had to reduce or cancel membership fees frequently [6]. Xu and Liu give a thought that an important reason for warehouse stores development is the number of private cars has increased

in China. Private cars are a very important point for warehouse supermarkets because warehouse supermarkets are located in remote areas and most goods are purchased in bulk. If there is no private car, it is very inconvenient for consumers. With the continuous improvement of private car ownership in China, the consumption model of warehouse supermarkets will become a new way of life consumption [7].

Gereffi and Christian researched that new media plays an important role in the process of warehouse market development. Online publicity, costly advertising on the warehouse-style supermarket has a huge impact. Some of the supermarket products recommended by Internet Redman can become pop-ups and attract large numbers of customers to shop and experience for a while. And supermarkets on the network to create an external image can also attract customers. For example, Sam's Club is positioned as a middle class, and they shop with more quality and real membership value in mind. So Sam's high-end, good-quality image on the Internet can be built [8].

With the development of new media, more and more scholars and companies begin to pay attention to the role of social media in marketing. Si and Kumar believe that social media is the most direct platform connecting companies and customers, and social media is a trend of promotion. Companies have identified social media marketing as a potential distribution model. It quickly builds a company's influence, reputation, and potential customers by facilitating the spread of information and low cost. And the diversity of social media makes it possible to best suit the interests and needs of organizations in any way. At the same time, online business and an ongoing discussion with your constituents will become an essential factor, and more and more companies will shift resources and reconsider outreach methods [9,10]. Hudders et al., on the other hand, focus on influencer marketing in social media marketing. And powerful influencers are not just the number of fans, but an intimate contact that can generate value. The audience will pay more attention to the authenticity of the content produced by the influencers, but they are not completely disgusted with sponsorship, because they feel that sponsorship is conducive to the influencers to make better content. And the article found that it is more effective for influencers to promote in a self-descriptive way because this way strengthens the authenticity of the content [11].

Hennig-Thurau et al., however, saw the problems still existing in the new media marketing. Hennig-Thurau et al. present the challenges that companies will face in the era of new media. New media has changed the traditional customer relationship and formed a new pinball framework. That is to say, the company puts its marketing or brand into the chaotic and changeable social

media, and then conducts certain guidance to make the marketing go where it should go. They believed that consumer behavior on social media is difficult to understand, so there are still problems and challenges in consumer management. But new media can allow companies to measure consumer satisfaction and engagement with brands. Consumers have become highly active partners, both customers, and producers. Customer relationship management in the new media era is like playing a pinball game. There is a wide range of information that can be bought on many brands and products, but it can also interfere with the company's marketing information and make the control of the brand image and relationships more complicated [12].

Steenkamp's research and Huang et al.'s research reveal that the rapid spread of the internet is reshaping brand building and management and that the relational experience has a positive influence on brand resonance regardless of channel types. [13, 14]

Burt et al.'s report on an interview-based study of IKEA in China over ten years and IKEA's marketing strategy in different countries revealed that the business model of IKEA in China, through incremental change, has become quite different from that found in Europe and the US and that it is possible to operate internationally through a fairly standardized concept in markets that are very different from that where the business concept originated though there are limits to retail standardization and some adaptation is needed. [15, 16]

Chen's research and Johnson et al.'s study focus on reasons why Costco can achieve success in this highly competitive world and Costco's marketing strategy as well as its risk management. [17, 18]

1.3. Objective

As mentioned above, the concept, current situation, and many marketing models of warehouse supermarkets had been discussed by many researchers. The power of new media marketing has been already addressed in previous studies. However, few studies give a detailed analysis of the new media marketing of warehouse supermarkets, especially influencer marketing. Therefore, this paper wants to review the status quo of warehouse supermarkets in the Chinese market and how to use them in warehouse supermarkets. New media marketing and its future will be discussed from these three perspectives.

