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## **Research on Innovative Marketing Strategies for Small and Medium-sized Enterprises in the New Era**

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Master in Business Administration

Supervisor:

PhD Rui Manuel Vinhas da Silva, Full Professor,  
ISCTE — IUL

March, 2024





**BUSINESS  
SCHOOL**

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Department of Marketing, Strategy and Operations

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## **Acknowledgements**

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Professor Rui Manuel Vinhas da Silva meticulous style, rigorous and practical attitude, and down-to-earth spirit not only taught me to write, but also taught me to be a human being. Professor Rui Manuel Vinhas da Silva meticulous style, rigorous and practical attitude, and down-to-earth spirit have not only taught me to write, but also taught me to be a human being. Once again, I would like to thank Professor Rui Manuel Vinhas da Silva.

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## ABSTRACT

With the continuous development of the market economy, small and medium-sized enterprises are facing more and more intense competition, in order to occupy a favourable position in the fierce competition in the market, enterprises must continue to breakthrough and innovation, the innovation of marketing strategy is imperative. Marketing strategy innovation allows enterprises to better focus on customer needs, analyse their own strengths and weaknesses, as well as market positioning and selection of target markets, so as to effectively influence or guide the customer's purchasing decisions.

The background, purpose, and significance of marketing strategy innovation research for SMEs are described in this study. The existing literature is sorted out and summarised, and the specific ideas of analysing the problem - solving the problem - and improving the innovation are proposed.

This paper combines theory with practice to analyse the existing marketing strategies of SMEs that have changed from the traditional 4Ps to 10Ps (1. Probing 2. Partitioning 3. Positioning 4. Product 5. Price 6. Palace 7. Promotion 8. Personal 9. Political power 10. Public relationship) are analysed in depth. Immediately following the use of SWOT analysis on the existing marketing strategy of small and medium-sized enterprises macro-analysis of the existing marketing strategy of the exposure of the problems of the existing marketing strategy, targeted at the small and medium-sized enterprises marketing strategy innovation ideas. In addition, the three dimensions of ESG practice are used to assess the sustainability of business operations and the impact on social values. Finally, it is proposed that SMEs in this era should adopt what innovative marketing to face the complex and changing society, so as to enhance the core value of their own enterprises, so as to be invincible in the changing times.

**Keywords - SMEs Marketing 10P ESG Marketing Strategy Innovation**





## Resumo

Com o desenvolvimento contínuo da economia de mercado, as pequenas e médias empresas estão a enfrentar uma concorrência cada vez mais intensa. Para ocupar uma posição favorável na concorrência feroz do mercado, as empresas devem continuar a inovar e a inovar, sendo imperativa a inovação da estratégia de marketing. A inovação da estratégia de marketing permite que as empresas se concentrem melhor nas necessidades dos clientes, analisem os seus próprios pontos fortes e fracos, bem como o posicionamento no mercado e a seleção dos mercados-alvo, de modo a influenciar ou orientar eficazmente as decisões de compra dos clientes.

Neste estudo, descrevem-se os antecedentes, o objetivo e a importância da investigação sobre a inovação da estratégia de marketing para as PME. A literatura existente é classificada e resumida, e são propostas as ideias específicas de análise do problema - resolução do problema - e melhoria da inovação.

Este documento combina a teoria com a prática para analisar as actuais estratégias de marketing das PME que mudaram dos tradicionais 4Ps para 10Ps (1. Sondagem 2. Partição 3. Posicionamento 4. Produto 5. Preço 6. Palácio 7. Promoção 8. Pessoal 9. Poder político 10. Relação com o público) são analisados em profundidade. Imediatamente a seguir à utilização da análise SWOT sobre a estratégia de marketing existente das pequenas e médias empresas, é efectuada uma macro-análise da estratégia de marketing existente, com vista à exposição dos problemas da estratégia de marketing existente, orientada para as ideias de inovação da estratégia de marketing das pequenas e médias empresas. Além disso, as três dimensões da prática ESG são utilizadas para avaliar a sustentabilidade das operações comerciais e o impacto nos valores sociais. Por fim, propõe-se que as PME desta época adoptem um marketing inovador para enfrentar a sociedade complexa e em mudança, de modo a reforçar o valor central das suas próprias empresas, para serem invencíveis nos tempos de mudança.

**Palavras-chave - PME Marketing 10P ESG Estratégia de Marketing Inovação**



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## **Chapter 1 – Introduction**

### **Background - the new economic era spawned new changes in marketing**

In the new economic era, as the supply and demand sides gradually shifted from a seller's market to a buyer's market. Especially in today's Internet era, buyers have undergone significant changes in consumer demand, cognitive ability, access to information and other channels. The innovation of marketing is particularly important for sellers to better sell their products.

The marketing of products greatly satisfies people's personalised needs, including material needs and spiritual needs at two levels, and also enriches consumers' consumption needs. And the great satisfaction of material life, so that the consumer's consumption concept is more rationalised. This makes marketing must be changed to respond to the rationalisation of consumers, personalised needs of more diversified, diversified mode, better help enterprises to sell products, promote projects, enhance customer loyalty.

In the traditional economic era, supply and demand are expressed as shortage or balance. In the new economic era, the development of Internet technology has made people's access to information more instantaneous, forcing the marketing strategy to the distribution, promotion and other modes of change. As a company, the standardisation of products and services has made marketing methods more transparent and profit margins have been compressed time and again. In order to increase advertising investment and the construction of distribution channels, enterprises have to reduce the intermediate links in marketing, so that product information is quickly delivered to consumers. On the other hand, the Internet economy has promoted the development of the global e-commerce industry. The consequent development of B2B, B2C, C2C and other marketing modes has led to the establishment of a "one-to-one" communication mode between merchants and consumers, which effectively reduces the intermediate links in marketing and makes product information instantly and accurately delivered to consumers. These marketing modes have also led to changes in the relationship between supply and demand, with enterprises no longer producing blindly, but producing quantitatively and qualitatively according to market demand.

Finally, the new economic era has incubated the demand for sustainable development of enterprises. Due to the rapid development of the virtual economy, knowledge economy and network economy in the new economic era, small and medium-sized enterprises are growing like a spring, and market competition is intensifying. Bolger Brende, President of the World Economic Forum, said, We hope that this will encourage SMEs to realise their full potential,

focus on several core dimensions of future development, and become a driving force for sustainable and inclusive economic development and innovation.

While large enterprises face threats, the threat to SMEs seems to be even greater, as SMEs develop on a smaller scale, with weaker capital, brands and customers, and fewer marketing channels, resulting in a smaller share of the market, making it difficult for them to compete with large enterprises. With the continuous development of the global economy, if SMEs want to gain a foothold in the competition and seek development, they must pay enough attention to marketing means, change the shortcomings of traditional marketing means through innovative marketing means, so as to obtain wider channels in the customers and the market, and lay the foundation for the development of SMEs.

## **Chapter 2 - Literature Review**

In 1967, Philip Kotler reaffirmed the 4Ps as the fundamental components of marketing mix in his bestselling book *Marketing Management: Analysis, Planning and Control* first edition. Since then, the theory of 4Ps combination has been widely disseminated and accepted due to the book's popularity. The 1970s saw a rise in service marketing research.

By 1981 Booms and Bitner proposed the 7Ps mix theory of service marketing, that is, on the basis of the original 4Ps add: physical evidence (Physical Evidence), standardised processes (Process), people (People). 1986, Kotler also proposed the 6Ps mix theory of big marketing (Megamarketing Mix Theory), and the 6Ps mix theory (Megamarketing Mix Theory). Megamarketing Mix Theory), that is, on the basis of the original 4Ps add: political power (Policy Power), public relations (Public Relation). With the emphasis on marketing strategy plan. 30 June 1986, Kotler in China's University of International Business and Economics speech, and proposed in addition to the 6Ps of the big marketing, but also to add the strategic 4Ps, that is, probing (Probing), division (Partitioning), priority (Prioritising), positioning (Positioning); In this way, by the early 90's, people generally agreed to add the original 6Ps marketing mix theory to the 4Ps strategic marketing, forming a more complete 10P marketing mix theory.

