

## REVIEW ARTICLE

## RESEARCH ON THE MARKETING STRATEGIES AND DEVELOPMENT OF BAKING INDUSTRY IN EASTERN CHINA

Li Zhang, Chonlavit Sutunyarak\*

Chakrabongse Bhuvanarth International Institute for Interdisciplinary Studies  
Rajamangala University of Technology Tawan-ok, Thailand 10400.

\*Corresponding Author E-mail: [chonlavit\\_su@rmutto.ac.th](mailto:chonlavit_su@rmutto.ac.th)

This is an open access article distributed under the Creative Commons Attribution License CC BY 4.0, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

### ARTICLE DETAILS

#### Article History:

Received 31 May 2022  
Accepted 25 September 2022  
Available online 30 September 2022

### ABSTRACT

This paper aims to study the development and marketing strategies of baking industry in eastern China. China is urbanizing, food industries should have high consumption power, however, the baking industries is experiencing declining sales. This study investigated the consumers of five companies engaged in the baking industry in East China listed on China's A-share market, through discussing the opportunities and challenges of the baking industry development in East China, testing the influence of 4P theory on consumers' purchase intention of baking industry in East China and exploring the relationship between marketing strategy and baking industry development, the study shows that bakery enterprises in East China should pay attention to the influence of product, price and location on consumers' purchase intention, and industries should focus on introducing baked goods with healthy concepts.

### KEYWORDS

Baking Industry, Marketing Strategies, Development Research, Eastern China

## 1. INTRODUCTION

### 1.1 Background of the Baking Industry

The first stage, 1980-1989, was the rising stage. Western bakery products enter the Chinese mainland market from Hong Kong, Taiwan and other places. The production mode of products is generally in the form of small family workshops. These products have the same single quality and low market penetration rate. The third stage, 2000-2009, saw the rapid growth of baking enterprises and the development of offline brand baking shops (Deng, 2018). In 2004, the South Korean bakery brand Paris Baguette opened its first store in Shanghai, and the Japanese bakery leader, Yasaki Bread, set up its Shanghai branch. With its own brand image and strong capital advantage, foreign capital has continuously increased its market share in China's domestic market. In the fourth stage, local enterprises gradually mature and rise to dominate the Chinese market (Deng, 2018). At this time, with the mature development of the Internet, logistics and transportation, data computing, and other basic conditions, the business model of the baking industry began to show a diversified state and a variety of brands. The development of basic technology has promoted the rapid development of the bread industry.

### 1.2 Current State of the Baking Industry in China

Figure 1, since China's reform and opening up, China's economy has been developing rapidly. According to the data released by China's National Bureau of Statistics, in 2019, the per capita annual disposable income of Urban residents in China exceeded 40,000 yuan, from 7,702 yuan in 2002 to 24,564 yuan in 2012 (National Bureau of Statistics of China, n.d.). During the decade, the annual growth rate maintained by more than 10%. After consumption upgrading and economic transformation, the growth rate of per capita disposable income of urban residents slowed down, but it still maintained a high growth rate. Between 2011 and 2020, per capita disposable income of urban residents doubled.

Figure 2, the Engel's coefficient of urban residents kept decreasing, but the per capita food expenditure kept increasing. By 2020, the per capita consumption expenditure of urban residents will reach 27,007 yuan, of which 7,881 yuan will be spent on food (National Bureau of Statistics of China, n.d.).

Figure 3, the increase of per capita consumption and food expenditure provides a broad development space for the development of baked food industry, with huge market potential to be explored. The improvement of living standards will bring about the change of living habits, the improvement of consumption power and the change of consumption concept. Consumers are increasingly pursuing personalized, diversified and quality products, requiring producers to pay attention to the change of consumption demand.

#### Quick Response Code



#### Access this article online

Website  
[www.acna.org.my](http://www.acna.org.my)

DOI:  
10.26480/aca.01.2022.06.16

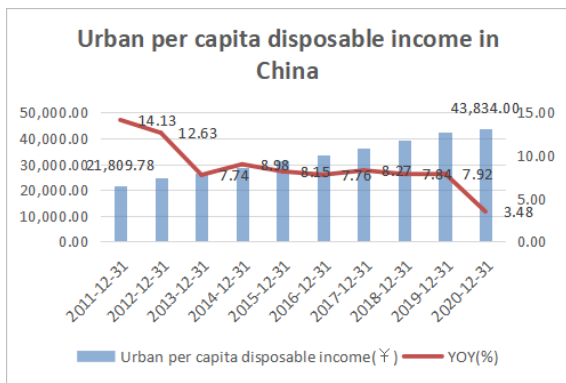


Figure 1: Urban per capita disposable income in China

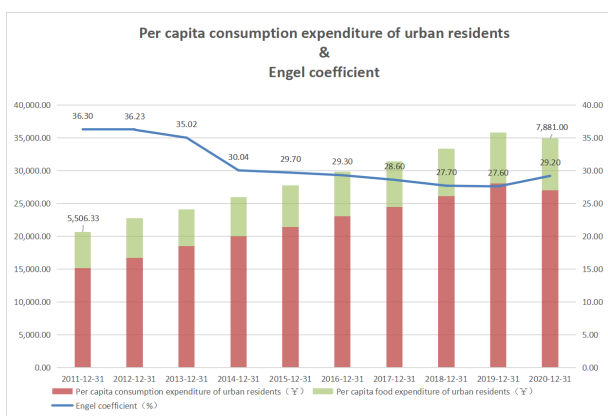


Figure 2: Per capita consumption expenditure of urban residents (Data source: National Bureau of Statistics of China)

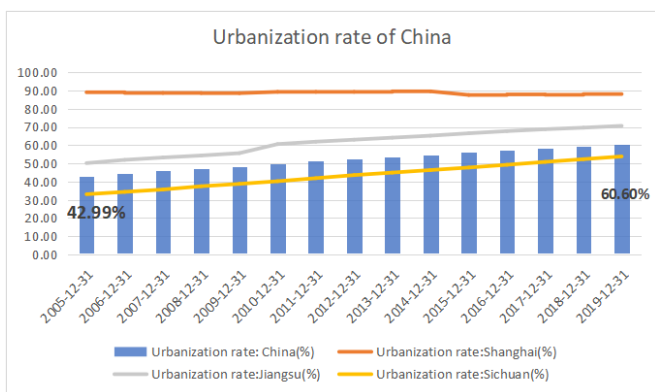


Figure 3: Urbanization rate of China (Data source: National Bureau of Statistics of China)

The food processing industry, or baking industry, has products based on the food of everyday people. The technology is relatively easy to master, the barrier to entry is low in terms of technology, and the moat is not deep. The direction of maintaining the competitive advantage of the industry is to pay attention to product innovation. According to the different dietary habits of different regions, the key point of the food industry should pay attention to is to develop food that meets the tastes of consumers. However, some food production enterprises have secret secrets in some products, which are made by special ingredients or secret methods. Most of these secret secrets are protected by strict secret measures. There are no competitive products in the market, and they have a fixed and loyal customer base.

