



Investment value of Yanjin Shop: A Combined SWOT and Harvard Analytical Framework Approach

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Abstract. This paper presents an in-depth case study of Yanjin Shop, a prominent player in China's rapidly expanding leisure snack industry, situated within the broader context of national macro-level policies aimed at stimulating domestic consumption. Employing an innovative methodological approach that integrates SWOT analysis with the Harvard Analytical Framework, this research conducts a systematic and multi-dimensional evaluation of the company's investment potential and strategic positioning. The findings demonstrate that Yanjin Shop's vertically integrated self-built manufacturing supply chain, coupled with its exceptional responsiveness to evolving retail channel dynamics, has positioned it to effectively capitalize on emerging market opportunities. These advantages have driven sustained robust growth and significantly enhanced its long-term investment attractiveness. Nonetheless, the study also identifies several notable risks, including over-dependence on specific sales channels and considerable exposure to raw material cost volatility. By combining strategic insight and financial analysis, this research proposes a comprehensive and practical framework for corporate valuation within the fast-moving consumer goods sector. It aims to provide valuable insights and serve as an actionable reference for investors facilitating informed and evidence-based decision-making in similar market environments.

Keywords: SWOT Analysis, Harvard Analytical Framework, Investment Value, Strategic Positioning.

1 Introduction

At present, boosting consumption and expanding domestic demand have gradually become the core engine to promote China's economic development. Experts say that in order to solve the outstanding contradiction of China's current domestic demand shortage, we should grasp the stage characteristics of economic development and adhere to the expansion of domestic demand as the main strategic anchor of economic development [1]. At the national level, in order to solve this dilemma, the government has continuously issued a number of relevant policies. For example, the "Measures on Restoring and Expanding Consumption" promulgated by the National Development and Reform Commission in 2023 clearly put forward a number of practical

measures such as expanding service consumption and expanding emerging consumption. For example, the state has issued a variety of consumer goods to replace the old and the state subsidy policy, which is allocated by the government to accurately complete the purpose of boosting consumption in the boom of home appliances, automobiles and mobile phones [2]. Or each region according to the characteristics of urban consumption, targeted distribution of catering, transportation, cultural tourism and other different channels of consumer coupons, to ignite the enthusiasm of residents to participate in consumption [3,4]. The introduction of these policies strongly proves that expanding consumption has become the strategic core of national development and an important demand for economic recovery in the post-epidemic era. In this environment, for investors, whether stocks in the consumer sector have investment value is a topic worthy of study. China 's snack market has become one of the largest and fastest growing circuits in the domestic consumer goods market. Data show that from 2010 to 2023, the scale of China 's snack market has shown a trend of sustained and rapid growth. By 2023, the market size of China 's snack industry is about 1124.7 billion. It is expected that the market size of the industry will reach 1237.8 billion yuan in 2027, with huge market potential. Therefore, this paper selects the domestic independent manufacturing snacks leading enterprise - Yanjin Shop as a specific case for analysis. The company successfully completed the strategic transformation from preserves to baking, spicy bittern and other large single products this year. Its whole industrial chain model is unique in the industry and is an excellent sample to observe and promote the response and growth of enterprises under the consumption policy.

In the issue of enterprise value evaluation, how to effectively combine qualitative analysis with quantitative data strategy is always the core issue that consumers and entrepreneurs need to discuss. As a classic strategic analysis tool, SWOT analysis method, although its framework is more basic, effectively curbs the simple top-down strategy formulation [5]. However, SWOT analysis still has limitations in providing more in-depth financial analysis [6]. Therefore, the Harvard analysis framework came into being, which emphasizes that financial analysis needs a perfect logical chain of ' strategy-accounting-finance-prospect '. According to the papers of Krishna G. Palepu, Paul M. Healy and Victor L. Bernard, the analysis of financial statements must be based on solid business strategy analysis and accounting analysis [7].