Scholars Kim, Mauborgne (1998) and their research team split marketing strategy innovation: first, product-level innovation, mainly including product design innovation and production process innovation. Second, service-level innovation, which mainly includes firms' marketing service innovation, which covers pre-sale and after-sale services. Third, delivery level innovation, this type of innovation mainly refers to the delivery process developed during the sales period.

Scholars Hurley, Hult (2004) and their research team empirically studied the logic of marketing strategy innovation, which is considered to be the process of continuing to satisfy customer needs and gradually increase the sales volume of the product, so as to achieve the value of goods and services corresponding.

Henrikki Tikkanen et al. investigated the realisation of marketing strategies of multiple business relationships and multiple planning in a basic planning company.

Denise Jarratt et al. describe how marketing strategy evolves in response to new competitive and organisational environments, explaining the role of marketing activities in the firm's face of marketing strategy and the ways in which the strategy evolves.

Fareena Sultan et al. investigated the longitudinal, exploratory aspects of evolved net

marketing strategies, focusing on the question of how Internet strategies evolve over time and what causes such evolution to occur. The research suggests that companies are using the Internet to create efficiencies in the value chain, reduce costs, and improve customer-channel relationships.

Denise Jarratt et al. discuss the evolution of marketing strategy in response to new competitive and organizational environments, specifically addressing the interaction between marketing activities' objectives and the overall marketing strategy, as well as strategies for achieving development.

CITIC Securities, Jiang Ya, Liu Jiwei and Chang Xinyi, luckin coffee Research Report: Nirvana Rebuilds a Solid Barrier, Flying in the Face of the Trend and Fearless of Competition.

CITIC Securities, Liu Levin and Chen Rulian, Coffee Industry Special Report: Digitalisation and Convergence Innovation of Ready-to-drink Beverages Expect to Reshape the Industry.

Cai Xueyu and Yang Yiwen, CITIC Securities, Coffee track in the ascendant, discussing brand competitiveness of luckin coffee.

Product differentiation marketing strategy. Philip Kochler (2013) proposed a five-level product model based on the three-level product model, i.e., core products (benefits), general products, desired products, additional products and potential products. It shows that the formation of product value and benefits has a two-way nature, is the result of the joint role of marketers and customers, and the customer plays a leading role. And the customer is not in the satisfaction of a single product.

Promotional differentiation marketing strategy. Pan Xiangguang (1996) and Zhang Xiaolin (2013) are not entirely consistent in proposing the definition of promotional differentiated marketing, but both mentioned that for intermediaries or consumers, providing short-range incentives to think of promotional activities (SP, sales promotion), prompting the consumer to the enterprise and the common product (or service) to generate interest, goodwill and trust, and then make a purchasing decision activities.

Brand differentiation marketing strategy. Shi Zhenrong (2011) in the book "brand management vision and corporate culture" also put forward the meaning of brand. And emphasises on differentiated marketing that focuses on goods in quality is, performance, utility, as well as the brand's market positioning and cultural connotations.

Michael Porter (Michael Porter) believes that differentiation creates the brand,

differentiation strategy helps brand formation and enhancement, The brand is the result of differentiation, and it also serves to create differentiation. Therefore, brand differentiation is closely interrelated and complementary. A strong brand is crucial for the survival of an enterprise, and the brand itself represents a unique proposition.

"Channel differentiation marketing strategy is a key concept in the field of marketing channels. According to Louis.W.Stern (2014) in the book "Marketing Channels, a marketing channel serves as the connection between various intermediaries involved in the distribution process, linking the producer and consumer, as well as different types of intermediaries located between them.

In terms of the functions of the marketing channel, Lawrence G. Friedman and R. Frey (2012) argue that there are its facilitation of search, regulation of varieties and quantities of differences and provision of services. The transfer of products from producers to consumers is achieved.



## **Chapter 3- Research Methodology and Objectives**

### **3.1. Research methodology**

This thesis is a combination of marketing theory and the actual marketing model of luckin coffee to study the marketing strategy of luckin coffee from multiple levels. The specific methods are as follows:

The literature search method involves integrating and researching current social media marketing theory, consumer behavior theory, traditional marketing models, experience marketing models, and other concepts. It also includes a comprehensive review of domestic and international scholars' literature, as well as exploring academic research on luckin coffee's marketing model in conjunction with the academic community. The resulting academic findings form the theoretical basis of this paper.

Questionnaire survey is conducted to gather research data based on various marketing models and theories. Statistical analysis is performed on the current marketing strategy of luckin coffee, selecting relevant data for further integration and analysis.

This paper uses luckin coffee as a case study, applies the 10P marketing model, integrates the actual business operations, explores innovative marketing approaches of luckin coffee, and proposes corresponding marketing strategy selection and implementation based on research findings from multiple marketing models.

### **3.2. thesis purpose**

This paper selects the Internet new retail dark horse luckin coffee as the research object, combines domestic and international marketing theories, comprehensively analyses the current situation of luckin coffee marketing work, points out the possible deficiencies in the current marketing, and provides references to luckin coffee future marketing strategy selection. While enriching the current marketing theory research, it also has a reference significance for the marketing direction planning of the coffee industry in the new economic environment.





## **Chapter 4- The significance of marketing for SMEs**

With the continuous development of the global market economy, the objective marketing environment and the corresponding marketing system has also been iterated and progressed, and consequently, marketing plays an increasing role in the expansion of the enterprise's reproduction and expansion of new markets. For large enterprises, marketing brings about an increase in corporate turnover, market share and the empowerment of intangible assets, such as brand, and for small and medium-sized enterprises (SMEs), through the Marketing inputs can prompt enterprises to stand firm and directly drive sales. Scientific and reasonable marketing inputs can effectively increase the vitality and competitiveness of enterprises, promote the reasonable distribution of resources in the market, and further practice the market law of survival of the fittest in the industry.

### **4.1. Solve the contradiction between production and consumption**

In the market economy, the consumer perception of price, function and information differences, to a certain extent, impede the product value and consumer purchase price of reciprocal exchange, resulting in a contradiction between the product and the consumer, affecting the consumer's expectations for the product and the desire to buy. And marketing can be through the product innovation, distribution, promotion, pricing, service and other information source delivery, make this information gap gradually narrowed, so that consumers can be in the consumer expectations and pay the price of balance, so as to continue to stimulate the consumer's desire to buy, which also affects the enterprise's sales of products.

### **4.2. Realise the value of goods**

For commodities, only what is sold has the corresponding value, and commodities that are not sold are only the burden of production costs of the enterprise. Therefore, realising the value of commodities is of great significance in reducing the production costs of enterprises and improving their economic returns. Through the marketing of commodities, it can promote the continuous improvement of the sales of commodities, so that consumers and society can recognise the value of commodities. At the same time, in the sales process, consumers can also be more in-depth understanding of the enterprise. For small and medium-sized enterprises to stand firm and seek development has an important role.

### **4.3. Avoid the waste of resources**

The production of commodities consumes natural resources and social resources, and if the

commodities can not be sold, then the commodities will cause a serious waste of resources. Therefore, it is necessary to promote the sale of commodities through the reasonable marketing of commodities to minimise the phenomenon of stagnant sales. While avoiding the waste of resources, the economic interests of enterprises are maintained.

#### 4.4. Satisfy the needs of consumers

With the continuous development of social and economic development, people's living standards and quality of life is also improving, for a variety of emerging products in increasing demand. Marketing can not only promote the enterprise's revenue, but also can show the product's various information to consumers better, help them choose, meet their needs, and ultimately improve people's quality of life and promote the sustainable development of social economy.