2. THE DEVELOPMENT STATUS OF WAREHOUSE-TYPE SUPERMARKETS IN CHINA

2.1. Concept and History

Warehouse-style shopping malls have been in the Netherlands since 1968, the most representative of the SHV Group's "Makro". "Wankelong" warehouse-style wholesale and retail shopping malls are mostly built in the urban and rural areas of the urban and rural integration department, business area of up to 20,000 square meters, and with a large parking lot [1]. Shopping malls only do simple decoration, open shelves for sale, to operate practical goods-based. Its business has now expanded into Europe and Southeast Asia, with average annual export sales of \$400 million to \$500 million [2].

The concept of U.S. warehouse chain sales was developed in the 1970s by Solomon Price, founder of Price Club. This budding shopping club in the United States in the 1970s attracted more and more housewives with its unique charm, and the consumption of households became a major source of such sales [3]. That's why annual sales of warehouse chains continued to grow at a high rate in the early 1990s when the U.S. economy was growing at a low rate of just 2%. Warehouse chains have grown considerably in the United States.

2.2. Development in China

Although Europe and the United States warehouse retailing state is so developed and sought after by consumers, it is strange that in China's warehouse-style retail development process has been folded. In the nearly 30 years since Wal-Mart entered China, Sam's has opened just over a dozen stores [4]. As early as 2003, 2004 Wal-Mart in Kunming and Changchun Sam's member stores were forced to operate dismally have been transformed into a shopping mall business. And other retailers, whether it is the earliest into The Vankelong, or Presmatt, Metro supermarkets, each member warehouse supermarket as long as an entry into China, not a few years, or change the business model, or increase a variety of fresh products to attract individual consumers, reduce membership card processing fees. Moreover, many real businesses, hit by the Internet economy, have suffered to varying degrees of stagnation and decline in sales. In particular, the offline physical sales industry is swallowed up by online sales a large number of market share.

But after the introduction of new retail, offline physical sales ushered in the industry's "second spring", in the future only online offline and modern intelligent logistics combined to usher in real new retail, that is to say, there is no simple online or offline shopping in the future retail, the two should be combined into the entire shopping process to bring consumers a new shopping service [5]. Therefore, in recent years, the development of warehouse-type supermarkets in China has gradually increased. Wal-Mart, for example, will revive its

membership-based warehouse-style supermarket business, which has been under-emphasized for more than a decade, by closing a large number of underperforming stores in first- and second-tier cities in China, with plans to aggressively expand Wal-Mart's Sam's Club stores in first- and second-tier cities in the future. As shown in Figure 1, the increase in the number of Sam supermarkets has increased gradually after 2015, and the number of supermarkets is expected to increase to 40 by 2022. In addition, Costco opened its first store in Shanghai in 2019 and is now said to open two stores in Shanghai, Ningbo, Hangzhou and other places are in the process of site selection.

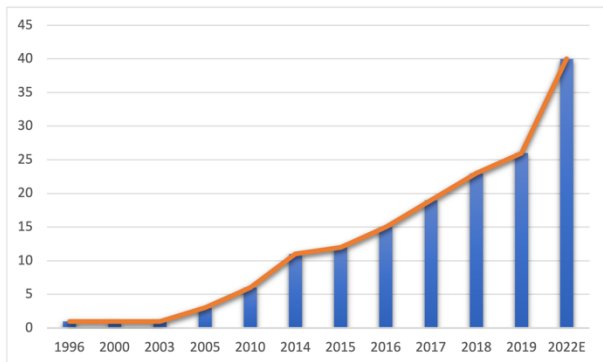


Figure 1 Changes in the number of Sam supermarkets in China from 2016 to 2020

2.3. Causes Analysis

2.3.1. Changes in consumer attitudes

The annual fixed membership fee is an incredible thing for early Chinese consumers, or the limited number of shopping items that consumers make each year, the membership fee is too high, and consumers don't think it's cost-effective [6]. Therefore, in the early years, many supermarkets have to frequently reduce or cancel membership fees. But as the quality of life and income increase, consumers pay more attention to the quality of goods, and membership fees account for less than personal and household income, so it is easier for consumers to accept membership fees.