This paper innovatively combines SWOT analysis and Harvard analysis framework to construct a systematic research path. Firstly, through SWOT analysis, the internal strengths and weaknesses, external potential opportunities and threats of the enterprise are sorted out [8]. Then use the Harvard framework, starting from the strategic analysis, in-depth analysis of its accounting policy choices, assess the quality of financial performance, and finally complete the company's outlook forecast estimates [9]. This combined analysis method can effectively integrate the qualitative judgment of SWOT and the quantitative data under the Harvard framework from shallow to deep and from outside to inside, overcome the limitations of single financial analysis, and provide investors with a more solid and comprehensive decision-making basis. The research of this paper not only aims to evaluate the investment value of Yanjin Shop, but also hopes to provide a comprehensive and rigorous comprehensive evaluation paradigm for the entire consumer market through this case analysis.

2 Analysis of Strategic Positioning of Yanjin Shop based on SWOT Analysis

2.1 Strengths

The competitive advantage of Yanjin Shop lies in its ' independent manufacturing ' mode. Compared with the OEM OEM factory model commonly used in the industry, it has stronger control over the whole process of R & D, production and quality control. According to the analysis of Guojin Securities Research Report (2023), this model ensures the stability of product quality and the timeliness of delivery, especially in response to the demand for fast new and extremely cost-effective snacks. This makes its gross margin level relatively stable in the industry and has room for improvement. In addition, the company has a successful large-scale product strategy and brand awareness, which has enabled it to successfully achieve the strategic transformation from traditional preserves to baked pastries (such as crisps, cakes), and then to spicy halogen snacks (such as konjac, vegetarian belly), and successfully created a large-scale product of multiple segments. According to Everbright Securities Research (2024), this ' brand + big product ' strategy has enabled it to establish a clear ' quality snack ' cognition in the minds of end-users and successfully cut into the high-growth segment track. The company's efficient channel change response capability is also a major manifestation of its competitive advantage. The company can keenly capture the rise of offline snack trafficking channels and become one of the first head brands to cooperate deeply with them. According to the research of Oriental Securities (2023), the penetration rate and sales volume of Yanjin Shop are among the highest in the market, such as busy snacks and Zhao Yiming, which fully enjoy the dividend of channel growth.

2.2 Weaknesses

As for the W of SWOT, the company's main internal disadvantage is the risk of dependence on a single channel. With the deepening of cooperation with snack vending channels, the company's dependence on new channels on its revenue structure has increased significantly. Huatai Securities (2023) pointed out in the strategy report that over-reliance on a single channel system may weaken the company's bargaining power and bring about the risk of performance fluctuations when the future channel pattern changes again.

2.3 Opportunities

Regarding the O of SWOT, the external opportunities of Yanjin Shop are mainly based on conforming to the trend of the times and policy changes. The state has continuously issued a series of policies to boost consumption, which has created favorable conditions for the development of the whole leisure snack industry [2]. At the same time, consumers ' high pursuit of nutrition and quality has gradually become an important factor in purchasing products [10]. As a domestic brand with independent R

& D capabilities, Yanjin Shop can take advantage of the situation to launch more products that meet the health and organic concepts and meet the needs of a new generation of consumers.

2.4 Threats

As for SWOT 's T, the external threat of Yanjin Shop contains concerns about the increasingly fierce competition in the snack industry. The entry threshold of leisure snack track is relatively low, and there are many competitors, including three squirrels, boutique shops and other national brands, as well as many regional and web celebrity brands. Therefore, in order to ensure that enterprises can survive in numerous price wars and homogeneous competition, it is necessary to strictly control the cost of enterprise development and vigorously promote innovation. In addition, the raw materials required for food production and the cost of transporting goods are easily affected by external influences, thus reducing the company's gross profit margin. In addition, with the rapid development of the market and the rapid innovation of the industry, enterprises may also face the problem of low consumer brand loyalty. How to accurately grasp the market risk and lead the new market trend is a problem that enterprises need to solve.

