

# **Research on the Current Status and Countermeasures of Charoen Pokphand Fresh Food Community Sales**

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**Abstract:** Community group buying, as an emerging retail model, has rapidly risen in China and demonstrated immense development potential. An increasing number of fresh food and agricultural product processing enterprises are leveraging their brand advantages and supply chain resources to gradually penetrate the community group buying market. Taking Charoen Pokphand Fresh Food as the research object, this study adopts a combination of methods including document analysis, questionnaire surveys, and platform monitoring to explore fresh food consumers' perceptions of community group buying and Charoen Pokphand's products. The paper analyzes the challenges faced by Charoen Pokphand Fresh Food in conducting community group buying and proposes counter.

**Keywords:** Charoen Pokphand; Community Group Buying; Countermeasures

## **1. Introduction**

Community group buying, as a burgeoning e-commerce model, relies on the social connections within communities and group leaders to create a seamless online-to-offline shopping experience through tools like WeChat groups and mini-programs. In recent years, this model has rapidly risen in China, demonstrating robust growth momentum. [1] Data from the National Bureau of Statistics indicates that the market size of community group buying continues to expand. In 2023, the transaction volume of community group buying in China reached 322.8 billion yuan, marking a year-on-year growth of 53.71%, with the user base increasing to 678 million, a year-on-year growth of 8.3%. Currently, the community group buying market is dominated by three major players—Meituan Youxuan,

Pinduoduo Maicai, and Taobao Maicai—with a CR3 market share exceeding 90%. [2] Looking ahead, as the focus of the community group buying market continues to shift toward lower-tier cities and rural areas, coupled with convenient access services, the market is expected to maintain an annual growth rate of around 20%. [3]

Charoen Pokphand Group (CP Group), the first foreign-invested enterprise to enter the Chinese mainland market, [4] operates across diverse industries in China, including modern agro-food, industrial manufacturing, biopharmaceuticals, retail chains, and real estate. During the COVID-19 pandemic, CP Group initiated its community group buying business through its Lotus supermarkets. It leveraged offline stores as intermediary hubs to recruit group leaders and drive user purchases. [5] From initially relying on offline stores to launching its self-operated platform featuring branded frozen products, streamlining group buying frequencies and the number of group leaders to ensure higher efficiency, CP Group has gradually carved out a niche in the community group buying market by continuously optimizing its supply chain and adopting a refined operational model. [6]

## **2. Current Status of CP Group's Community Group Buying**

### **2.1 Sales Status of CP Fresh Community Stores**

CP Fresh Community Stores, a retail brand under CP Group, primarily focus on fresh food while offering other daily necessities to provide convenient shopping experiences for community residents. By integrating online and offline channels, CP Fresh stores aim to meet the diverse needs of communities. [7]

During the COVID-19 pandemic, CP Fresh experienced rapid growth, expanding to nearly all regions of China, except for a few

provinces such as Liaoning. [8] Currently, the top three provinces in terms of sales revenue are Sichuan, Gansu, and Henan. Although Hubei Province does not rank among the top in overall sales, its O2O operational model has achieved the highest sales revenue nationwide. [9]

## 2.2 Product Structure in CP Fresh Community Group Buying Market

Using real sales data from the Wuhan community group buying market provided by the company, the product structure was analyzed, refer to Figure 1 for details.