## **Chapter 5- Current status of marketing in small and medium-sized enterprises**

### 5.1. Neglecting the importance of the product itself

Many small and medium-sized enterprises in the marketing process, in order to seize the market opportunity, usually give priority to the production of new products. However, many small and medium-sized enterprises are too hasty, resulting in the production of unqualified product quality, product packaging is not fine enough and other phenomena. Coupled with the fact that many SMEs believe that there is a lack of their own products on the market, consumers do not have much choice but to choose their own products, which also leads to insufficient attention to product quality. But the quality is the core of the product, only quality, well-packaged products can really be favoured by consumers, and the lack of attention to product quality will result in the marketing of small and medium-sized enterprises is not successful.

### 5.2. Lack of brand awareness

Brand is an intangible asset of the enterprise, with a good brand image, not only can expand the market share occupied by the enterprise, but also in the process of purchasing different products, to obtain the trust of consumers, so that consumers give priority to buy the preferred brand of products. Many small and medium-sized enterprises in the marketing process, the lack of awareness of the brand, that marketing knowledge to sell the product. This also makes it difficult to establish the brand and image of the enterprise, to enhance the visibility of the enterprise, to attract more consumer groups.

### 5.3. No core competitiveness

Many small and medium-sized enterprises themselves do not have core products and technologies, marketing is too focused on the performance of secondary aspects of the product, but not the substantive information that consumers are concerned about expressed. Large enterprises in the introduction of the product, often put more attention on the part of the consumer's attention, through the attention to the subject position of the consumer, so that consumers have a deep understanding of the product. The marketing strategy of small and medium-sized enterprises is obviously insufficient, and there is often a focus on the introduction of secondary aspects of the product, without recognising the problem of the main position of consumers, which results in marketing in form, and did not play a substantial effect.

### 5.4. Single marketing tool

At present, most of the brand development of small and medium-sized enterprises are faced with a single marketing approach to the problem, which is manifested in the following two aspects. First of all, some enterprises only invest money in advertising, while ignoring the optimisation of the internal design of the enterprise. Although this method can improve people's awareness of the enterprise, it does not establish a good brand image and cannot promote the stable operation of the enterprise. In addition, some business managers do not pay attention to marketing and only follow the traditional way of publicity, which leads to the lack of comprehensive development of the enterprise.

## **Chapter 6-Research on Marketing Innovation Strategies for Small and Medium-sized Enterprises (luckin coffee for example)**

Founded in 2017 and headquartered in Xiamen, luckin coffee is one of the leading local freshly brewed coffee brands with the largest number of shops in China. The development of luckin coffee since its establishment can be divided into three stages: "founding and emergence", "listing and thunder", and "change and rebirth".

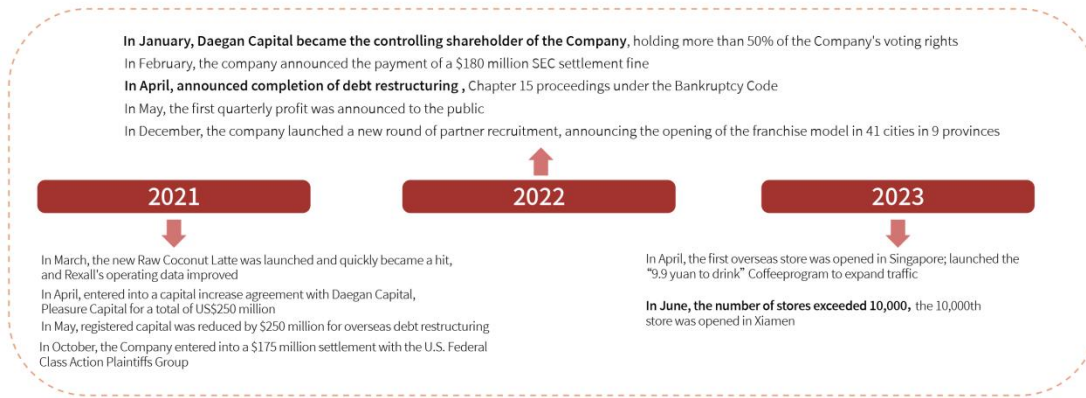
It took less than two years for luckin coffee to complete the brand creation and listing on NASDAQ, setting a new record for the fastest listing in the world. luckin coffee quickly opened up the market through the combination of online and offline business model and cost-effective freshly ground coffee products, and launched explosive single products one after another, together with the marketing programme that closely followed the hotspots, and quickly stood out in the competition.

In February 2020, Muddy Waters released a short report on luckin coffee accusing luckin coffee of financial fraud, and in April of the same year, luckin coffee admitted that it had committed financial fraud of \$300 million, and in the months that followed, the company retired the employees who were aware of or involved in the financial fraud and appointed Guo jinyi as the new chairman and CEO.

In April 2022, luckin coffee announced the completion of debt restructuring, officially marking the completion of the company's rectification of the incident and comprehensively resolving the historical problems.

In March 2021, luckin coffee launched the new raw coconut latte, which quickly became a hit, creating a phenomenal sales scene and improving operating results; in the first half of 2022, luckin coffee launched a total of 68 new products, with an average of one new product born every three days; in April 2023, luckin coffee launched the "9.9 yuan coffee" programme. In April 2023, luckin coffee launched the "9.9 Yuan Coffee" programme, engaging in a price war with COTTI COFFEE .

Table 6.1-luckin coffee Development path



### 6.1. Flexibility for market transformation

Large enterprises certainly have a natural advantage in the market, but compared with large enterprises, SMEs are more flexible in their operation, and they have a high degree of adaptability, which large enterprises lack. It is difficult for large enterprises to transform themselves accordingly, especially with the arrival of the new crown epidemic, which has also led to the tragedy of company closures. Small businesses, on the other hand, have the flexibility to solve problems arising from their operations by restructuring their businesses internally. For SMEs, they have a complementary function in the market because large enterprises tend not to put limited products into limited sales, and the development of SMEs in these areas can make up for the gap for large enterprises to take up a position in these product areas. Coupled with the flexibility of small and medium-sized enterprises to operate in accordance with market demand, the flexibility to change the direction of production, faster production of products demanded by consumers.

SMEs should take advantage of their small size and use SWOT analysis to analyse their strengths, weaknesses, threats and opportunities. Conduct a thorough analysis of the market and marketing environment to identify favorable opportunities and assess environmental prestige. The company should also evaluate its strengths, weaknesses, as well as current and planned marketing strategies in order to capitalize on potential opportunities. The objective is to align the company's strengths with advantageous opportunities in the environment, while addressing weaknesses and mitigating external threats.

Table 6.1-luckin coffee swot analysis

S (strengths)	W (weaknesses)
<ul style="list-style-type: none"> <li>· Freshly ground coffee beans, joined by a master</li> <li>· The company has strong financing capabilities and is supported by domestic and foreign capital</li> <li>· The price is reasonable and meets the spending ability of most people</li> <li>· Wide range of promotion modes: offline + online</li> <li>· New product development is fast and corporate marketing is good</li> </ul>	<ul style="list-style-type: none"> <li>· 2.2 billion fake transaction volume, reduced trust, Corporate image greatly compromised</li> <li>· Company management fluctuates greatly</li> <li>· Capital chain issues, market regulation, lack of third space, stock price plummet</li> </ul>
O (opportunities)	T (threats)
<ul style="list-style-type: none"> <li>· Product transformation to enhance core competitiveness</li> <li>· Consolidate the domestic coffee market</li> <li>· Strengthen new product research and development</li> </ul>	<ul style="list-style-type: none"> <li>· Corporate incidents lead to consumer distrust</li> <li>· Competition among peers is fierce</li> <li>· Offers are decreasing and customers are losing</li> </ul>