2.3.2. Increased ownership of private cars

Private cars are a very important point for warehouse-style supermarkets, which are remotely located and most of their goods are purchased in bulk. Without a private car, it is very inconvenient for consumers. With the continuous improvement of private car ownership in China, the consumption model of warehouse-type supermarkets will become a new way of living consumption [7].

2.3.3. Bulk shopping is more in line with Chinese household consumption

For people in Europe and the United States, the possibility of four or three generations living under the same roof is very low, the average child will go out to rent a house when they reach the age of 18. But it's still common in China, which is culturally a country that values family values more, preferring to share things with their families. Therefore, the bulk packaging of warehouse retailers is more in line with China's concept of household consumption.

The warehouse-type supermarket's large-capacity space and warehouse sales integration characteristics also improve their cost competitiveness, open shopping methods and membership of customer certification will also bring consumers a very harmonious and pleasant shopping enjoyment, which greatly increased the warehouse sales model in the new retail coming consumer favor, will be conducive to online smart connectivity and artificial intelligence logistics connectivity to better integrate into the future of the new retail model [8]. In this process, new media plays an important role in the process of warehouse market development. Online publicity, a mass of advertising on the warehouse-style supermarket has a huge impact. Some of the supermarket products recommended by Internet Redman can become pop-ups and attract large numbers of customers to shop and experience for a while. And supermarkets on the network to create an external image can also attract customers. For example, Sam's Club is positioned as a middle class, and they shop with more quality and real membership value in mind. So Sam's high-end, good-quality image on the Internet can be built.

3. MARKETING WITH NEW MEDIA

3.1. The Importance of New Media Marketing

In the first 20 years between 1996 and 2016, Sam's Club opened just 16 stores in China. However, from 2016 to 2019, Sam's Club expanded rapidly, opening 10 new stores in China in three years. In the past two years, the popularity of Sam's Club has exploded. The period from 2016 to 2019 was also a period of rapid development of social media in China. Many products, such as machi bread and extra-large roast chicken, have become popular products on social media, and the number of members keeps increasing. The slow progress of Sam's Club in the first 20 years maybe because the model of warehouse supermarkets does not conform to the consumption habits of Chinese consumers. However, the rapid development of Sam's Club in the past two years can be due to the gradual development of the concept of warehouse supermarkets in China and the development of the

Chinese economy, but it is also inseparable from the great influence brought by new media marketing.

Si believes that social media is the foremost coordinate stage interfacing companies and customers, and social media may be a slant of advancement. Companies have recognized social media showcasing as potential marketing. It rapidly builds a company's impact, notoriety, and potential clients by encouraging the spread of data and information fetched. And the differences in social media make it conceivable to best suit the interface and needs of organizations in any way [9]. Bahaj, IKEA's shark doll, also went viral with social media. Blahaj first went viral in Russia, where people bought him from IKEA and posted photos of him as "whatever", sparking a trend. Ikea then spotted the opportunity and launched a "Blahaj's Life Adventure" photo campaign on social media, encouraging people to buy a shark and pose for it. This led to a wider Internet trend that saw the doll, which had been removed from IKEA's shelves, go out of stock. There are new media everywhere in people's life. New media marketing can make advertising appear in consumers' eyes better, and even penetrate their lives. And its relatively low input costs make it an important part of marketing for companies.