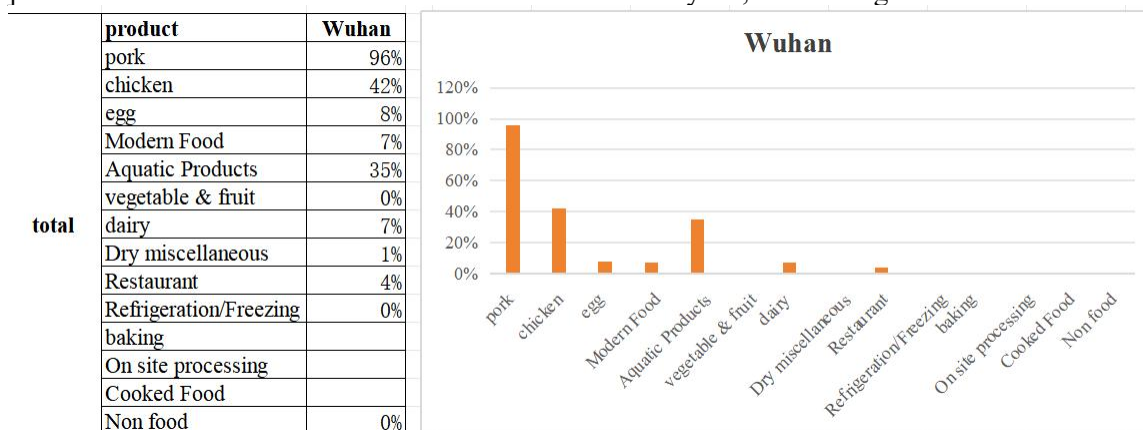


Figure 1. Distribution of CP Group Products in Community Group Buying in 2023

The product structure of CP's community group buying in Wuhan shows significant differences across categories.

Fresh food products (pork, chicken, and aquatic product) hold the largest market share, with CP pork accounting for an impressive 96%, underscoring its role as a core product.

CP eggs, a distinctive feature of the brand, account for 8% of the share. Modern food and dairy products each make up 7%, while catering-related products account for 4%. Although these categories have smaller market shares, they are consistently supplied and hold potential for growth.

Categories such as vegetables & fruits, Refrigerated/frozen semi-finished products, baked goods, on-site processing, cooked food, and non-food items currently account for 0% of the market share. These categories represent potential areas for product expansion, where small-scale pilot sales could be conducted in select cities to test market acceptance.

### 3. Analysis of CP Group and Competitor Community Group Buying Sales

To better understand CP Fresh's competitiveness in the community group buying market and gain insights into Wuhan consumers' preferences and habits for fresh products, our team monitored the daily sales data of fresh food (meat, poultry, eggs, and frozen foods) on the three leading community group buying platforms—Meituan Youxuan,

Taocaicai, and Pinduoduo Maicai—from February 1 to March 15, 2023. Using Tableau for visual data analysis and employing a hierarchical valuation method (product-brand-specification), we analyzed the sales rankings of meat and poultry products and identified the top 10 bestsellers on each platform.

#### 3.1 Taocaicai

As shown in Figure 2, Based on an overall brand analysis of frozen products, the market is highly competitive with multiple brands. CP Foods' main competitors include Wanchai Ferry, Fengxiang Foods, and Hema.

Single product sales ranking analysis, the product sales ranking is as follows:

- (1) CP Glutinous Rice Pork Siu Mai (600g)
- (2) Wanchai Ferry Three Fresh Dumplings (1000g)
- (3) CP Mushroom Pork Siu Mai (552g).

CP Foods' siu mai products are well-recognized and enjoy a high degree of consumer acceptance. To cater to a broader audience, especially younger consumers, introducing new flavors could be an effective strategy for expanding the customer base.

Observing the sales of products with the same type but different specifications reveals significant differences. For example, dumplings in 1000g packages far outsell those of other specifications. Daily life observations suggest that 1000g packaging typically

contains 32 dumplings. In Wuhan, a southern city with pronounced seasonal variations and unpredictable weather, especially during spring, autumn, and winter, demand for warm food items like dumplings is high. Similarly, the 600g siu mai outsells the 552g version. Daily observations indicate that these two package sizes often contain the same number of siu mai pieces. Pork-flavored siu mai, being meat-based, is generally more popular than mushroom-flavored siu mai, which is vegetarian. Given that the price difference

between these products is minimal, consumers tend to choose the option with higher perceived value.