### 1.3 Problem Statement

The problem comes along is that the environment which is China is getting in urbanized and as mentioned, there should be high spending power in food industry but the sales of the bakery industry is declining as stated. The problems could come from the lack of marketing strategies that holds back them in promoting themselves into the market. Hence, the current study aims to research on the development and marketing strategies of baking industry in eastern China.

### 1.4 Research Objectives

1) To explore the opportunities and challenges of the development of baking industry in Eastern China; 2) To examine the impact of 4P's theory in consumer purchase intention in baking industry in Eastern China; 3) To explore the relationship between marketing strategies and development of baking industry.

### 1.5 Research Questions

1) What are the opportunities and challenges of the development of baking industry in Eastern China? 2) What is the impact of 4P's theory in consumer purchase intention in baking industry in Eastern China? 3) How is the marketing strategies influence development of baking industry?

### 1.6 Research Scope

The current study aims to explore the marketing strategies and development of baking industry in Eastern China. Considering the representativeness, availability and guidance of data, the scope of this study is more specific to the set of companies composed of listed companies in the baking food industry. During the investigation, it was found that there were five companies listed in China A-share market and engaged in production and business activities in Eastern China with great influence, which were as follows: Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd. (002820.sz); Guangzhou Restaurant Group Company Limited (603043.sh); Ganso Co., Ltd. (603886.sh); Toly Bread Co., Ltd. (603866.sh); Ligao Food (300973.sz). Hence, the current study will recruit participants which consumers from each company. The research period will from October 2021 to December 2022.

### 1.7 Definition of terms

#### 1.7.1 Baked Food Industry

The baked food industry is a sub-industry of the food industry, which together with health care products, frozen food, meat products and by-product processing, aquatic products processing, dairy products processing, and other sub-industries constitutes the food industry category.

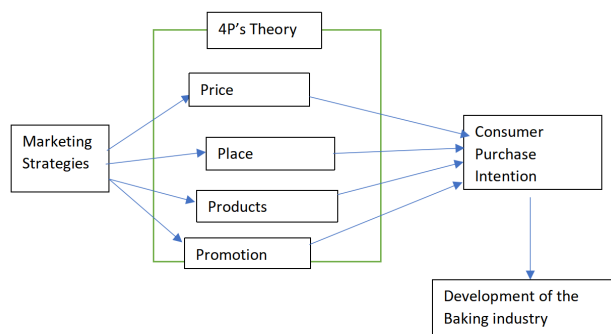
#### 1.7.2 Baked Goods

Baked goods generally refer to using flour, yeast, sugar, water, and so on as the basic raw materials. In the process of production, they add oil, eggs, and other additives such as edible flavor, making baked food with a unique flavor. Through a series of complex technological means, raw materials are baked into pastry products that have the shape and taste that can meet the tastes of most consumers.

#### 1.7.3 Eastern China

Eastern China is used as the name of a region, including (now Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Shandong, Taiwan) seven provinces and one city, among which, Taiwan is listed separately due to its particularity, and generally not included in the statistics.

### 1.8 Conceptual Framework



Based on the literature review that has formed to the conceptual framework, it could be hypothesized as per:

1. There is relationship between products and consumer purchase intention in baked food industry in Eastern China.
2. There is relationship between price and consumer purchase intention in baked food industry in Eastern China.
3. There is relationship between place and consumer purchase intention in baked food industry in Eastern China.
4. There is relationship between promotion and consumer purchase intention in baked food industry in Eastern China.

**1.9 Research Contents**

This research is divided into five parts, the specific research part is as follows: The first part is the introduction, which mainly introduces the research background and importance, research objectives, research scope, definition of terms, expected results and conceptual framework. The second part is the introduction of related concepts and theories. The third part mainly introduces the research methodology, including the determination of the research population and samples, research instruments, data collection, data analysis and data used and other related content. The fourth part is based on the research results obtained by the third part, and discusses the research results. Put forward relevant suggestions on marketing strategy and development strategy of baking food industry. The fifth part is an overall summary based on the results obtained in the fourth part, and reviews the research process, and proposes the shortcomings of the research and the possible improvement.

**2. LITERATURE REVIEW**

**2.1 Baking Industry in China**

Here are some examples for the improper management of the bakery companies in China. Firstly, Bakery Christine, have been chastised for prioritising shop expansion above store management. Secondly, several

food safety incidents including management failures have occurred at several of 85C's 520 locations during the previous two years. To minimise potential management risks and safeguard the brand's reputation, 85C suspended its franchising programme and announced a slowdown in expansion. Thirdly, in 2012, the advent of fresh baked products by businesses such as Holiland altered the baking industry's landscape. In 2010, mass manufacturing was a viable option for satisfying Chinese customers. Christine's bakery's breads and cakes were manufactured in facilities located on the outskirts of Chinese cities and were daily supplied to each store. However, because Chinese customers have been trained to see fresh baked items as healthier than those made in factories, Bakery Christine falls behind rivals, unable to adjust to this trend, and endures its fourth consecutive year of losses. For the first six months of 2016, the company lost 64 million RMB and shuttered 60 shops (Daxue Consulting China, 2021).

