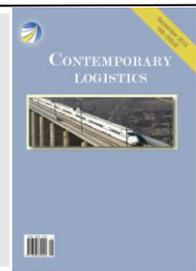




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The Management of Box Store Marketing

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ABSTRACT

In 2006, Box store marketing pattern was introduced in mainland of China. Because it is a very fashion marketing pattern, it attracted many young entrepreneurs to set up their own small business. In a short time, hundreds of box stores emerged in many cities. But because it is a new pattern, many owner of box store cannot manage it successfully because of quality problems and poor management. The interests of the owners have been so severely affected that some owner of box store was bankruptcy. Some owners even doubt whether this marketing pattern is a good style. Therefore, this paper is to introduce the development of box store marketing pattern in China and analyze it objectively to give some good advice to the owner of box store and the boss of box.

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1 Introduction

Box store marketing pattern emerged in Japan, with many years' development it has appeared all over the world. In 2005, it was introduced into Hong Kong. One year later, there was more than 100 box store in Hong Kong and it was introduced in mainland very quickly. Because it is a very fashion marketing pattern, it attracted many young entrepreneurs to set up their own small business. In a short time, hundreds of box stores emerged in many cities in mainland of China. Just as it's the name suggests, the owner of the shop design and separate the store into dozens or more than one hundred small box and rent these box to different entrepreneurs. The entrepreneurs can put any products in the box he rent and sell them. The entrepreneurs become small boss and most important they just need to lay in a stock of merchandise without selling their goods, because the owner of the shop will sell their good and collect some rent from them. This means it needs less investment and sell products very quickly, many persons like to start a business in this way and now it is a new potential marketing pattern accepted by many people. But because it is a new pattern, many owner of box store can not manage it successfully because of quality problems and poor management. The interests of the owners have been so severely affected that some owner of box store was bankruptcy. Some owners even doubt whether this marketing pattern is a good style. Therefore, analysis this business mode objectively and checked the trend has a strong sense of reality.

2 How About Box Store Development in China

At present, the number of box stores is developing very fast in mainland. From the box store quantity and their location, selling

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products, the ownership of box store, customers, marketing channel, it has following characteristics:

2.1 Box store quantity and their location

According to the information collected at the box stores union web, they are located not only in big cities, but they are also located in small cities even in some county. In Beijing, more than 50 box stores were set up in five years, including 15 box stores at Xidan, 10 box stores in Chaoyang district, 6 box stores in Haidian district, 6 box stores in Xicheng district, 7 box stores in Docheng district, 2 box stores in Changping district, 1 box stores in every district including Feingtai district, Shunyi district and Fangshan district. In all of these box stores, there are 2 chain stores. One has 7 branch stores and another has 6 branch stores. In whole mainland, more than 320 box stores were distributed in east of China (53 in Shanghai); 109 box stores were distributed in north of China (63 in Beijing); 213 box stores were distributed in central of China (75 in Zhengzhou); 110 box stores were distributed in southwest of China (44 in Chengdu); 66 box stores were distributed in southeast of China; 75 box stores were distributed in northeast of China; 21 box stores were distributed in northwest of China. It is easy to see that the east of China has more box stores than the west of China.

2.2 Characteristics of the product selling in box store

The product selling in box store are usually accessories, toy and dolls, handicrafts, electronic products, gifts, underwear, dress, shoes, skin care, cosmetics, magazines, stationery and so on. But accessories, stationery, toy and dolls sale income usually account for more than 70%. Representative products are the creative hand-made products and small batches of products. This kind of product target consumer group is urban young people, particularly young women. The products usually have the following characteristics:

2.2.1 Emphasize innovation

The boss of the small box can design all kinds of products according to their imagination and sale them, in fact small box is a platform to demonstrate the boss unique ideas into a commodity and design ability. So the products selling in the small box were often personalized fashion products, it can attract the costumers eyes. Like a brooch, it is the common accessories for girls, they usually were made of special raw materials by handmade with lovely shapes (heart-shaped or star and irregular or abstract designs). It looks bright and colorful. In fact, they can do whatever according to your requirement. A little girl wear a common T-shirt with such a nice brooch looks very different.

2.2.2 The most popular products is handmade product

Because handmade products made the innovation as the selling point, it can match the young man or woman need. DIY (do it by yourself) jewels and the original dolls were creative products. They are the most important products to attract customers. For example, a yellow baby bear laying in the small box is an animals socks dolls, it is full of soft cotton. The design style is so cute that it has comic effect. Their design style is so outstanding that consumers like it very much.