However, CP Fresh's product range on Taocaicai is relatively limited, offering only two categories: pickled Chinese cabbage bun and siu mai. The platform lacks CP products in several popular snack categories such as fried chicken, dumplings, chicken popcorn, scallion pancakes, beef skewers, and tangyuan (sweet rice balls), representing a significant gap in its product offerings.

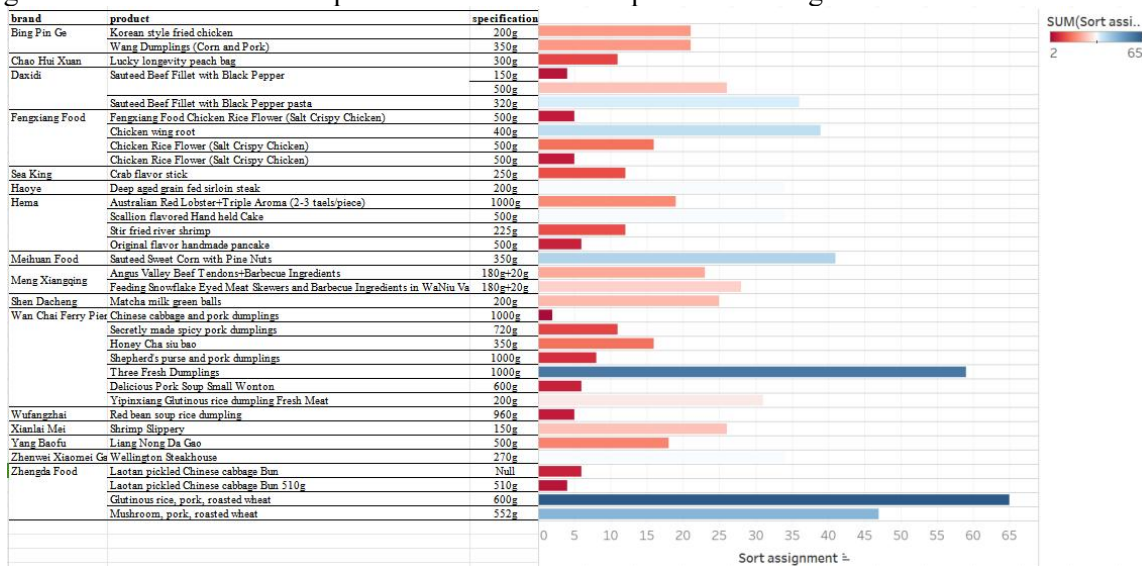


Figure 2. Monitoring and Analysis of Best-Selling Frozen Products on Taocaicai Platform

### 3.2 Meituan Youxuan

As shown in Figure 3, based on monitoring and analyzing the sales rankings of meat and

poultry products on the Meituan Youxuan platform, it is evident that competition among brands in this category is intense. The sales ranking of popular products is as follows:

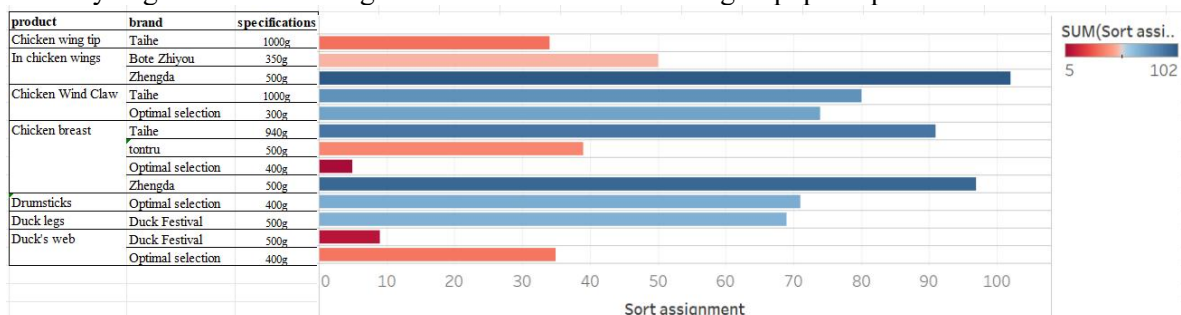


Figure 3. Data Monitoring and Analysis of Sales Rankings for Meat and Poultry Products on Meituan Youxuan