3.2. How Are Warehouse Supermarkets Marketing with New Media

There are various ways of new media marketing. The IKEA doll case mentioned just now is just one of them. It is mostly an online activity initiated by brand officials. But this approach has not been consistently successful because the network environment is complex. Hennig-Thurau et al. the company put its possess showcasing or brand into the chaotic and changeable social media, and after that conducts certain direction to form the showcasing go where it ought to go. But, customer behavior on social media is troublesome to get it. Therefore, companies can't control what happens online to ensure that their actions are successful or achieve their desired goals. And this part is going to discuss another way with a higher success rate, online influencer marketing. Campbell and Farrell recognize five categories of influencers: celebrity influencers, mega-influencers, macro-influencers, micro-influencers, and nano-influencers. And capable influencers are not fair to the number of fans, but an insinuate contact that can produce value [12]. People all know that this kind of marketing can quickly enhance brand awareness. First, it is because of its rapid information dissemination ability. Then, to explain why it can spread information faster than traditional marketing, we need to refer to the two-step flow theory of communication.

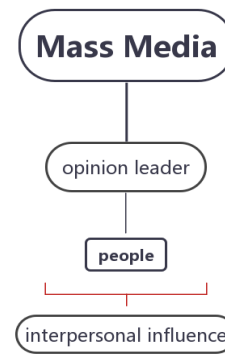


Figure 2 Two-Step Flow Communication Theory

Figure 2 is the basic model of this theory, which holds that the influence from mass media first reaches the opinion leaders, who then convey the content they receive to the people they influence. Moreover, interpersonal influence is more frequent and effective than mass media in influencing people's decisions. Influencers play the role of "opinion leaders". The reason why these influencers can spread information so fast is that they exist in different classes and have interpersonal influence with people of different classes. Kumar found that consumers will consider peer suggestions rather than advertisements when buying [11]. Therefore, So the advertising made by influencers will be more meaningful to consumers than the advertising made by the company itself.

And the second point to be discussed, just to make up the problem for the above mentioned by the brand's official advertising directly on the Internet may occur, that is, out of control. Another advantage of online influencer marketing is that it can deliver advertisements accurately. Different influencers have their positionings, such as fashion, food, and home furnishings, and their fans can be seen as a community with common interests. For example, Sam's Club's Yam potato, another product that is always out of stock in China. This kind of food is not uncommon in Chinese supermarkets, and it has caused such an explosion of consumption thanks to the ability of influencer marketing to deliver precise messages to target audiences. There are so many influencers who recommend this food, who are all food bloggers who specialize in snack recommendations. In other words, they have a fan base that is interested in snacks, who are also exactly the target audiences of this product. If it is extensive advertising, it is difficult for the company to ensure that their target audience can see it, and non-target customers will ignore it even if they see it. Therefore, to let more target customers see their advertising, the company is bound to spend more money and energy to spread it. But because influencers have their fan communities, companies can achieve better results at a lower cost.

Lin et al. pointed out that influencers can increment customer mindfulness of items by reaching their

identities [11]. For example, IKEA promotes a simple and leisurely lifestyle with its simple home style. Many home furnishing bloggers who mark IKEA home furnishings a lot in their posts often give people a relaxed and comfortable feeling in their photos. And their message to fans is that if you also like and want to create such a home environment, you can choose to buy IKEA. But companies also need to pay attention to that consumers are very concerned about the authenticity of these advertisements. Therefore, if consumers see that too many influencers have unanimous praise for the same product or brand, they may have doubts about the evaluation of the product, thereby reducing the effectiveness of marketing.

4. DRAWBACKS AND LIMITATIONS OF ONLINE CELEBRITY ECONOMY

New media marketing can bring huge profits to companies in the short term, especially when the product successfully becomes a popular trend. That is to say, this marketing model can quickly increase product visibility and bring explosive consumption in a short period. However, the benefits brought by new media marketing are also short-term, and the depression after such periodic explosive consumption is a problem that the company needs to seriously consider. The timeliness of the new media marketing model is too short, so it is difficult for the company to maintain such a high level of sales without building brand loyalty, and in the case of the warehouse supermarket, where there are so many alternatives of the same type. At the same time, it is not easy to establish customers' brand loyalty under this marketing model.