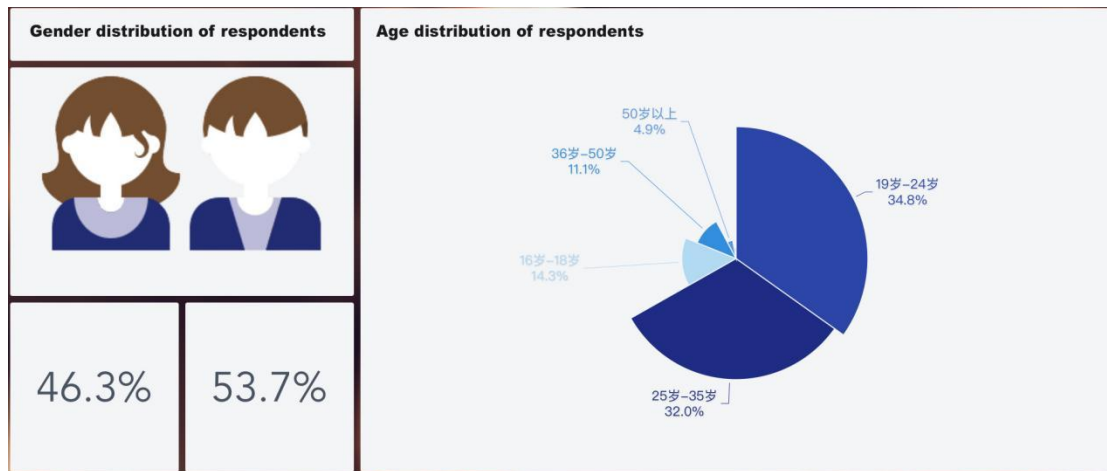
## 6.2. Product marketing strategy innovation

For the marketing of products, the most reasonable marketing is not to make consumers realise how good the product is, but to make consumers realise the impact of the product on their lives. Through the popularisation of science to consumers, consumers will have a deeper understanding of the product, so that consumers will have a psychological need for the product, thus playing a fundamental role in promoting the sales of the product and achieving the purpose of marketing.

From the study of target groups and young people's consumption preferences, Rexall's product R&D team judged that milk curry is a major R&D direction, and then determined the "big latte strategy". A number of subsequent hit products, such as thick milk latte, raw coconut latte, etc., belong to this system, in which "thick milk", "raw coconut" and "velvet" latte have become the three swordsmen of luckin coffee latte.

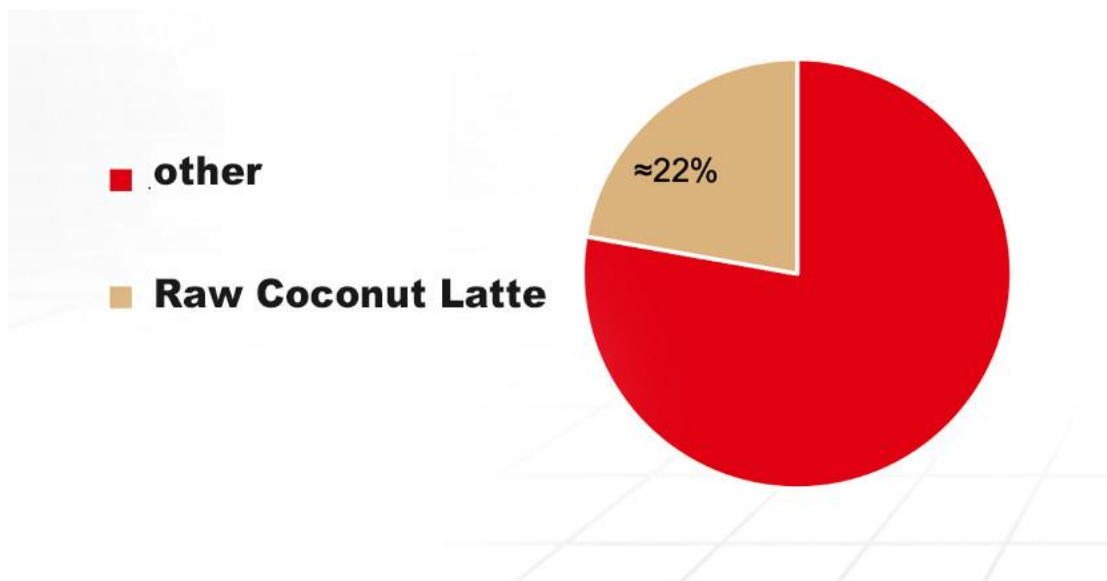
Specifically for raw coconut latte, the market has a high penetration rate of coconut milk and coconut juice products, domestic consumers have a high acceptance of coconut milk, and the mass base of raw coconut is good. Raw coconut neutralises the bitterness of coffee and is more in line with the current taste preferences of most coffee consumers. The results of this series of products also benefited from the trend of some milk tea users to milk coffee users to expand. Previously accustomed to drinking milk tea, some students have become office workers, based on the work scene, the choice of drinks from milk tea to coffee, while the taste of milk curry is easy to accept, the taste of raw coconut latte in the milk curry is more attractive.

Table 6.2-luckin coffee Distribution of questionnaires



After a questionnaire survey of 1,000 customers in the shop, 200 people thought that luckin coffee top-ranked popular product was the Raw Coconut Latte, with a favouritism ratio of 20%. Its sales volume also accounted for 22% of luckin coffee.

Table 6.2-luckin coffee raw coconut latte percentage

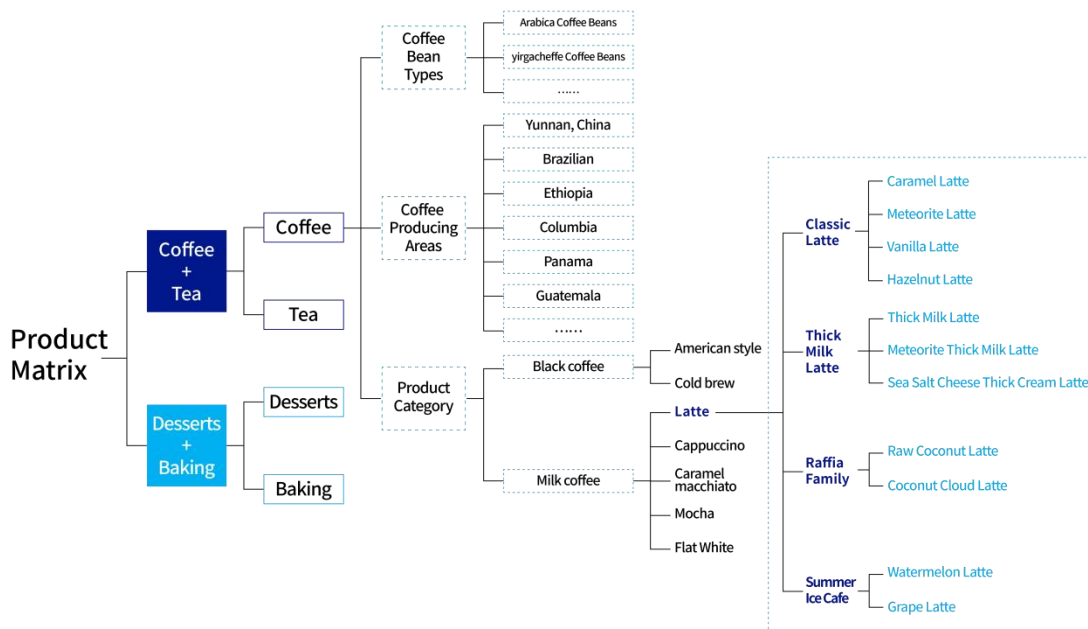


luckin coffee products currently constitute two product lines: flavoured coffee and professional coffee, with one hand on professionalism and the other on good taste. The R&D team consists of dozens of members, all of whom are relatively young. The flavoured coffee team innovates according to the theme, races internally through bi-weekly curatorial meetings, and maintains close contact with the marketing team. In order to better attract new users, the brand should keep its youthful vitality through continuous innovation, and undertake the daily needs of high-frequency consumers after the transformation of new users, so as to improve the brand's characteristics and cost performance. And to create a portfolio of products with better flavours than high-priced coffee at competitive prices. The R&D team draws



roasting curves and extraction parameters for each coffee bean, and selects suitable milk bases and creative flavours to maximise the potential of the coffee bean.2022 Since 2022, the frequency of launching new professional coffee products has increased, which is conducive to the conversion of users who started to come into contact with freshly ground coffee from luckin coffee flavoured drinks and further came into contact with professional coffee products, into high-frequency consumers of coffee. This is conducive to the binding of luckin coffee long-term brand mentality after they transform into high-frequency consumers of coffee. Due to the limited supply of SOE coffee beans, the products are mainly quarterly limited, and a number of SOEs have been launched, such as Kui Hua, Yerba Buena Vista, CURLY, and Paradise Manor, which have been bestsellers among the mass consumer group. In the case of the Cuisinart series, for example, nearly half of the 90 tonnes of Cuisinart beans purchased by the Company were consumed within 10 days of being put on the shelves and sold out in some cities and shops. Currently, half of the company's top 10 products in terms of sales volume are flavoured coffees and half are basic coffees. It is expected that with the cultivation of users' consumption habits, the proportion of basic coffee sales and users' consumption frequency will increase.