- (1) Charoen Pokphand Chicken Wings (500g)
- (2) Charoen Pokphand Chicken Breast (500g)
- (3) Taihe Chicken Breast (940g)
- (4) Taihe Chicken Wind Claw (1000g)
- (5) Optimal selection Wind Claw (300g)
- (6) Optimal selection Drumsticks (400g)
- (7) Duck Two-Joint Duck Legs (500g)

The sales figures for top-ranked products are closely matched, and daily sales rankings

exhibit significant fluctuations. The daily best-seller changes frequently, suggesting that monthly sales rankings and the monthly best-seller are likely to show noticeable variations.

Chicken breast stands out as the best-selling category, with Charoen Pokphand Chicken Breast (500g) being the sales champion in this segment, significantly outperforming

competitors like Tongchuang and Youxuan. This highlights Charoen Pokphand Chicken Breast's strong brand competitiveness and high customer loyalty on the Meituan Youxuan community group-buying platform. Charoen Pokphand products such as Chicken Wings (500g) and Chicken Breast (500g) consistently rank high in sales. This indicates that Charoen Pokphand Foods holds a

significant position in consumers' minds, reflecting its strong brand loyalty and competitiveness.

### 3.3 Duoduo Maicai

As shown in Figure 4, the sales revenue rankings of popular meat and poultry products on the Duoduo Maicai platform are as follows:

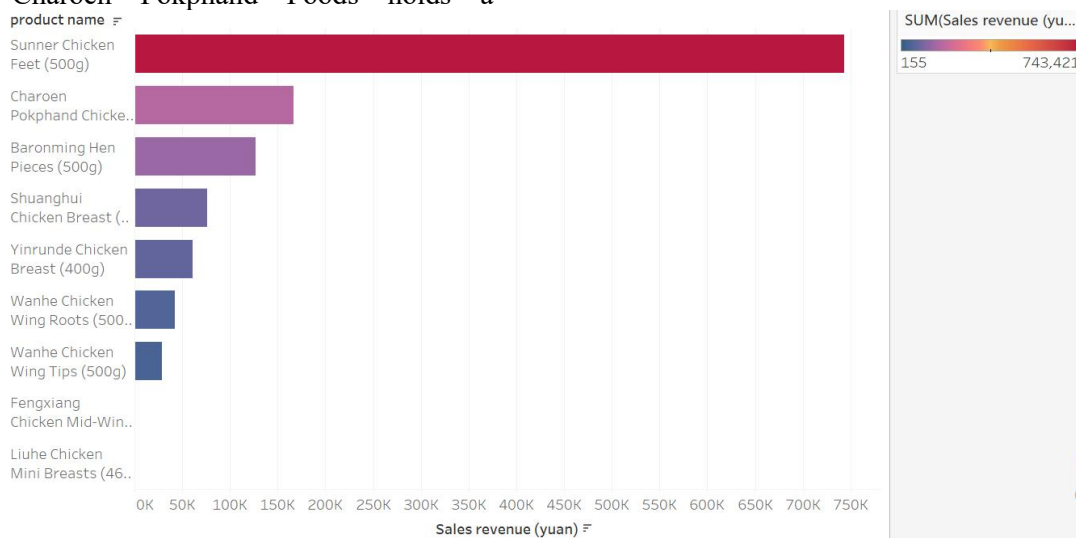


Figure 4. Data Monitoring and Analysis of Sales Revenue for Meat and Poultry Products on Duoduo Maicai

- (1) Sunner Chicken Feet (500g)
- (2) Charoen Pokphand Chicken Wing Tips (1000g)
- (3) Baronming Hen Pieces (500g)
- (4) Shuanghui Chicken Breast (300g)
- (5) Yinrunde Chicken Breast (400g)
- (6) Wanhe Chicken Wing Roots (500g)
- (7) Wanhe Chicken Wing Tips (500g)
- (8) Fengxiang Chicken Mid-Wings (400g)
- (9) Liuhe Chicken Mini Breasts (460g)

Sunner Chicken Feet (500g) significantly outperforms all other products in sales revenue, exceeding the combined revenue of the remaining items on the list. This demonstrates its overwhelming market appeal and dominant position in this category.