3 Deep Value Mining of Yanjin Shop based on Harvard Analysis Framework

3.1 Strategy Analysis

Comprehensively, the core strategy of Yanjin Shop can be clearly defined as: taking the self-made supply chain system as the fundamental barrier, taking the continuous R & D and innovation of large single products as the core driving force, deeply cooperating with emerging and efficient channels such as snack vending, and accurately serving the vast consumer groups pursuing quality and cost performance. This strategic path perfectly fits the 'value creation' strategy. It is not simply the pursuit of cost leadership or differentiation, but the integration of the two. With its strong manufacturing and quality control capabilities, it provides customers with the best product value in a specific price band, thus building a unique and difficult to be easily copied comparative advantage in the white-hot market competition [11].

3.2 Accounting Analysis

After careful evaluation of key accounting policies, it is believed that the financial statements of Yanjin Shop are of high quality and credibility. Its revenue recognition policy is consistent with the industry, in line with accounting standards; the method of inventory valuation and provision for falling prices shows due prudence; it is particularly critical that the company adopts a cost-based approach to all R & D expenditures. Although this strategy puts pressure on report profits in the short term, it strictly

follows the principle of prudence, effectively avoids the risk of asset inflated and future amortization that may be brought about by R & D capitalization, and presents a more realistic and robust financial performance picture for investors. This shows that the management tends to be robust and transparent in the choice of accounting policies, which lays a reliable data foundation for subsequent financial analysis.

3.3 Financial Analysis

Based on rigorous accounting analysis, financial analysis shows the excellent operating results of Yanjin Shop. In recent years, the company has not only maintained rapid growth in revenue and net profit but also optimized its profit quality: gross profit margin and net profit margin have entered a steady upward channel, and the rate of return on net assets (ROE) has been disassembled through DuPont analysis. It shows that its improvement is mainly due to the improvement of net profit margin and the acceleration of asset turnover, which confirms the high quality and high efficiency of its growth [12]. At the same time, the operating efficiency indicators are bright, and the number of days of inventory and accounts receivable turnover has dropped significantly, highlighting its strong operational efficiency after lean management of the supply chain and coordination with efficient channels. The positive changes in these financial indicators together provide a strong data validation for the success of its strategic transformation.

4 Conclusion

This study discusses the macro background of boosting consumption and expanding domestic demand. Taking Yanjin Shop as a typical case, it innovatively combines SWOT and Harvard analysis framework to conduct a comprehensive analysis of enterprises.

First of all, through SWOT analysis, this paper clearly outlines the strategic panorama of the four dimensions of Yanjin Shop. Subsequently, this study verified the financial effectiveness of its strategy through the in-depth analysis of the Harvard analysis framework. On the whole, in the context of the current structural differentiation of the consumer market, Yanjin Shop has successfully seized the historical opportunity of the rise of the snack volume trading format and realized the leap-forward development of its performance by virtue of its unique independent manufacturing model and accurate grasp of the channel trend. The core of its investment value lies in the cost and quality control brought by supply chain barriers, as well as the management's keen strategic execution.

Based on the above analysis, this study believes that Yanjin Shop has certain investment value. For long-term value investors, the company has proved that it has the strategic vision and operational capabilities required to become the industry leader, and the supply chain barriers it constructs have long-term value and can be used as the target for configuration in the consumption sector. However, based on the above discussion of its internal weaknesses and external threats, the standard believes that in-

vestors still need to pay close attention to the evolution of the competition pattern of snack food vending channels, the impact of fluctuations in the prices of major raw materials on gross profit margins, and the success rate and cost control effectiveness of the company's subsequent large-scale product cultivation.

The limitations of this study are reflected in the emphasis on individual analysis of the company and the dependence on history and current. In order to improve these problems, future research can continue to track the company's progress in channel expansion and product matrix innovation and can conduct more in-depth financial comparisons between Yanjin Shop and competitors in the same industry, and deepen the analysis of industry competition. Finally, it is hoped that the comprehensive analysis paradigm provided by this study can provide useful reference for investors to identify real value enterprises in the complex and changeable consumer market.

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