4.1. Mislead Production and Sales Forecast

The most commonly used new media marketing in warehouse supermarkets is online influencer marketing. The online celebrities and key opinion leaders (KOL) have great influence, which would lead to their fans' purchasing behavior due to crowd psychology. However, such explosive consumption is periodic and short-term and is not the true demand of certain products of the market. For example, Sam's Swiss roll became popular suddenly last year and it has become a trend on social media at that time. Many people queued for a long time just for the cake. But after the trend, the cake becomes a normal thing and its sale falls sharply. Thus, the consequence is that the data the company uses to predict future sales, make a production plan, and determine future product price and quantity would be inaccurate, leading to systematic error in the outcome of the prediction. If the company didn't realize this problem, they may set inappropriate production amounts, resulting in high inventory levels as well as high inventory holding costs, which will harm its cash flow and working capital. Also, the artificially high price level would influence the

customers' purchasing behavior that the product may be slow-moving and weaken the brand image as well.

4.2. Loss of customer trust and loyalty

What's more, KOL advertising has been considered a popular marketing strategy in recent years and these celebrities have been constantly consuming their popularity with the promoting activities. According to Hudders et al., the audience pays more attention to the authenticity of the content produced by the influencers [12]. Their unanimous praise for certain products in the same period strongly reduces their credibility and public trust. People would thus inevitably doubt the KOLs' and new media advertisements' words and judgments. As a consequence, such marketing strategy, instead of promoting the products more efficiently and effectively, and bringing more consumers, will have the opposite effect that fewer people would believe in the quality of the products, or the overwhelmed promotion and marketing would amplify the consumers' expectations, increasing the possibility of disappointment and dissatisfaction due to the failure of meeting their expectations. Thus, more consumers would reduce, or even lose their trust in the companies and the brand loyalty and resonance would be mightily weakened, as well as the brand image would be damaged in serious cases.

According to the above analysis, the companies should realize that new media marketing and online celebrity economy are not sustainable though they would bring a short-term boom. What they should do is to build brand image and develop long-term customer dependence and loyalty, thus bringing constant considerable cash flow inflow and profit.

5. BRAND BUILDING

According to Latif [19], brand building, especially raising consumers' resonance is vital to gain a competitive edge in the market. Therefore, the Brand Resonance Model (as Figure 3 shows) would be used in this paper as a marketing strategy for the warehouse supermarkets in China for their future development.

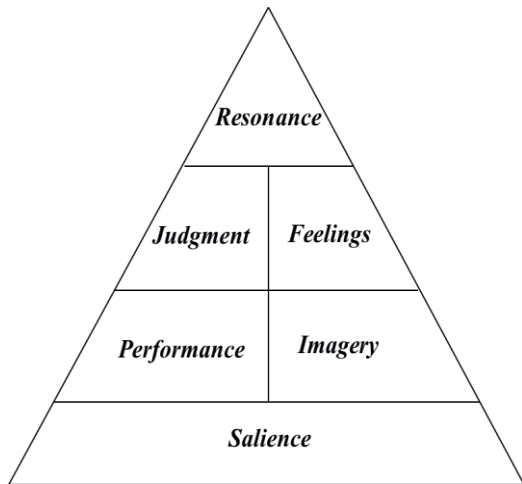


Figure 3. The framework of the Brand Resonance Model

Brand salience refers to the extent the customers can identify particular traits of a specific brand. Building brand differentiation from competitors is one of the most powerful ways. Most of the warehouse supermarket companies have done well in this section because they are all known for 'cheap and large volume' and both the top two famous warehouse supermarkets, Costco and Sam's, have their brand providing with products such as snacks, functional food, etc. However, they adopt almost the same marketing strategy and offer almost the same categories of products as well as services. To distinguish from each other, they are suggested to create more memorable shopping experiences for their consumers and show their uniqueness.