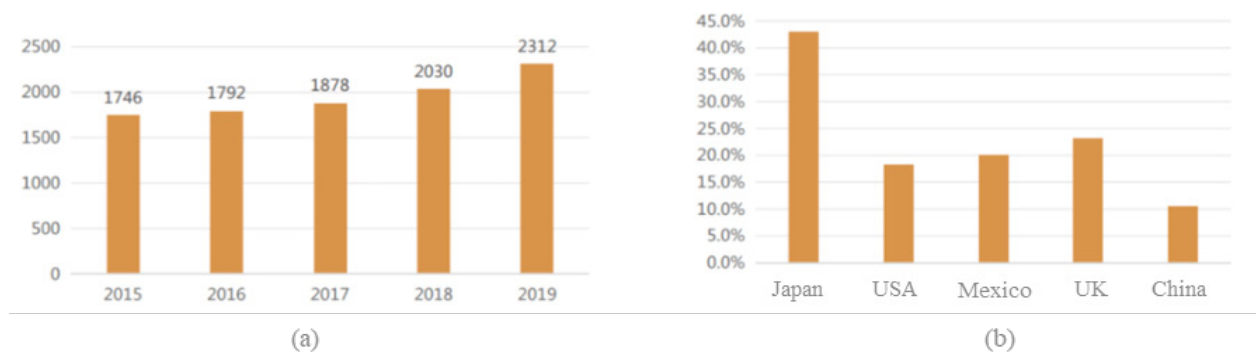
**2.1.1 Industry Analysis with Relevant Data**

Figure 4, according to the perspective of supply, the volume of production in China's baking and food business is continuing to grow. From 112.981 billion yuan in 2016 to 208.117 billion yuan in 2020, the operational income of firms above the scale of the pastry baking industry climbed by 16.50 percent each year, representing a compound annual growth rate of 16.50 percent (Ho, 2021). Pastry bakery business in China is predicted to reach a value of 242.457 billion yuan in 2021, according to industry forecasts. From the perspective of the customer, the baking retail industry is quickly expanding. Retail sales of baked products in China reached 231.713 billion yuan in 2019, representing a 10.93 percent increase year on year (Ho, 2021). The retail sales of baked products in China are estimated to reach 288.588 billion yuan by 2021. The baking sector in China, on the other hand, has a low level of market concentration. As of 2019, China's baking sector has a CR5 of 10.6 percent, which is much lower than the CR5s of Japan, the United Kingdom, Mexico, the United States, and other nations, and the industry's rivalry structure is dispersed (Ho,2021).

Figure 5, east China had the biggest distribution, accounting for 40.38 percent of all firms; Central China and South China were second and third, accounting for 22.95 and 10.57 percent, respectively (Ho, 2021). The northwest and northeast areas have fewer baking enterprises, accounting for just 3.93 percent and 5.49 percent of total baking firms, respectively. Additionally, the geographical distribution of the baking business confirms this corporate distribution strategy. East China and central China were the most important sales regions for baked products, with 37.06 percent and 32.57 percent of total sales, respectively, in East China and Central China (Ho,2021). The northwest and northeast areas account for a smaller percentage of total sales.

**2.2 Marketing Strategy**

American scholar Jerome McCarthy proposed the 4P theory (Lahtinen et al., 2020). He believed that marketing strategy includes four important aspects: product, pricing, place and promotion. The 4P theory differentiated each link of marketing strategy. Marketing mix is of great



**Figure 4:** (a) China baked goods market size (billion yuan), 2015-2019; (b) global major bakery industry market concentration comparison (CR5), 2019 (%) Source: (Ho,2021)

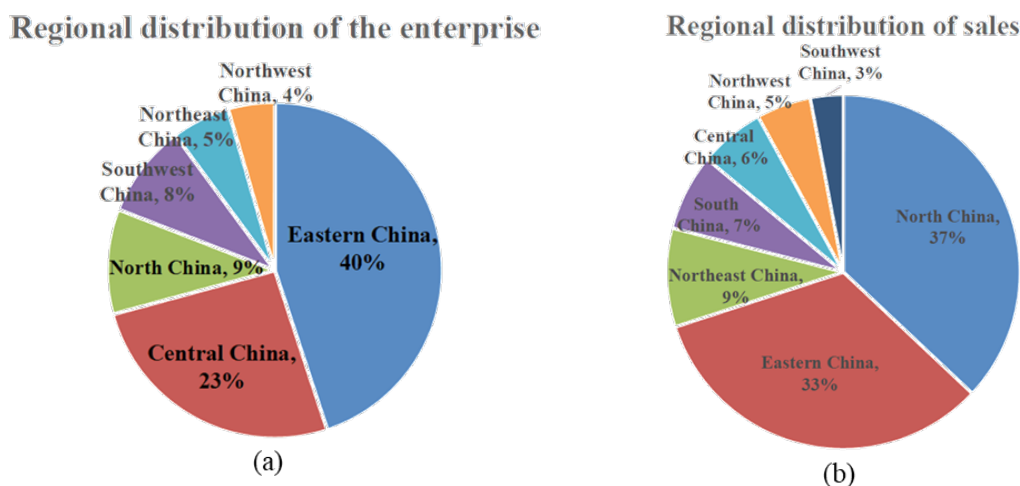


Figure 5: (a) Regional distribution of enterprises; (b) regional distribution of sales Source: (Ho,2021).

significance, which can create a good market environment for enterprises to achieve marketing goals. In the 1980s, Philip Kotler enriched the extension of the 4P theory by including political power and public relations into the 4P theory, which improved the marketing strategy and continuously enriched the content (WENHAO, 2020). Businesses use the 4 Ps to define several critical aspects of their operations, including what customers want from them, how their product or service meets or falls short of those needs, how their product or service is perceived globally, how they differentiate themselves from competitors, and how they interact with customers.

**2.3 Opportunities and Challenges by Porter Five Force**

Since Porter Five Force will be analysing the external environment of the market, the opportunities and challenges of bakery companies in China will be analysed by using it. The elements of the porter fiver force theory are:

**2.3.1 Rivalry Among Existing Competitors**

In short, no matter which factors of the rivals, there is highly needed for the baking companies to have their innovative products to be one the strengths. This could also be promoted with marketing to gain competitive advantage.