Although Charoen Pokphand Chicken Wing Tips (1000g) ranks second in sales revenue, its performance is far below that of Sunner Chicken Feet. Additionally, its sales revenue is closely matched with Baronming Hen Pieces (500g), which ranks third. This narrow margin indicates a risk of being overtaken, highlighting a lack of strong competitiveness for Charoen Pokphand Chicken Wing Tips.

### 4. Research on Strategies for Charoen

#### Pokphand's Community Group Buying

##### 4.1 Consumer Barriers Faced by Charoen Pokphand in Community Group Buying

Community group buying primarily focuses on fresh products, including high-frequency items such as fruits, poultry, and eggs. However, these products are prone to quality and freshness issues due to the instability of quality assurance and standardized transportation processes, which can lead to poor consumer experiences. [10] To expand its presence in community group buying, Charoen Pokphand must address the following consumer barriers:

- (1) Ensuring Stable Quality: How can Charoen Pokphand maintain the consistent quality and freshness of its products?
- (2) Delivery Timeliness: How can Charoen Pokphand manage the surge in orders effectively when scaling up community group buying operations?
- (3) Limited Product Variety and Coverage: The range of Charoen Pokphand's fresh products on community platforms is narrow, and platform coverage is insufficient.
- (4) Brand Awareness: Charoen Pokphand's

brand promotion has not effectively communicated its unique features, resulting in relatively low market visibility.

## **4.2 Strategies for Charoen Pokphand's Community Group Buying**

**4.2.1 Establishing a comprehensive quality control system to enhance fresh product quality**

Charoen Pokphand should develop an end-to-end quality control system covering the entire process from harvesting to delivery, focusing on ensuring that product quality and service levels meet control standards.

**4.2.1.1 Source-to-shelf quality assurance**

By implementing direct sourcing and supply strategies, Charoen Pokphand can ensure product quality at the source. Consumers should associate Charoen Pokphand's fresh products with the concept of "traceable farming, visible safety."

**4.2.1.2 Optimized packaging**

Select appropriate packaging materials with the goals of freshness preservation and minimizing damage during the packaging process, thereby maintaining product quality throughout.

**4.2.1.3 Efficient cold chain logistics**

Utilize advanced cold chain logistics equipment to provide secure storage and transportation conditions, minimizing losses during transit. Establish a comprehensive real-time logistics monitoring system to promptly address issues during transportation, improve efficiency, and reduce fresh product losses.

**4.2.2 Multi-channel integration and optimization: building an efficient supply chain and logistics system**

Fresh agricultural products are highly perishable and prone to damage, which places high demands on the timeliness of supply chains and logistics. While Charoen Pokphand continues to expand its own Charoen Pokphand Fresh Community Stores, it must also integrate resources from other community group-buying platforms to optimize its supply chain and logistics system, thereby enhancing their efficiency.

**4.2.2.1 Collaboration with local suppliers and logistics enterprises**

Charoen Pokphand should collaborate with local suppliers, logistics, and other enterprises, integrating their mature supply chains and

logistics into its own system to form an "HQ + regional" operational management structure.

**4.2.2.2 Reconstruction and optimization of supply chain and logistics**

Charoen Pokphand needs to upgrade and optimize each step of its supply chain and logistics, increasing the level of refinement in its B2B fresh community group-buying services, thus improving the efficiency of both supply chain and logistics operations.