Table 6.2-luckin coffee Product Matrix



### 6.3. Application of the 10Ps of marketing strategy

Table 6.3-luckin coffee 10P Marketing Theory Analysis



### 6.3.1.Products

luckin coffee shops mainly sell coffee beverages, in addition to providing cakes, hanging ear coffee, coffee beans, nuts, coffee cups and other peripheral products. There are new products every week, and with the change of seasons, there will be different new products launched every quarter, and product co-branding with a number of manufacturers, such as the recent co-branding with Moutai - Soya Latte has created a great sensation in the market, the demand exceeds supply to bring in revenues of 200 million per day, bringing the topic of conversation at the same time to stimulate the purchasing senses of consumers.

### 6.3.2.Price

luckin coffee price is its unique competitive advantage. When Starbucks charges 30 yuan per cup of coffee, luckin coffee uses the low price war of 9.9 to make coffee a popular product instead of the original white-collar exclusive. In addition, first-time buyers can also enjoy 0 yuan purchase, recommend a friend both sides can get 50% off coupons. It can be said that luckin coffee price war is very successful, and has seriously threatened the status of Starbucks in China, where the number of shops has exceeded Starbucks. Starbucks 6500, luckin coffee shop number 13273.

### 6.3.3.Place

luckin coffee strictly requires its suppliers and franchisees to agree with the company's philosophy, and requires every shop in the country to be completely uniform, so that no matter which shop in the country to drink coffee is the same taste. And all of his shops have to be right next to his competitor, Starbucks. Directly operated shops accounted for 70%, and franchised shops accounted for 30%.

### 6.3.4.Promotion

Daily coupons, sign-in coupons, recommended coupons, set point cashback, luckin coffee will be their own price promotions to the industry's ultimate, adhere to the lowest price to bring the user the best quality of coffee, every day you can get a coupon to enjoy a cup of coffee for 9.9 yuan, which also allows luckin coffee number of shops to quickly exceed the number of Starbucks. Now many emerging coffee brands follow luckin coffee low-priced strategy, and even launched 8.8 yuan of coffee, but it could not be maintained for a long time before closing down.

#### 6.3.5. Probing market research

Use scientific methods to conduct a large number of data research and analysis of the audience, taste, acceptance, so as to be more accurate one-to-one marketing, speak with data, reduce marketing losses. Launching new products every week, luckin coffee new products can get the first place in every evaluation, which shows how serious luckin coffee is about market research, insisting on speaking with data, taking down non-selling products in time, and putting up new products in time to ensure that the marketing activities are carried out smoothly.

#### 6.3.6. Partitioning Market Segmentation

Rexall insists on deep ploughing in the mid-range market, and its target group is very precise, that is, the people who can't afford to drink Starbucks, and rapidly occupies the widest range of mid-range consumers and stimulates them to drive high-end consumers to come to consume. Now each person in the office building hand a cup of Rexall has become a bright landscape.

#### 6.3.7. Prioritising

Prioritising mid-range consumers, radiating upwards and downwards to high-end and low-end consumers, sinking products to lower markets, townships, etc, and occupying first- and second-tier cities while sinking, which is why the number of luckin coffee shops can become China's first in just a few years, and launching different categories of products to meet different consumer needs.

#### 6.3.8. Positioning

Fast, convenient, high-quality coffee experience

Since its establishment, luckin coffee has been committed to providing consumers with a fast, convenient and high-quality coffee experience. The brand positioning is highly differentiated in modern society, as people are increasingly focusing on efficiency and quality. With its efficient delivery service and high-quality coffee beans, luckin coffee has succeeded in

attracting a wide range of consumers.

#### Affordable and high-quality brand image

The brand positioning of luckin coffee focuses not only on high quality, but also on affordability. The brand's goal is to make high-quality coffee available to everyone, not just a select few. Therefore, while ensuring the quality of coffee, luckin coffee strives to reduce costs and provide affordable products. This brand image of affordable and high quality has successfully attracted the attention of a large number of consumers.

#### Internet thinking and mobile purchasing experience

luckin coffee has integrated Internet thinking into its brand positioning, achieving online and offline integration. Through the mobile app, consumers can conveniently purchase coffee, check for offers and make online payments. This convenient purchasing experience is in line with modern consumption habits and improves the competitiveness of luckin coffee

#### Unique Design Style and Quality Coffee Experience

luckin coffee focuses on design style and coffee experience in its brand positioning. The brand adopts a unique design style in shop design and decoration to attract young people's eyes. In addition, luckin coffee has put a lot of effort into the selection and roasting of coffee beans to ensure that each cup of coffee provides consumers with a premium taste and experience. This attention to detail has enabled luckin coffee to establish a good brand image in the minds of consumers.

To sum up, luckin coffee has comprehensively considered a number of aspects in its brand positioning, including fast, convenient and high-quality coffee experience, affordable and high-quality brand image, Internet thinking and mobile purchasing experience, as well as unique design style and high-quality coffee experience. These elements together constitute the unique brand charm of luckin coffee, attracting the attention and love of consumers.

#### 6.3.9. political rights

Continuously absorbing investment in shares from state-owned enterprises and increasing interaction with the government. Actively carry out public welfare and charity activities to help more people in need and carry out social responsibility to the end. In order to promote the effective implementation of the sustainable development strategy, luckin coffee set up a sustainable development committee in July 2022 and completed the systematic construction of sustainable development regulations in the same year; in order to innovate and carry out the communication mechanism of corporate governance, luckin coffee released the first "Change and Reinvention 2020-2022 Corporate Governance Report of luckin coffee ", which

is a systematic review for the stakeholders to review luckin coffee in the guidance of the new values. Under the guidance of its new values, luckin coffee has gradually entered a benign development track and eventually turned the tide, and at the same time, it has re-emphasised the value that corporate governance is the beginning and foundation of luckin coffee creation of a sustainable business model and its commitment to environmental and social responsibility.

### 6.3.10.Public Relations

Continuously expanding communication with the public, enterprise data, product data open and transparent. Including the production of products is also absolutely transparent, and invite experts in different fields to product endorsement, according to the hot spot in a timely manner to replace the spokesman, truly "who is red with who to play", to bring closer the relationship with customers, and quickly attract young users.