**2.3.2 New Entrants**

With a low entry barrier and a lack of a clear leader or largest player in baking industry in Eastern China, the Chinese bakery industry in Eastern China is likely to attract both foreign and domestic players. Because of the limited reliance on technologically complex industrial components, capital expenditures are also kept to a bare minimum. If uniform baking technique is employed, the industry can only concentrate on pricing and advertising promotion, which necessitates each firm’s technological differentiation from potential competitors (Kim and Hwang, 2020). With so, this is highly needed for promoting own with marketing strategies by the companies in Eastern China to against with the entrants.

**2.3.3 Threat of Substitute Products**

The threat of alternatives is quite minimal since baked goods themselves are considered to be a type of leisure food that is not essential to people’s daily lives (Easterbrook-Smith, 2021). Nonetheless, the bread business occupies a unique position in the food industry, which is one of the reasons why it remains today with a large and rapidly expanding market. For example, healthier baked goods such as sugar-free bread, which are becoming increasingly popular, may be putting competitive pressure on the bakery business; however, this rivalry is coming from inside the bakery industry itself, rather than outside it (Chen, 2018).

For the sake of summarising, there exist phoney replacements for the baking business. Its primary rival is the company itself. The bakery industry’s appeal and major success factor are two of its most important characteristics. Overall, the bakery business is still in its early stages of development and has a rapidly developing market.

**2.3.4. Buyers and Suppliers’ Bargaining Power**

Figure 6, customers’ sensitivity to price lessens when they choose goods based on their taste and safety rather than on their price (Ortega et al., 2011). The bargaining power of customers relieved some of the strain on the baking business, but it could not be ignored entirely either. Because baked goods are not considered vital consumption items in China, they have a low-price elasticity in comparison to other goods. Even if bakeries lower their prices significantly, there will not be a significant rise in demand. In the overall picture, this is the most important aspect in setting the key tone, and customers do not appear to have a significant impact on the pricing of baked products. The buyer’s interest in baking grows, and he or she is extremely sensitive to the flavour and quality of the product (Ortega et al., 2011). The bread industry is characterised by intense competition and a rising number of options for customers. Therefore, the bargaining power of consumers in Eastern is not high.

**2.3.5 Product Life Cycle**

Figure 7, an item’s product life cycle is the length of time that elapses between the time that it is first introduced to customers and the time that it is removed from the market (Cao and Folan, 2012). TA product begins

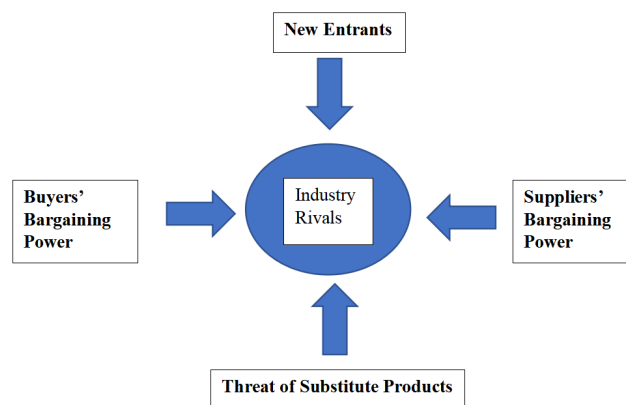


Figure 6: Industry rivals

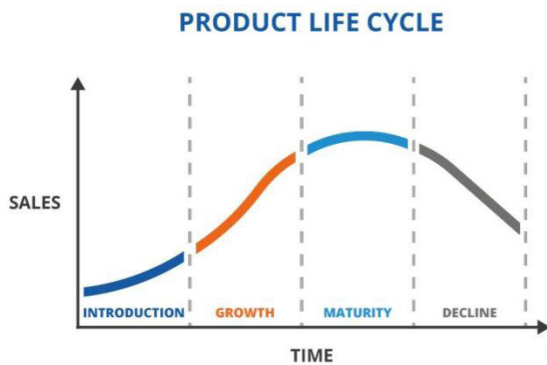


Figure 7: Product life cycle Source: TWI Ltd (2021)

with an idea, and under the restrictions of contemporary business, it is unlikely to go beyond the stage of research and development, where it is found to be feasible and potentially profitable (Cao and Folan, 2012). Following that, the product is made, advertised, and distributed. When a product is successfully introduced into the market, demand increases, therefore increasing the product's popularity. These newer goods ultimately displace older ones, thereby removing them from the market. Businesses tend to cut back their marketing efforts as a new product rises in popularity (Cao and Folan, 2012).

#### 2.4 P Theory in Consumers Intention

4P's theory is always one of the critical marketing in use by the companies and this could be applied to the baking industry in Eastern China as per below:

##### 2.4.1 Product

A product is a tangible item or service that a company sells to customers or clients. In a perfect world, a product would meet a current customer demand by addressing it (Teece, 2010). Alternatively, a product may be so appealing to purchasers that they believe they must have it, resulting in increased demand. Marketers must understand the life cycle of a product in order to be effective, and business executives must have a plan in place for dealing with commodities at each stage of their life cycle (Terzi et al., 2010). The type of product also has an impact on how much a company may charge for it, where it should be positioned, and how it should be advertised in the marketplace.

##### 2.4.2 Price

The price of a product is the amount of money that customers are willing to pay for it (Gordon, 2012). In addition to relating pricing to the genuine and perceived worth of the product, marketers must consider supplier costs, seasonal discounts, and the prices of competitors. Occasionally, business executives will raise the price of a product in order to give the product the appearance of luxury. Alternatively, companies may lower the price to entice more people to give the goods a try before purchasing.

##### 2.4.3 Place

Figure 8, in order for a firm to make location selections, it must first determine where and how it will sell its product (Gordon, 2012). One of the most important goals for business executives is to get their products in front of the individuals who are most likely to buy them. Product placement can refer to the positioning of a product in several locations, but it can also refer to the placing of a product on a single store's display. Occasionally, the term "placement" can refer to the technique of inserting a product into television broadcasts, films, or internet websites in order to stimulate interest in the product.