5.2. Performance

Performance measures the brand products' efficiency of meeting customers' demands. The biggest pain point now is that as the wholesale supermarkets become more and more famous in China, the markets have always been crowded on the weekends and holidays, leading to long queues and shortages of best-selling products, which greatly impact the shopping experience. Also, the simplified SKUs may shorten consumers' selecting time and provide a lower price, thus improving consumer satisfaction, but this case doesn't work in China because the large population base determines the variety of preferences to a certain product and the traditional social norm that comparing several products before giving the final word.

To improve the above performances, the warehouse supermarkets should slightly adapt their marketing strategy and business model, such as deepening their product lines, to satisfy Chinese customers' various demands and provide them with a satisfying shopping experience.

5.3. Imagery

Imagery refers to customers' perceptions of the brand. Costco and Sam's have always been considered as mid and high-end supermarkets because of the relatively high annual membership fees. However, due to the boom of e-commerce in China, many people purchase a large amount of best sellers of the supermarkets and then sell these goods online to those who don't own the membership card, so that almost everyone can consume the companies' products, which badly influences the brand's image.

To maintain their image and continue appealing to the consumers, the companies are supposed to strictly ban such 'Purchasing Agents' and second sale behaviors.

5.4. Judgments

Judgments are a group of thoughts and decisions customers have on a brand's product or service. People have already had a judgment of 'cheap but high-quality' of the brands, but such judgment has been threatened by e-commerce in recent years as I mentioned before. The warehouse supermarkets should establish strategic partnership relationships with their suppliers, contracting that they would have the exclusive sale right, selling unique products at a competitive price.

5.5. Feelings

Feelings mean the number of attachments customers have towards a brand. The membership system brings consumers a sense of belonging and even superiority. To maintain and increase such attachment, the companies should authorize the members with more rights and benefits such as birthday gifts, Halloween parties, DIY activities, etc.

5.6. Resonance

Resonance is a solid relationship between brand and customer. To achieve long-term solid relationships, the companies should have a detailed understanding of their customer's preferences and shopping habits. A continuous after-sale service may be necessary to improve the service level, and a well-designed questionnaire collecting information about along with a walk-through-audit may be powerful tools to grasp customers' demands, do better in category management and then better satisfy the demands, thus improving customer loyalty. Also, to create a resonance between the customers and the companies, the companies can post articles about their brand history on social media or even shoot a short video to show the corporate culture and values, raising echo and chord throughout the public.

6. CONCLUSION

This paper explores the current situation of the development of warehouse-style supermarkets in China and researches the reasons behind the boom of this kind of supermarket. The study focuses on the marketing strategy, especially the new media marketing strategy, of warehouse supermarkets in China and analyses the drawbacks and limitations of such marketing strategy under the current Chinese society situation.

The results indicate that the marketing strategy of utilizing key opinion leaders on social media can bring short-term boom and prosperity. However, it is not long-term sustainable. The research reveals that online celebrity marketing will not lead to steady growth of sales and is expected to confuse and disturb the production planning and sales forecast. What's more, customers will gradually lose their trust in the companies as well as customer loyalty and brand image.

To maintain competitiveness in the market, the warehouse supermarket companies should build brand images and raise customer resonance. The brand resonance model was adopted, which proposes related recommendations for reference on how to build a long-term healthy relationship with consumers.

It is noteworthy that the rapid emergence and mutual development of E-commerce in China has put a great threat to warehouse supermarkets in multiple aspects, which need to be considered seriously. Also, the newly released strict government regulation and policy on online marketing and online celebrity economy will put a limitation on promotion and marketing, pushing the companies to find alternative marketing approaches.

This paper also puts forward a simple potential solution to marketing and brand building for warehouse supermarkets and other similar businesses in China. To augment the findings, future researches are suggested to focus on response to the E-commerce, detailed marketing plan to raise customer resonance, etc.

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