Table 6.3-luckin coffee Partial celebrity endorsement



### 6.4.Increase awareness of corporate image and branding

The corporate image and brand play a crucial role in driving the development of enterprises. A strong corporate image and brand not only boost product sales, but also cultivate a loyal consumer base, thereby increasing market share for small and medium-sized enterprises. Brand is how users perceive you, rather than equal to your product itself. Brand from the product but beyond the product, it needs to be deeply rooted in the user's mind and spirit of the world to be sought after. Because the brand image is the user's mind, is who the user thinks you are, is the user to choose or not choose your reason. Once the mind is formed, it is very difficult to do a reversal, and the vast majority of enterprises do not have the systematic ability required to complete the transformation of brand image. So as a company that wishes to continue to operate, it is important to focus on the brand very early on. Therefore, the brand is the key industrial competitive soft power, but the establishment of the brand is very

difficult. Whether it's branding, marketing, or public relations, the fact is that it's a hundred-year science. We need to understand that branding cannot be won by ideas, by individual creativity. Branding requires the creation of a systematic strategy, a long-term action plan and a short-term battle design. Every company is born different, and so is the path to building a viable brand, so avoid superficially copying a successful model. Today, the world has become highly transparent and companies must practice what they preach in order to have a good brand. The boundaries between branding, marketing and PR are dissolving and outdated organisational structures will lead to waste and risk. Brand image ultimately points to corporate reputation, which is the most valuable asset of an organisation, a source of trust for customers, partners, investors and other stakeholders, and a key competitive barrier.

#### 6.5. Price Promotion Innovation

Price is the most important factor for consumers to choose the product, the product set a reasonable price can promote the product sales. On the other hand, the product can be advertised through reasonable promotional activities, and at the same time increase the sales volume of the product. If consumers in the promotional process, interest in the product, and in the actual use of the product also gained a corresponding sense of satisfaction, then it will also allow consumers to understand the product in depth, prompting enterprises to continue to increase market share.

Focusing on the "price war", COTTI COFFEE took the lead in launching the weekly RMB 8.8 coffee marketing strategy, and luckin coffee then launched the weekly RMB 9.9 in-store consumption coupons to compete with it.

luckin coffee \$9.9 coffee strategy was so well received by customers that the company's monthly average number of paying customers increased significantly by 46.1% Q2 in 2023, and the company's revenue and profit rose. The company announced that it will carry out the \$9.9 cup of coffee campaign on a regular basis in the future to accelerate the brand power building.

"Weekly 9.9 RMB coffee", as the core promotion of luckin coffee Q2 2023, drove up the number of consumers in shops as the offer can only be picked up offline. The average number of monthly transaction customers of luckin coffee reached 43.1 million in Q2, an increase of 107.9% over last year.

#### 6.6. Promote the innovation of marketing methods

To achieve the innovative development of marketing, we must carry out innovative and standardised management operation methods, and establish certain requirements and norms

for each part of the marketing activities, and on this basis to achieve the establishment of innovative management operation mode. Innovative management includes every aspect of marketing activities, in the relevant links more standardised premise to achieve the overall management operation has a more efficient, innovative and formalised basis. To achieve the overall innovative management in the operation process should pay attention to the order of the relevant processes, in the division of labour to be more detailed, on this basis in order to achieve an effective reduction in the overall operation of the error, to achieve the overall enhancement of the operational efficiency of the purpose. Effective analysis of management innovation, not only can achieve effective improvement of comprehensive competitiveness, but also as an important basis to promote the overall management of effective innovation. In the research and analysis process, the overall operation of the various links and design aspects of the dismantling and in-depth analysis, the use of the problem layer by layer, multi-angle to achieve effective tracking, and targeted solutions, thus ensuring that the overall operation of a higher degree of rationalisation. To achieve the overall effective operation, but also pay attention to every step involved to achieve seamless integration, and pay attention to every step of the innovation with innovative operational methods to achieve the specific operation, so as to achieve the purpose of the minimum cost in the actual use.

Selected endorsements + popular IP co-branding + event marketing, deepening brand-consumer communication.

Selected endorsements + popular IP co-branding + event marketing to deepen brand-consumer communication. luckin coffee actively cooperates with popular IP, in April 2022 and Coconut Group co-launched Coconut Cloud Latte, which sold more than 24 million cups Q2 2022, with shop revenue reaching 400 million yuan; in October of the same year, luckin coffee co-launched New Zealand Cheese Latte with JOJO, with total sales of 6.59 million cups in the first 7 days on the line; in September 2023, luckin coffee co-launched Soy Sauce Latte with Moutai, with sales of 5.42 million cups in the first day and sales of more than 100 million yuan in the single day. In September 2023, luckin coffee co-launched Moutai Soya Latte, with the first day's sales exceeding 5.42 million cups and single-day sales exceeding 100 million yuan. luckin coffee is positioned as a "young white-collar crowd", and selects spokespersons for this audience of young workers and gives them specific labels, such as signing Liu Genghong and Gu Ailing to cater to young people's demand for "sports, health, and low-calorie", and at the same time, luckin coffee also accurately grasps the current hotspots and selects hot-related figures. At the same time, Rexall also accurately grasps the

current hotspots and chooses hotspot-related characters for endorsement, such as the marketing cooperation with the main actors in the dramas "Canglan Secret" and "Rampage" after their popularity. luckin coffee signed an endorsement contract with Gu Ailing half a year before she won the championship, and on 8 February 2022, the day Gu Ailing won the gold, luckin coffee first released a microblog to congratulate Gu Ailing for winning the gold, then launched a 4.8 percent discount activity, and first added the word "Winning the Championship" to the menu bar of "Gu Ailing Recommends" in the mini-program. The word "win" was added to the "Gu Ailing Recommends" menu bar in the app, and the microblogging index of luckin coffee increased by as much as 1,684.21%, and Gu Ailing's customised coffee was sold out for many times.

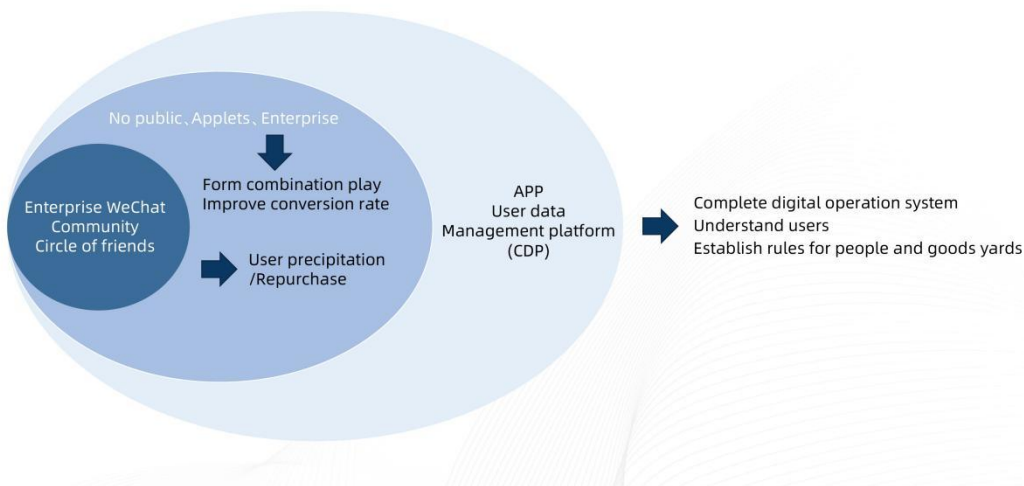
Table 6.6- luckin coffee Selected Co-branded Products



The public and private domains are linked to promote new recruitment and retention, and the operation of the private domain has obvious results.

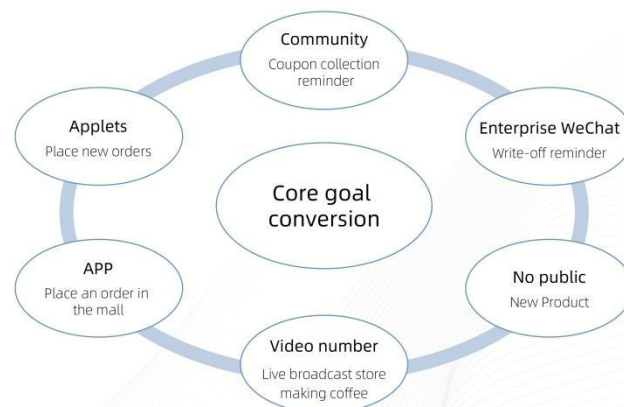
Table 6.6- luckin coffee Three levels of the private domain





The public domain focuses on pulling in new customers, while the private domain favours operation. luckin coffee approach to customer acquisition in the public domain of WeChat is to acquire customers and attract traffic through offline contacts and online public domain channels. For example, using discount coupons to guide users to add the welfare officer's enterprise WeChat. After adding the welfare officer, they can enter the group to receive discount coupons. At the same time, luckin coffee will also carry out long-term operation in the community, and will reach out and plant grass at specific times every day, and from time to time, there will be some co-branded activities and some public welfare activities for users to participate in.