##### 2.4.4 Promotion

China Cakes, Pastries & Sweet Pies Market, by distribution channel, 2019

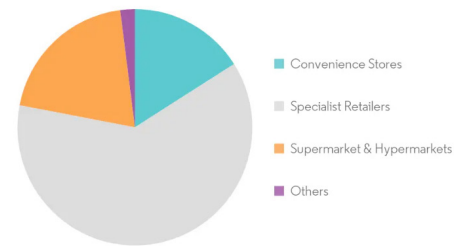


Figure 8: Distribution Source: (Mordor Intelligence, 2021)

All forms of promotion come under the broad definition of promotion, which includes advertising, public relations, and promotional strategy (Gordon, 2012). In order to convince customers that they require a product and that they should pay a specific price for it, product marketing must illustrate to them why they should do so.

### 3. RESEARCH METHODOLOGY

#### 3.1 Research Method

The current study is adopted mixed method study. This is because the current study is needed a large scale of the consumers to examine whether the 4p's theory of the marketing strategies are workable towards consumer intention in term to development of the baking industry and also the understanding the opportunities and challenges of the baking industry. Quantitative study is using questionnaire to collect numeric data which compared to qualitative study is using focus group in this study to have non-parametric data. This means it will be adopted both quantitative method and qualitative method to support the research objectives.

#### 3.2 Population & Sampling

The population of the current study is the consumers from the baking companies in China. The sample will be the consumers from the baking companies in Eastern China. This is because the 4P theory is to stimulate the shopping intention of the consumers which they will be highly appreciated in this study, to provide the data in which the impact of 4P's theory in consumer purchase intention in baking industry in Eastern China. The sample size is calculated by Gpower with 4 predictors (Product, Price, Promotion, Place), which is 129 in total. G\*Power is a tool used to calculate statistical power. The application includes the ability to compute power for a broad variety of statistical tests which the sample size could be calculated with this. The consumers should be experience in buying baked goods in Eastern China. The first group of the sample, which is the sample will be going through the quantitative data collection process. In short, the 129 sample of the quantitative part are:

1. Consumers from the baking companies in Eastern China.
2. Experience in buying baked goods in Eastern China.

Other than that, another group of the sample of the current study is the employees from the baking company in Eastern China. The most influencing baking companies in Eastern China are Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd. (002820.sz); Guangzhou Restaurant Group Company Limited (603043.sh); Ganso Co., Ltd. (603886.sh); Toly Bread Co.,Ltd. (603866.sh); Ligao Food (300973.sz). During the investigation, these five companies listed in China A-share market and engaged in production and business activities in Eastern China with great influence. Hence, an employee from each of the company will be recruited as the sample for participating the qualitative data collection process, which all of the participants that are recruited will be proceed to the focus group discussion. A focus group discussion brings together people with comparable backgrounds or experiences to explore a certain subject. It is a type of qualitative study in which participants are asked

questions about their perceptions.

### 3.3 Data Collection

The current study will be using questionnaire to collect the data which means the questionnaire will be the tool of the data collection. The questionnaire will be consisted two parts which first part is about the 4P's theory which questions related to the product, place, price and promotion. The second part of the questionnaire will be the consumer purchase intention. The questionnaire will be adapted by the past studies. The responders which are the sample of the current study from consumers of baking industry in Eastern China will be asked to fill up the forms as participated in the current study. On the other hand, the current study will be using focus group to collect the qualitative data. Indeed, several interview questions will act as the research tool. The interview questions will be prepared earlier by the researcher and it is all open-ended questions so that the representative from each company which is the participants in this study could have chances in answering them in depth. The research procedure is as per below:

1. The researcher prepares the research instruments, which are the questionnaire and interview questions that will be used in the data collection section.
2. The researcher will distribute the questionnaire to the sample (quantitative) and arrange a slot for focus group discussion (qualitative).
3. The respondents for the quantitative will be asked to fill out the questionnaire without missing out on any of the items. On the other hand, for the focus group interview, the researcher will act as a mediator and run the focus group interview.
4. Data will be collected through the questionnaire (quantitative) and focus group discussion (qualitative) as per stated above.

### 3.4 Data Analysis

The current study is running the correlation study which the researcher will use the multiple linear regression to examine each of the element of the 4p's theory (product, place, promotion, price) and the consumer purchase intention. Multiple linear regression is the approach of data analysis that used to determine the relationship between each independent variables and dependent variable. With this, the current study could analyse the relationship between each element of the 4P's theory which are product, place, promotion, price and their relationship with consumer purchase intention in order to answer the research question. For this, the current study is hypothesized that with using multiple linear regression, there is a significant relationship between product, place, promotion, price and consumer purchase intention. For the qualitative part, the current study will be using content analysis which categorized the similar codes from the focus group discussion and form the themes. It means that the researcher will be using open codes, axial codes and selective codes to find out the opportunities and challenges of the development of baking industry in Eastern China, as well as how the marketing strategies will be influencing the development of the baking industry in Eastern China.

## 4. DATA ANALYSIS

### 4.1 Quantitative Data Analysis

#### 4.1.1 Demographic Factors

Table 1, the current study has 129 respondents and there are 56 males (43.4%) and 73 females (56.6%). This means that consumers in the baking industry in Eastern China is more likely to be females. In other word, bakers in Eastern China could be focusing and trying to make females as one of their segments information.

Table 2, respondents are between age of 31 to 40 years old (36.4%) and

**Table 1: Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	56	43.4	43.4	43.4
	Female	73	56.6	56.6	100.0
	Total	129	100.0	100.0	-

**Table 2: Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 years old and below	5	3.9	3.9	3.9
	21-30 years old	21	16.3	16.3	20.2
	31-40 years old	47	36.4	36.4	56.6
	41-50 years old	40	31.0	31.0	87.6
	51 years old and above	16	12.4	12.4	100.0
	Total	129	100.0	100.0	-

The age of the respondents is mostly come from two categories, which are 47

**Table 3: Marital status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	37	28.7	28.7	28.7
	Married	77	59.7	59.7	88.4
	Divorce	10	7.8	7.8	96.1
	Separated	4	3.1	3.1	99.2
	Widowed	1	0.8	0.8	100.0
	Total	129	100.0	100.0	-

Table 4: Monthly income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3000 RMB and below	20	15.5	15.5	15.5
	3000 RMB and below	59	45.7	45.7	61.2
	5001 RMB-7000 RMB	41	31.8	31.8	93.0
	7001 RMB and above	9	7.0	7.0	100.0
	Total	129	100.0	100.0	-