**4.2.2.3 Establishment of a digital, intelligent supply chain and logistics management system**

By adopting a digitalized, intelligent management system, Charoen Pokphand can ensure the efficient, accurate, and secure connection of information flow, capital flow, and logistics, enhancing the agility, efficiency, and flexibility of its supply chain and logistics processes.

**4.2.3 Finding new breakthroughs: enhancing charoen pokphand product advantages**

To further expand its community group-buying offerings, Charoen Pokphand should design product varieties, specifications, and packaging that are more suitable for family-oriented community group-buying. For instance, introducing products such as:

- (1) Charoen Pokphand Free-Range Chicken: Healthy Fried Chicken, Safe Chicken Nuggets
- (2) Charoen Pokphand Farmed Pork: Pork Skewers, Pork Dumplings
- (3) Charoen Pokphand Selenium-Rich Eggs: Egg Yolk Dumplings

Charoen Pokphand should not limit itself to selling frozen ready-to-eat products; it could also develop self-heating meal kits with added vegetables and sauces, offering simple-to-prepare dishes. Additionally, QR codes can be printed on packaging so that beginners in the kitchen can scan and view cooking instructions, making it easier to create simple and delicious meals.

Moreover, Charoen Pokphand can leverage its existing signature products to create similar new items, enhancing the variety of fresh products and strengthening brand uniqueness. For example, since Charoen Pokphand's Shaomai (steamed dumplings) are well-known and highly regarded, it could develop niche products like Charoen Pokphand Durian Sticky Rice Shaomai or Charoen Pokphand Selenium-Rich Egg Yolk Shaomai. Seasonal, cultural, and holiday-themed limited edition flavors could also be launched, such as:

(1) Mid-Autumn Festival: Charoen Pokphand Five-Nut Sticky Rice Shaomai

(2) Valentine's Day: Charoen Pokphand Red Bean Sticky Rice Shaomai

These new product offerings would not only diversify the product line but also create strong differentiation from competitors in the market.

4.2.4 Innovative brand promotion: deepening market penetration

Charoen Pokphand should simultaneously focus on both the B-end and C-end, using advertising, public relations activities, social media marketing, and other means to convey brand information to the target audience, increase brand exposure, and enhance brand awareness and reputation. B-end actively creates a green, nutritious, healthy, and delicious image, such as cooperating with major sports events and striving to become a special food manufacturer, attracting consumers with the slogan of "providing delicious food for Chinese athletes"; Explore the cultural connotations of food, hold food culture festivals, food culture lectures, etc. Through sponsoring food programs and cooperating with Tiktok, Kwai celebrities and other We Media, the C end vigorously publicizes Charoen Pokphand products, improves competitive advantages and amplifies the advantages of the whole industry chain. Enable more young consumers to understand all aspects of CP Group and convert them into loyal customers of CP Group customers.

4.2.5 Organizing special events to drive promotion: exploring potential consumers

As society continues to evolve, people's lives are increasingly entertainment-driven, and the emergence of DIY shops shows that consumers are more willing to pay for experiences. Cooking has also become a growing hobby among younger generations.

Charoen Pokphand can capitalize on this trend by organizing creative promotional activities. For example, the company can host a Douyin short video competition with the theme "Cook a Delicious Meal for Your Family Using Charoen Pokphand Fresh Products." The competition could have attractive prizes, with participants uploading videos to Douyin. Videos that receive a certain number of likes or views would then be eligible for food exchanges on community group-buying platforms selling Charoen Pokphand products.

The top video with the highest engagement (likes, views) could win a large cash prize, thus encouraging widespread participation. Additionally, Charoen Pokphand can host offline events like the "Charoen Pokphand Master Chef" competition in local stores. The company would provide all the necessary ingredients, showcasing the quality of its products through live cooking contests. Judges could be selected from the audience or from participants' family members, making it an interactive experience. Not only would this provide participants with a sense of achievement, but it would also allow the audience to taste Charoen Pokphand products firsthand, indirectly promoting the brand and increasing consumer awareness.

### **Acknowledgements**

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