



Research on the Marketing Strategy of Department Store Enterprises based on Customer Value Enhancement

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Abstract. In recent years, under the influence of many favorable factors, such as the continuous increase of per capita disposable income, the continuous growth of domestic macro economy and the continuous upgrading of consumption structure, the development momentum of department stores has been relatively stable. However, due to the impact of e-commerce and other channels continues, the growth of traditional department store retail industry is weak, and the industry prosperity is still running at a low level. Based on the perspective of customer value enhancement, this article designs the four indicators of total customer value and the status quo of the enterprise. According to the questionnaire results combined with the present situation of enterprise analysis, it is concluded that large department store in product distribution, price positioning, sales channels and sales promotion has certain problems, from the customer total value of the product value, service value, personnel value, image value four dimensions and marketing combination marketing strategy Suggestions.

Keywords: customer value; department store; marketing strategy

1 Introduction

This article attempts to analyze the situation and current situation of department stores, based on marketing strategies, and combined with the analysis of traditional department store business models, marketing channels, macro and micro environments, brand management, and customer value enhancement. It focuses on four aspects of customer total value. Department stores have a strong customer base and diverse customer backgrounds. In the process of conducting research in department stores, this article mainly analyzes customer total value, considers product value, service value, personnel value, and image value of the enterprise, and proposes several marketing strategies for department stores based on customer value enhancement.

2 Meaning of Customer Value

Woodruff (1997) believes that customers perceive preferences and evaluations of product performance, product attributes,^[1] and the achievement (or hindrance) of their purchasing intentions in a certain usage environment. Davidson (1999) regards customer value as a concept of economic value.^[2]

Kotler's (2001) theory of transfer value assumes that customers will purchase goods from companies they believe can provide the highest transfer value to customers.^[3] The so-called customer delivered value refers to the difference between the total customer value and the total customer cost.

Yu Liying et al. (2022) believe that customer value is customer perceived value, which is the balance between customer perceived gains and losses during the process of purchasing products and services.^[4] Through comprehensive analysis, the connotation of customer value is mainly guided by customer perception. Customers are the subject of value, while products and services are its objects, thus preliminarily determining the value of customers.^[7]

Since the 1990s, customer value has been highly valued by numerous marketing theories and practices. The generation and transmission of customer value has become a crucial issue and is considered the source of competitive advantage for enterprises.^{[5][6]}

The four elements of customer value, namely products, services, personnel, and image,^[8] can be improved in line with the traditional department store industry's customer base, service methods, personnel requirements, and corporate image.^[9]

3 Research Index Construction

Market research is an important step in achieving customer value enhancement, and its task is to identify customer value indicators and weights, providing accurate basis for product and service design^[10]. In the case of GB Department Store research, GB Department Store is as a traditional retail shopping department store enterprise, and its target users are all kinds of consumers who have requirements for consumer goods. Through the background survey of customers, we can find out the representative characteristics of the enterprise, and lay the foundation for the market development and optimization of the enterprise. The essence of marketing is a dynamic cycle process of mining, generating and transferring the value of customers. Therefore, it is necessary to analyze the customer value of GB department stores. On this basis, through the identification of customer needs and purchase motivation, comprehensive products, services, personnel, image evaluation, summarize the degree of customer demand satisfaction and existing differences and deficiencies. Provide the basis for department store marketing strategy suggestions to better meet customer needs.

The questionnaire design will be based on the four dimensions of total customer value, including product value, service value, personnel value and image value. Online questionnaire survey, a total of 338 questionnaires were received, including 300 valid questionnaires. The efficiency of the questionnaire recovery was 88%. As show in figure 1.

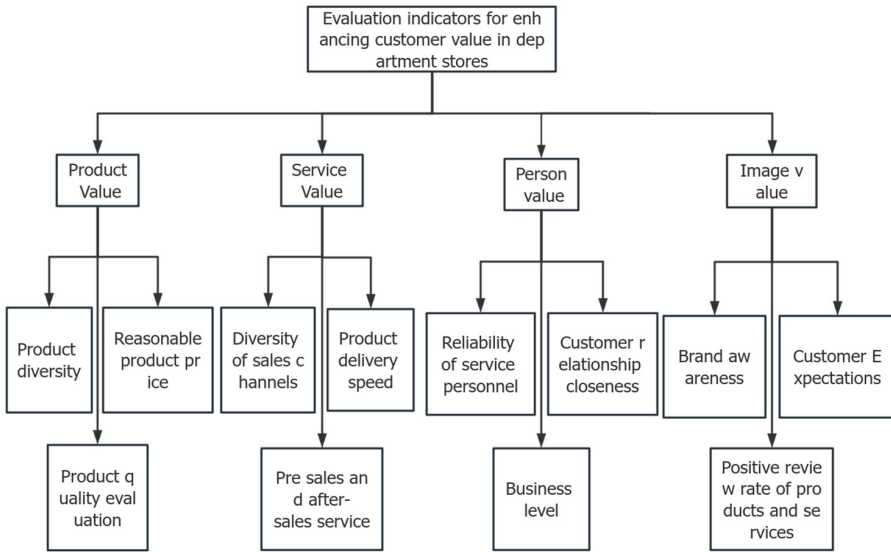


Fig. 1. Customer value enhancement value index
 Source: Author's self-made image

3.1 Reliability test

In this paper, Likert scale is calculated on the four dimensions of the total customer value of the questionnaire. In terms of reliability, the α coefficient of kronbach α coefficient of the model is 0.871 (such as Table 1), which shows that the reliability of the questionnaire is good.