Table 5: Level of education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Senior High School or Below	17	13.2	13.2	13.2
	Vocational College	39	30.2	30.2	43.4
	Bachelor Degree	51	39.5	39.5	82.9
	Master Degree	17	13.2	13.2	96.1
	Doctorate Degree	5	3.9	3.9	100.0
	Total	129	100.0	100.0	-

Table 6: Consumer eastern					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	129	100.0	100.0	100.0

Table 7: Most time					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd.	7	5.4	5.4	5.4
	Guangzhou Restaurant Group Company Limited	34	26.4	26.4	31.8
	Ganso Co., Ltd.	42	32.6	32.6	64.3
	Toly Bread Co.,Ltd	37	28.7	28.7	93.0
	Ligao Food	9	7.0	7.0	100.0
	Total	129	100.0	100.0	-

Table 8: Spending					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	500 RMB and below	74	57.4	57.4	57.4
	501 -1000 RMB	47	36.4	36.4	93.8
	1001-1500 RMB	8	6.2	6.2	100.0
	Total	129	100.0	100.0	-

Table 9: Frequent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3 times in a month	9	7.0	7.0	7.0
	4-6 times in a month	44	34.1	34.1	41.1
	7-9 times in a month	45	34.9	34.9	76.0
	10 times and above in a month	31	24.0	24.0	100.0
	Total	129	100.0	100.0	-

40 respondents are between age of 41 to 50 years old (31%). In other word, the consumers that spend in baking industry in Eastern China is Generation Y.

Table 3, the marital status of the respondents is shown above. There are 77 respondents which accounted for 59.7% are married, and 37 respondents (28.7%) are single. In other word, most of the respondents,

Table 10: Category					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bread	16	12.4	12.4	12.4
	Rolls	42	32.6	32.6	45.0
	Cookies	32	24.8	24.8	69.8
	Pies	24	18.6	18.6	88.4
	Pastries	13	10.1	10.1	98.4
	Muffins	2	1.6	1.6	100.0
	Total	129	100.0	100.0	-

Table 11: Correlations						
		Consumer Purchase Intention	PRODUCT	PRICE	PROMOTION	PLACE
Pearson Correlation	Consumer Purchase Intention	1.000	0.666	0.671	0.521	0.585
	PRODUCT	0.666	1.000	0.725	0.547	0.497
	PRICE	0.671	0.725	1.000	0.547	0.546
	PROMOTION	0.521	0.547	0.547	1.000	0.467
	PLACE	0.585	0.497	0.546	0.467	1.000
Sig. (1-tailed)	Consumer Purchase Intention	0.000	0.000	0.000	0.000	0.000
	PRODUCT	0.000	0.000	0.000	0.000	0.000
	PRICE	0.000	0.000	0.000	0.000	0.000
	PROMOTION	0.000	0.000	0.000	0.000	0.000
	PLACE	0.000	0.000	0.000	0.000	0.000
N	Consumer Purchase Intention	129	129	129	129	129
	PRODUCT	129	129	129	129	129
	PRICE	129	129	129	129	129
	PROMOTION	129	129	129	129	129
	PLACE	129	129	129	129	129

or should say most of the consumers in the baking industry in Eastern China are married.

Table 4, the monthly income of the consumers in the baking industry in Eastern China is mostly between 3000 RMB and 7000 RMB. It could be clearly seen that more than 70% of them are between 3000 RMB to 7000 RMB. Indeed, based on the table above, 59 respondents (45.7%) are having monthly income of 3000RMB and below, while 41 respondents (31.8%) are having monthly income between 5001 RMB to 7000RMB.

Table 5, the education level of the respondents is mainly Bachelor Degree (39.5%), followed by vocational college (30.2%), senior high school or below and master degree (13.2% each), and doctorate degree (3.9%).

Table 6, all of the respondents are the consumers in the baking industry in Eastern China.

Table 7, there are several baking companies in Eastern China, and the consumers are mostly spending the most in the Ganso Co., Ltd. (32.6%), and followed by Toly Bread Co.,Ltd (28.7%), Guangzhou Restaurant Group Company Limited (26.4%), Ligao Food (7%), and Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd. (5.4%).

Table 8, more than half of the respondents are spending 500RMB and below in baking companies in Eastern China each month, and 36.4 percent of the respondents are spending 501 to 1000 RMB each month.

Table 9, 9 respondents stated that they spend 1 to 3 times in a month (7%), 44 respondents stated that they spend 4 to 6 times in a month

(34.1%), 45 respondents stated that they spend 7 to 9 times in a month (34.9%), and 31 respondents stated that they spend 10 times and above in a month (24%).

Table 10, there are several types of products in baking companies and it is notable to understand the most selling products or at least the category of them. In term of that, this study found that most of the respondents are buying rolls among the others, and followed by cookies, pies, bread and muffins,

#### 4.1.2 4P's and Consumer Purchase Intention

Table 11, Pearson R was used for analysing the correlation relationship between the variables. The independent variables of the current study are constructed by 4P, which are product, price, promotion, place and the dependent variable is consumer purchase intention. If the p-value shown lower than 0.05.

Table 12-14, based on the table above, it could be seen that product, price, promotion, place is all correlated to consumer purchase intention as all of their P-value are  $P < 0.001$ . In term of that, the multiple linear regression was run for understanding the prediction of 4Ps on consumer purchase intention. The variation of the dependent variable that could be explained is based on the adjusted R square, which 55.8% of the consumer purchase intention could be explained by the 4Ps theory based on the model summary table as below. Indeed, it could be known which variable of the 4Ps predicted the consumer purchase intention and which is not based upon the coefficient table below. Product was