Table 6.6- luckin coffee Multi-dimensional digital marketing



The results of the private domain operation are obvious, and the inbound group has brought about an increase in repurchase. As of April 2022, the number of subscribers to luckin coffee WeChat service number had exceeded 30 million, and on corporate WeChat alone, luckin coffee had accumulated more than 20 million users. The volume of community customers was approximately 16 million. Among them, more than 80% of the community users come from social fission and advertising within the WeChat ecosystem, bringing considerable increment to the luckin coffee user pool.

#### 6.7. Enhancement of mutual cooperation among enterprises

To realise the effective development of marketing management in the era of network economy, enterprises in the market should strengthen the communication and cooperation between each other, and promote the full play of their own potential at the same time as  $1+1>2$ . Combined with the current development prospects of the industry market, strengthen cooperation and communication with related enterprises in the same industry, according to their own situation, in time to seize the good opportunities for enterprise development.

#### 6.8. Actively realising the broadening of marketing channels

In marketing management, actively realize the comprehensive broadening of marketing channels, increase market expansion, market development of the enterprise all-round planning, through the formulation of effective strategic objectives, to achieve a more optimised enterprise structure. In the era of network economy, marketing management should pay attention to the combination of traditional marketing model for the effective transformation of marketing objectives, the actual operation can start from the following points:

Achieve a high degree of unity of marketing planning and marketing objectives, combined to promote efficient management and control of the specific progress of marketing. In the possession of the decision-making relevant decision makers should have an in-depth understanding of the market's current operating status and development trends, the development of marketing plans and programmes in line with market development, to market demand as the core, through the actual marketing marketing objectives, so as to make specific arrangements and plans.

After achieving the effective arrangement of marketing progress, but also continue to marketing practice, to achieve dynamic adjustment, optimised for the corresponding progress and the actual market situation.

In the actual marketing focus on the overall effect of highlighting the current situation of marketing, to do a variety of positive factors to coordinate and cooperate with each other, in the overall grasp of the control of the marketing progress.

6.9. Deep ploughing of high-quality supply chain, upward traceability and deeper expansion  
luckin coffee has a stable and huge supply chain, and it has formed a set of system to manage the supply chain mainly in four aspects: raw material procurement, factory layout, logistics guarantee, and intelligent system.

Reduce dependence on external sources and deeply plough into upstream raw material procurement. luckin coffee purchases high-quality raw coffee beans from famous plantations in China's Yunnan Province, Guatemala, Brazil, Ethiopia and Colombia, and supplies them directly to suppliers of roasted coffee beans. In February this year, luckin coffee announced the launch of the "Global Bean Search" programme to continue to search for high-quality coffee beans that suit the tastes of Chinese consumers, and in 2018, luckin coffee also formed a "Blue Partner" alliance with its head suppliers to create a core cost advantage. The company also built its own coffee roasting factory and laid out the layout of its coffee roasting plant.

Self-built coffee roasting factories, layout of the upstream coffee bean industry chain.  
luckin coffee has two coffee roasting factories, one located in Pingnan, Fujian with an area of approximately 45,000 square metres, and the other located in Kunshan, Jiangsu with an area of approximately 53,000 square metres, which is under construction and is expected to be put into operation in 2024.

In 2021, luckin coffee raw bean import volume will be 15,808 tonnes, and its procurement volume will exceed 30,000 tonnes in 22 years; its market share in 2020 will be approximately 6.8%. At present, the company has a self-supply chain of 15,000 tonnes of freshly ground coffee, and plans to add 30,000 tonnes. Horizontal comparison, 2012-2022 decade, Starbucks in Yunnan Province, the cumulative acquisition of 56,433 tonnes of coffee beans, including 99 tonnes of higher-quality "Select Coffee Beans".

#### 6.10. Actively practice ESG concepts

With the increasing integration of ESG into corporate development strategies, low-carbon environmental protection has gradually emerged as a pivotal component. In recent years, on the basis of in-depth changes in the governance system and reshaping of the governance structure, luckin coffee has persisted in innovating low-carbon and environmental protection practices in the coffee industry, landed environmentally friendly low-carbon roasting bases, adhered to the quality-first food safety and quality management, empowered business

innovation with technology, and continued to optimize the development of talents and incentive mechanisms, which has proved its determination to develop in the direction of green and low-carbon and its commitment to social responsibility with a proactive stance and down-to-earth actions. responsibility to the society.

## **Chapter 7- Shortcomings of luckin coffee's Marketing Strategy**

Today, the competition in the coffee industry is moving from a price war and a scale war to a competition of comprehensive strengths such as brand, innovation and supply chain. Among them, the brand is still one of the short boards for luckin coffee.

Since its inception, luckin coffee has been aiming to surpass Starbucks. In the past few years, luckin coffee has relied on a low price strategy and rapid expansion of offline shops to attract a large number of customers. However, this has also put luckin coffee in a predicament in terms of branding, that is, it is an affordable brand. Moreover, the location and space of most of luckin coffee shops also tend to give consumers such an impression.

Looking at the surface data, luckin coffee has temporarily overshadowed Starbucks China in the industry with its eye-popping revenue results. Want to kill out, luckin coffee in the face of competitors at the same time, may be more need to fine, differentiated brand building. luckin coffee face more aggressive Kudi coffee, more shops, such as Honey Snow Ice City rivals, if you can not get a breakthrough in the brand, it is likely to fall into a "bitter war", difficult to get more space upward.

However, for the once stormy luckin coffee, today to establish the brand, more difficult than making money.

Recalling the two or three years after the financial fraud incident, luckin coffee through product innovation, celebrity co-branding effect and other initiatives, to achieve "back from the dead".

However, through the study of the marketing model of luckin coffee, it is found that luckin coffee also has great defects in marketing.

### **7.1. The business model is too single**

luckin coffee borderless retail business model is certainly innovative, but their sales terminals are too single, only offline shops and mobile clients. This single sales method makes it difficult for them to capture the needs of different consumers, further affecting sales and market expansion.

### **7.2. Internet thinking is too one-sided**

Most of luckin coffee marketing and brand communication is done through online channels. Internet thinking makes them ignore the importance of offline channels, resulting in shortcomings in their offline shop layout and service quality, so that customers' word of mouth is not as good as brands in other industries.

### **7.3. Lower brand added value**

Poor quality perception of the offline physical shop experience is also very important to the establishment of the brand image, and the current luckin coffee in the brand marketing only focuses on the brand name and LOCO design, although the use of online and offline dual-channel brand dissemination, but in the style of the shop design, service scene experience and the brand symbol of the petty and elegant lifestyle has a certain gap.

#### 7.4. Lack of interactive communication in advertising and precision marketing

luckin coffee's precise advertising communication is primarily conducted through the WeChat platform, utilizing video ads and other forms of fixed communication. This mode of communication may not fully meet the diverse media contact needs of target consumers.

luckin coffee in the advertising process is mainly used in the brand spokesman propaganda, the lack of personalised and characteristic communication, it is also difficult to achieve the interaction between consumers and enterprises.