Table 1. Sample reliability ability Table Unit: copies

The Cronbach's α coefficient	Normalized Cronbach's α coefficient	number of terms	sample number
0.871	0.871	16	300

Source: questionnaire statistics generated data

3.2 Validity Test

First, KMO and Bartlett test: for KMO test, 0.9 is very suitable to do factor analysis: 0.8-0.9 is suitable: 0.7-0.8 is suitable: 0.6-0.7 is acceptable: the difference between 0.5 and 0.6 should be abandoned: 0.5, through KMO value test shows the correlation between the variables, meet the requirements of factor analysis. As show in table 2.

Table 2. KMO and Bartlett test tables

KMO price		0.867
	Approximate chi square	2463.09
Bartlett Sphelicity test	df	120
	P	0.000***

Note: ***, ** and * represent the significance levels of 1%, 5% and 10%, respectively

Source: questionnaire statistics generated data

The results of KMO test showed that the value of KMO was 0.867. Meanwhile, the results of Bartlett spherical test showed that the significance P value was 0.000 ***, showing significance at the level, rejecting the null hypothesis, and showing the correlation among the variables, and the degree was fit.

4 Analysis of the Importance of Customer Value in the Marketing Strategy of Department Stores

In department stores, especially traditional retail department stores, it is necessary to value customers. Firstly, for a department store with a large number of customers, in order to maintain its competitiveness in the operation process, it is necessary to fully understand the customer value of its customers. In the purchasing decisions of individual or family entities, word-of-mouth plays a crucial role in the sales of products by enterprises during the stage of purchasing behavior. Obtaining a recommendation from a loyal customer is more effective than developing advertising campaigns, so the perception and acquisition of a customer's purchasing behavior can directly affect their psychological decision-making. Due to the shift from a producer dominated position in the market environment to a consumer dominated position with the changing social environment, customer value is crucial in the marketing strategy of department stores. Department stores need to understand the needs and preferences of customers in order to provide them with more attractive products and services. By improving customer satisfaction and loyalty, department stores can increase sales and profits, while also gaining a good brand reputation.

5 Countermeasures and Suggestions

5.1 Strategic Suggestions Oriented to Customer Value Enhancement

Customized products and services, to meet the individual needs of customers

For large department stores with the development of multiple formats, the appropriate product portfolio is crucial. Consumers usually enter department stores out of the need to buy. A rich and complete portfolio of brands and goods is very attractive for consumers. Need to pay attention to customer needs, to meet their needs-oriented. With the continuous improvement of economic development level and the continuous improvement of people's pursuit of quality of life, it has become a trend for department stores to cooperate with manufacturers to customize products. In this trend, product

manufacturers also began to think about how to achieve a win-win situation between department stores and consumers, so that their products can meet the different consumer needs of more consumers.

5.2 Improve The Coverage of the Omni-Channel Sales Model, and Expand Customers' Demand for Shopping Channels

Develop service points for service communities and enterprises, expand 150 small supermarket, happy supermarket, small leisure supermarket, smart supermarket and new retail supermarket, and further consolidate the business map of supermarkets. Integrate wechat community fans, public account fans, enterprise wechat customers and small program members, establish omni-channel ID and unify customer identity. Using external labels such as generating basic labels, business labels and purchase data, a customer portrait label system is constructed, including gender, age, region, shopping preference, consumption frequency, repurchase cycle and other information. Build customer model through real customer data, so as to provide customers with market strategy. According to the algorithm of the big data engine, the corresponding marketing opinions are intelligently output, including the corresponding groups and the corresponding marketing strategies. Then to obtain a deeper level of marketing implementation guidance, to achieve precision marketing.

5.3 Implement the Price Optimization Strategy to Adapt to the Price Needs of Different Customers

To match the price with the value, the best way is to link the value with the price and reflect the value by the price. For example, when pricing products, improve their competitiveness by providing consumers with more benefits; or position their products as high-end products to improve their competitiveness. These practices can help enterprises to gain a competitive advantage and make them have a place in the market. For most customers, they do not know much about the value of the product. When they choose the product, they often consider the price factor first, and then consider the value factor again. Companies believe that high brand awareness can bring them more consumers. But many people will consider products with high brand awareness when choosing products. Customers think that a brand will have a big impact on their own purchases.

5.4 Improve customer Experience and Meet the Differentiated Needs of Customer Service

In the e-commerce environment, improving customer satisfaction is the greatest value provided by the retail industry to customers. On this basis, in addition to providing more humanized guidance and more interaction, the offline contact points, connections and processes should also be improved, so that customers can feel and experience more overall. Users' feelings are reflected in many fields, such as environmental protection, quality, efficiency and so on.

6 Conclusion

This article regards traditional department stores as a major analysis target, analyzing the problems of their current marketing strategies, and conducting questionnaire surveys to understand the customer needs of the current department store industry and department store customers. Analyze the operation and marketing status of department stores, design a survey questionnaire based on the four aspects of total customer value, identify the problems and causes in department store marketing, including unclear target customer positioning, incomplete promotion channels, lack of differentiation, and incomplete coverage of sales channels. A profound discussion was conducted on the problems that have arisen in the current marketing strategy of department stores, and some guiding opinions were provided. It is hoped that customer needs can be better met, thereby improving the operational efficiency of the enterprise. Suggestions for the marketing strategy of department stores are proposed.

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