Table 12: Model summary <sup>b</sup>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.756 <sup>a</sup>	0.572	0.558	1.71137	0.572	41.412	4	124	0.000

a. Predictors: (Constant), PLACE, PROMOTION, PRODUCT, PRICE

b. Dependent Variable: Consumer Purchase Intention

Table 13: ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485.154	4	121.288	41.412	0.000 <sup>b</sup>
	Residual	363.172	124	2.929	-	-
	Total	848.326	128	-	-	-

a. Dependent Variable: Consumer Purchase Intention

b. Predictors: (Constant), PLACE, PROMOTION, PRODUCT, PRICE

Table 14: Coefficients <sup>a</sup>								
Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		Std. Error	Beta				Upper Bound	
1	(Constant)	3.394	1.221	-	2.780	0.006	0.978	5.810
	PRODUCT	0.246	0.074	0.295	3.314	0.001	.099	0.393
	PRICE	0.247	0.084	0.271	2.958	0.004	.082	0.413
	PROMOTION	0.084	0.065	0.097	1.302	0.195	-.044	0.213
	PLACE	0.240	0.071	0.245	3.364	0.001	0.099	0.381

a. Dependent Variable: Consumer Purchase Intention

Table 15: Concern					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Product	46	35.7	35.7	35.7
	Price	62	48.1	48.1	83.7
	Promotion	15	11.6	11.6	95.3
	Place	6	4.7	4.7	100.0
	Total	129	100.0	100.0	-

Table 16: Research		
Research Question	Theme	Axial Codes
What are the opportunities and challenges of the development of baking industry in Eastern China?	Opportunities- easy takeaway healthy consumption	Good Body Appearance
		Convenient to store
		Healthy mindset
	Challenges- Supply Chain interruption	Higher price of raw materials
		Shortage of raw materials
		Slow delivery

predicted the consumer purchase intention (B=0.246, P=0.001); price was predicted the consumer purchase intention (B=0.247, P=0.004); promotion was not predicted the consumer purchase intention (B=0.084, P=0.195); place the consumer purchase intention (B=0.240, P=0.001).

4.1.3 Concern

Table15, the respondents stated that the most concerned variables related to the development of the baking industry in Eastern China is price and followed by product, promotion and place. Essentially, price and product should be two to be focus on as these two are concerned by more than 80% of the respondents. In term of that, most of the respondents given comment about product quality and price issue.

4.2 Qualitative Data Analysis

There are two research questions are related to the qualitative data analysis which are "What are the opportunities and challenges of the development of baking industry in Eastern China?" and "How is the marketing strategies influence development of baking industry?" These research questions are answered by the themes that formed by coding process, which are:

4.2.1 Coding

Table16, the codes basically come from the transcription of the recording of interviews. The meaning extracts would be labelled into open codes and all of the open codes would be grouped into axial codes with few

**Table 17: Research**

Research Question	Theme	Axial Codes
How is the marketing strategies influence development of baking industry?	Higher attention of public	High awareness
		High familiarity
		Higher notice attention

phrases or even a single word. In term of that, the axial codes are the main step to form the themes that answer to the research questions.

Table17, another research question of the current study is "How is the marketing strategies influence development of baking industry?". The themes that answered to this research question is higher attention of public, in other word, it means marketing strategies could influence development of baking industry by rising the attention of public.

## 5. DISCUSSIONS & CONCLUSION

### 5.1 Discussion

#### 5.1.1 The Opportunities and Challenges of the Development of Baking Industry in Eastern China

Based on the first research question, there are two themes are formed to answer, which are the opportunities of the development of baking industry in Eastern China is trend of easy-takeaway healthy consumption and the challenges of the development of baking industry in Eastern China is supply chain interruption. As a result of being forced to re-evaluate the lives and the activities of human engage in on a daily basis as a result of the COVID-19 pandemic, consumers are increasingly choosing decisions that are more conscientious when it comes to food and nutrition (Hansen, 2021). The pandemic has compelled people to rethink their lifestyles and the routines they follow on a daily basis. A growing awareness of the need of caring after one's health has resulted in consumers making more informed decisions about the foods they eat and the nutrients they take in, as well as searching for new ways to construct and sustain a healthy way of life (Hansen, 2021). Indeed, healthy baked goods such as banana cake with baked of almond flour could be healthy baked goods and this type of baked goods could be an opportunity of the development of baking industry in Eastern China thanks to COVID-19 pandemic. Distribution is being thrown off over the world as a result of COVID-19. Wait times are lengthened as a direct result of increased border controls and customs laws. Additionally, a shortage of capacity for long-haul and last-mile fulfillment creates extremely difficult issues. Supply networks all across the world have been badly impacted by COVID-19. In the midst of substantial disruption, those in charge of procurement is challenging in ensuring that company operations continue as normal, satisfying urgent requests, and finding solutions to problems posed by suppliers.

#### 5.1.2 The Impact of 4P's Theory in Consumer Purchase Intention in Baking Industry in Eastern China?

Based on the data analysis, product, price and place were predicted the consumer purchase intention while promotion was not predicted the consumer purchase intention. The product, price and place were predicted the consumer purchase intention were consistent with the past studies but the promotion was not predicted the consumer purchase intention was not consistent to the past studies. A product can be distinguished from other products in its category by the qualities or traits that it possesses (Moslehpour et al., 2015). These characteristics include the product's aesthetic appeal, its functioning, as well as the components and features that contribute to the product's overall attractiveness or acceptance in the market. In addition to this, they communicate functional aspects, provide an emphasis on simplicity of use, and have an impact on the foundation upon which products are categorized (Moslehpour et al., 2015). Finally, they bestow symbolic worth upon the consumers. Consumers, as a rule, opt for foods that appeal to their own senses when making purchasing decisions (Moslehpour et al., 2015). In term of that, promotion was not predicted consumer purchase intention is because of the value of the product. Due to the consumer behaviour was changed during the pandemic, the consumers

tended to purchase what they have listed down, else, the necessary one. Indeed, they might be lowering their attention towards the promotion if they are subjectively not paying attention to the product itself, and so promotion would not predict the consumer purchase intention in such context.

#### 5.1.3 The Marketing Strategies Influence Development of Baking Industry

The them that formed to advise how is the marketing strategies influence development of baking industry is that higher attention of public. In other word, it means the marketing strategies are higher attention of the public in term to influence development of baking industry. According to the research carried out by Halik et al. (2021), SME's are one of the foundations that sustain state income and a method to help the Indonesian economy into a better path. One of the things that any company hopes to achieve in order to improve its performance is increased brand recognition. The performance of the company, which is backed by the company's sales of the brands they own, is guaranteed to improve with the brand awareness of consumers of the brands that are given by a company. This is because the sales of the brands are what drives the performance of the company. Because of this, the authors believe that it is necessary to investigate the factors that influence the performance of the organization, with Small and Medium Enterprises serving as the target of this particular study. The Multiple Regression processing test is the methodology that is applied. It was discovered as a consequence of these findings that Marketing and Brand Awareness, when combined, had an influence on the performance of SMEs in the City of Makassar.