#### **7.5. Conclusion**

luckin coffee has been able to rapidly disseminate its brand in a short period of time primarily due to its aggressive fission marketing strategy, which involves substantial financial investment. However, this approach has significant drawbacks, as evidenced by the company's financial fraud. Therefore, luckin coffee should prioritize user-centric strategies, such as enhancing product innovation and creating private traffic, while refocusing on coffee quality to improve perceived user value and satisfaction. By doing so, the brand can enhance its overall value and competitiveness in the market. As China's local emerging freshly ground coffee chain, luckin coffee should leverage competitor advantages and combine them with its own unique characteristics to lead new retail trends in the coffee beverage market through internet convenience for sustained and stable corporate growth.

## **Chapter 8- Conclusion**

The business environment in the economic era is undergoing profound changes, small and medium-sized enterprises in order to stand in the fierce market competition, we must work on marketing innovation. SMEs must adhere to the following points in order to be invincible in the future development of society.

### 8.1. the innovation of marketing concept

#### 8.1.1.knowledge marketing

in the era of knowledge economy, enterprises should establish the concept of knowledge marketing. Knowledge is the product of the development of the knowledge economy, the importance of the importance of wisdom, knowledge and wisdom to win, not to win in the interest of intense marketing. Enterprises in the process of marketing, so that the enterprise's advertising, publicity, public relations, products, channels, etc. have established knowledge content and connotation, to provide a calm quality of life for consumer consumption. The innovative point of knowledge marketing is to use the dissemination, use and value-added of knowledge as a component of the goods or commodities in circulation, while consumers get more knowledge and can consume the products more effectively. To this end, it is important to fully capture and utilise market information, develop and produce products with high technological content, and choose to use modern marketing tools.

#### 8.1.2.global marketing

economic globalisation is an important trend in the development of the world economy today, and the objective law of modernised production itself inevitably requires the realisation of a globalised division of labour. Driven by this economic law, enterprises and products from various countries have gone out of the country to seek development opportunities in the world. Many products have become global products and many supporting industries have become global supporting industries. Especially strong multinational corporations have long put the global market in their marketing scope and guided their marketing activities with the concept of global marketing.

#### 8.1.3.Green marketing

The 21st century has witnessed the emergence of a green wave, leading to a rapid increase in demand for environmentally friendly products and driving the growth of the green market. As the green market continues to expand, enterprises will inevitably need to embrace the concept of green marketing in order to cater to the environmental needs of consumers worldwide. Green marketing is defined as a strategic approach where businesses integrate environmental

sustainability into their operations, prioritize eco-friendly values, and focus on meeting consumers' demands for sustainable products. This approach emphasizes aligning consumer interests with those of businesses, society, and the environment. It requires companies to aim for sustainable development in marketing, to focus on synergistic economic and ecological development, to develop renewable resources, to reduce the waste of resources, and to avoid polluting the environment.

#### 8.1.4. Emotional Marketing

Emphasis on the customer as "God", which invariably draws the distance between the enterprise and the customer. The concept of emotional marketing emphasises treating customers as "my" and "friends", establishing a new type of affectionate relationship, and strengthening the connection between enterprises and customers. This will not only enhance the brand image of the enterprise, but also strengthen the brand affinity of the enterprise, and exchange the enterprise's sincere investment" for the customer's "value return.

#### 8.1.5. experience marketing

with the continuous improvement of living conditions and rising consumption levels, our consumption philosophy has not only satisfied with the value of the product itself, but more and more attention to the product's iconic significance of the spiritual experience. This makes the enterprise according to the new characteristics of consumer demand, create a new market of consumer demand, to meet the individuality of consumer demand. Then, experiential marketing is to meet customer demand as the goal, to tangible products as a carrier, through the product or service to provide the process and the environment of fine design, from the enhancement of customer satisfaction and loyalty, so that consumers get the maximum satisfaction of the soul.

### 8.2. the innovation of marketing methods

#### 8.2.1. Relationship marketing

Relationship marketing can be viewed as a process in which a company interacts with its customers, suppliers, distributors, competitors, and regulatory agencies. Guided by the principles of active communication and mutual benefit, an enterprise should establish various relationships with its stakeholders, maintain and strengthen ties, and achieve its marketing objectives through mutually beneficial exchanges and joint commitments.

#### 8.2.2. Internet marketing

Internet marketing is a marketing activity performed through the use of the Internet, television communications, and digital switching media. Internet marketing not only brings



an unprecedented impact on marketing concepts and guidelines, but also changes traditional marketing channels and techniques. These new channels and techniques in the Internet economy have made marketing activities even more important in business. It is characterised by low marketing costs, fewer marketing links, precise marketing objectives and fewer barriers to market expansion.

#### 8.2.3. Service marketing

through high-quality service, to achieve customer satisfaction and loyalty. This leads to a mutually favourable exchange of optimal profits and long-term goals of the enterprise. Able to retain and maintain existing customers, to provide sufficient commitment to the customer, so as to form a close partnership with the customer.

#### 8.2.4. co-operative marketing

in the case of fierce competition in the market, the enterprise can choose to co-operate with a number of enterprises, to strive for more market share, enhance competitiveness, reduce marketing costs, so as to consolidate their market position.

#### 8.2.5. integrated marketing

integrated marketing emphasises that marketing is communication, that is, multi-channel communication with customers and build power brand relationship. Coordinate a variety of different marketing tools, play the strengths of different marketing tools, jointly launched marketing activities to consumers, looking for factors that can mobilise the enthusiasm of consumers to buy, so as to achieve the purpose of stimulating the enthusiasm of consumers to buy. At the same time, it also emphasises the interactive relationship and influence between the enterprise and the market, and seeks to discover potential markets and create new markets. Integrated marketing, which focuses on the interests of the three groups of enterprises, customers and society, is holistic and dynamic in nature, and enterprises put communication and dialogue with consumers in a particularly important position.

### 8.3. Innovations in marketing strategies

#### 8.3.1. Innovation in product strategy

An important criterion for the viability and core competitiveness of an enterprise is the ability of its products to constantly innovate to meet the changing needs of the market. This requires companies to use new methods such as the Internet and databases to gather more comprehensive information about consumers and to take into account diversified product needs in product development.

#### 8.3.2. the innovation of pricing strategy

price is an important part of market competition, and its changes directly affect the consumer's purchasing behaviour and the achievement of corporate profitability goals. Pricing strategy should be formulated according to consumer characteristics and adjusted at any time according to market conditions.

#### 8.3.3. Innovation of promotion strategy

According to the market environment, positioning, segmentation and differentiation of multi-dimensional analysis. Combining online + offline multiple modes of promotion, and in line with their own characteristics, in order to save costs, but also very good for the promotion of the product.

## **Chapter 9- Limitations**

Of course, there are still many shortcomings in this study because luckin coffee is only a local Chinese company and not really a multinational company. In the future, more multinational coffee companies such as Starbucks need to conduct in-depth data research and comparisons, including the unique marketing methods of each country, culture, ethnicity, national conditions and other studies, in order to present a more accurate and objective research report.



## **Chapter 10- Research for the future**

Despite the great success of luckin coffee in the market, it also faces some challenges. First, with the emergence of competitors, the market competition will become increasingly fierce. Secondly, coffee consumption habits are still in the cultivation stage in China, and there is still a gap compared with traditional tea culture.

However, in the next few years, luckin coffee is expected to continue to maintain the momentum of rapid growth. Firstly, China's accelerating urbanisation and increasing middle-class population will drive the growth of consumer demand. Second, there is still more space to be utilised in terms of offline shop expansion and online channel expansion.

In addition, in terms of product innovation is also one of the important directions for the future development of luckin coffee. The Company can attract more consumers and improve customer stickiness by launching more types of products with more characteristics.



## **Chapter 11- Conclusion**

Everything has two sides, with the rapid development of the market economy and science and technology, to the small and medium-sized enterprises to bring great challenges at the same time, but also to the marketing has brought new opportunities. Marketing should focus on grasping the corresponding opportunities, and combined with the actual situation of today's Internet economy, and actively take effective strategies to cope with the challenges, change the thinking to try to adapt to their own innovative marketing methods, strengthen the collaboration between enterprises, broaden marketing channels to achieve the effective transformation of marketing methods.





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