### 5.2 Limitations & Future Studies

In other word, it is limited with the generalization issue. In the process of cultural generalization, people of the same group are grouped into categories based on the assumption that they share comparable features. Generalizations are malleable and permit the assimilation of new cultural information because of their adaptability. They are a form of hypothesis, often known as a guess, regarding what we anticipate experiencing when interacting with a particular culture. Future studies are recommended to focus the wider population instead of just including Eastern China to examine whether it will have the same results as the current study and gain generalization with so.

### 5.3 Recommendations

Based upon the results, product, price and place were predicted the consumer purchase intention. This study would be recommended the baking companies in Eastern China to be focusing on these three characteristics. Indeed, taking in the considerations of the results of the opportunities of the development of baking industry in Eastern China are easy-takeaway healthy consumption, this study would recommend the baking industry to focus on launching baked goods with healthy concepts. As per mentioned earlier, COVID-19 pandemic has changed the eating behaviour of the consumers and they are more towards to purchase the food with healthy concept, hence, baked goods should be aligned to the demand of the market in term to grab the market share with so. Indeed, it is recommended the baked goods to highlight the healthy elements that have been used for manufacturing the baked goods to allow the consumers to understand and notice the baked goods are healthy. Essentially, the marketing strategies could be helpful for promoting this so that the public could notice and raise their awareness towards the baked goods of the company.

## REFERENCES

- Cao, H., Folan, P., 2012. Product life cycle: the evolution of a paradigm and literature review from 1950-2009. *Production Planning & Control*, 23(8), Pp. 641-662.
- Cappelle, S., Guylaine, L., Gänzle, M., Gobbetti, M., 2013. History and social aspects of sourdough. In *Handbook on sourdough biotechnology* (Pp. 1-10). Springer, Boston, MA.
- Chen, Y., 2018. Bakery industry analysis. Retrieved December 09, 2021, from <https://acasestudy.com/bakery-industry-analysis/>
- Daxue Consulting China., 2021. Bread consumption in China: the largest consumers of bakery products? Daxue Consulting - Market Research China. Retrieved January, 14, 2022, from <https://daxueconsulting.com/bread-consumption-in-china/>
- Deng, Z., 2018. Diversification Dilemma of U-Pie China. Renmin University.
- Easterbrook-Smith, G., 2021. By bread alone: baking as leisure, performance, sustenance, during the COVID-19 crisis. *Leisure Sciences*, 43(1-2), Pp. 36-42.
- Gänzle, M. G., Zheng, J., 2019. Lifestyles of sourdough lactobacilli-Do they matter for microbial ecology and bread quality? *International journal of food microbiology*, 302, Pp. 15-23.
- Gordon, R., 2012. Re-thinking and re-tooling the social marketing mix. *Australasian Marketing Journal*, 20(2), Pp. 122-126.
- Guan, L. P., Yusuf, D. H. M., Ghani, M. R. A., 2020. Factors influencing customer purchase intention towards insurance products. *International Journal of Business and Management*, 4(5), Pp. 70-79.
- Halik, J., Halik, M., Nurlia, N., Hardiyono, H., Alimuddin, I., 2021. The effect of digital marketing and brand awareness on the performance of smes in Makassar City. *Proceedings of the First International Conference on Economics, Business and Social Humanities, ICONEBs 2020*, November 4-5, 2020, Madiun, Indonesia.
- Hansen, A., 2021. Food and wellbeing: Changing mindsets and impact of covid-19. *Food and Wellbeing: Changing mindsets and impact of Covid-19*. Retrieved July 3, 2022, from <https://www.ipsos.com/en-dk/food-and-wellbeing-changing-mindsets-and-impact-covid-19>
- Ho, Z., T., 2021. [Odysseus in-depth analysis: Chinese baking industry market analysis and six future development trends]. Retrieved from [https://www.sohu.com/a/504550109\\_100258568](https://www.sohu.com/a/504550109_100258568)
- Kim, B. G., Hwang, H. J., 2020. A study on strategies of multinational bakery retailers in China: Focused on paris baguette and competitors. *Journal of Distribution Science*, 18(12), Pp. 55-66.
- Lahtinen, V., Dietrich, T., Rundle-Thiele, S., 2020. Long live the marketing mix. Testing the effectiveness of the commercial marketing mix in a social marketing context. *Journal of Social Marketing*.
- Moslehpour, M., Aulia, C. K., Masarie, C. E., 2015. Bakery product perception and purchase intention of Indonesian consumers in Taiwan. *International Journal of Business & Information*, 10(1).
- OECD., 2020. Food supply chains and covid-19: Impacts and policy lessons. OECD. Retrieved July 3, 2022, from <https://www.oecd.org/coronavirus/policy-responses/food-supply-chains-and-covid-19-impacts-and-policy-lessons-71b57aea/>
- Ortega, D. L., Wang, H. H., Wu, L., Olynk, N. J., 2011. Modeling heterogeneity in consumer preferences for select food safety attributes in China. *Food Policy*, 36(2), Pp. 318-324.
- Teece, D. J., 2010. Business models, business strategy and innovation. *Long range planning*, 43(2-3), Pp. 172-194.
- Terzi, S., Bouras, A., Dutta, D., Garetti, M., Kiritsis, D., 2010. Product lifecycle management-from its history to its new role. *International Journal of Product Lifecycle Management*, 4(4), Pp. 360-389.
- Tran, T. T., 2018. Factors affecting the purchase and repurchase intention smart-phones of Vietnamese staff. *International Journal of Advanced and Applied Sciences*, 5(3), Pp. 107-119.
- TWI Ltd., 2021. What is a product life cycle? (definition, stages and examples). Retrieved December 09, 2021, from <https://www.twi-global.com/technical-knowledge/faqs/what-is-a-product-life-cycle>
- Wenhao, S., 2020. Special agricultural products of Shanxi Lecuntao company research on e-commerce marketing Strateg Y (Doctoral dissertation, SIAM UNIVERSITY).