2.2.3 Young and modern style

Young and modern style is a special characteristic of box store products. The consumer groups of box store are usually young people with fashion, especially the young girls. So the products made according to the girls interest like accessories, wallets, clothing and other female products have occupied the market. Because young girls like the fashion tide, these products like necklace, bracelet and other items show childishness. For example, there is a kind of earrings made of paper is so unexpected that some stubborn young people like it very much.

2.2.4 Low price and special products

The price of the products were sold in the box store are usually low. In many box store, the price of the products is from a few RMB to hundreds RMB. For example, a hairpin is only 3-5 RMB, the price is low, the price of baby bear mentioned above is 20-40 RMB, the price is an average price. Some snow boots, the price is 120-300 RMB. Although the price was different, the price is affordable for common people. Because the products are so special that the price is really worth.

2.3 Boss style of small box

The boss style of small box are usually young people, according to their different goal of rent box, they can be separated following kinds:

2.3.1 The boss who have a store on net

The boss who has a store on net can sell product by electronic commerce, but the customers can not see the real products, so the boss can rent a small box in the business centre to display their products to customers. For many goods, the customers do not believe the pictures shown on net. For some products such as jewels, clothing and cap, the consumer do not know whether the size is suitable, so they can go to the box store to check the realness of the products. If the boss set up his own shop, they have to invest a lot of money to rent shop, fitment and hire some employees, so if they rent some box to lay in their products will reduce some cost. It is very useful for them to rent some box.

2.3.2 College students who want to start a business

College students who are majoring in business, art or design have the passion to set up his own business to create wealth, but as a college students, they usually are lack of capital and experience so that they can not to start his or her own business. In this situation, if they want to be a small boss, they can rent a box to show their products to check whether customers like their design. Box store provide a good platform to give college students to practice and have business experience before they set up his or her own company.

2.3.3 Company who want to test the market reaction

Some company design a new product, but they do not know whether the consumer accept it. So they want to rent a box to test the market reaction so that they can collect a lot of information form customers. Before they produce these products in large scales, they can improve their products quality to. Decrease the risk of market. Some of the newly formed company will also hire a couple of boxes to show their company's image.

2.4 Consumer group of box shop

The mainly consumer group of box shop are usually four categories: (1) Student groups. Because the cost of box is lower, so the price of the products lay in the box are very cheap. Most students do not have lots of money to buy expensive goods. They can buy cheap products from box store to meet their needs. (2) The white collar and young people who pursuit fashion. White collar are also the main consumer groups, usually is not the one with very high salary but the one who just graduate from university. Young people who pursuit fashion always can find some different products in box store because the price is reasonable and the style is fashion. (3) The network shoppers. Nowadays, many young people enjoy the internet shopping, but they also hope to see reality. Therefore, some net store owner rent a box to show the samples so that the customers can go to the shop to see. So the network shoppers are also one of the important consumer groups of box store. (4) The group of tourists. In some tourism cities, there are many tourists every year, compared with the college students limited purchasing power, tourists have more money and like to buy some special gifts to commemorate. So they also like to visit box store.

2.5 Marketing channel of box store

In general, there are two Marketing channel of box store. One is shop marketing, it is to sell products to customers face to face in the box store; another one is net marketing, it is to sale products on internet. (1) Shop marketing. Shop marketing has some advantages like lower risk, flexible and safe. For the owner of box store, with small investment they can cut one or two room into dozens or more than one hundred small exhibition box. They need not to purchase goods, just collect rent monthly according to the box size and location. There are usually two patterns to rent their box: one pattern is fixed rent every month, another pattern is to draw a percentage from the sale income. For the boss of box, they can sale anything they want by pay a little rent monthly. Especially, they need not to pay tax, fitment, water fee, electricity fee and work in the shop. (2) Net shopping. In this channel, the boss of the box can sell his or her products by internet and let the customers to go to the box shop to take products or let the owner of box store to post the products to the purchaser. In this case, the boss of the box can rent many box in different location in a city and need not invest too much money.

3 The Problems Exist in Box Store Marketing Management

Although box store develop very fast in mainland of China, but the boss of box who always can earn money is not more than 50%, even including the boss whose return can offset cost, the rant is not more than 70%. In resent years, box store marketing enters into adjustment stage. Some box store management is hard and even can not earn money, because there are following problems exit:

3.1 The goods in the store has no personality

If the goods lay in the store has personality and very different from others, it is easy to boost customers' consumption desire. But some of the boss of box lay some goods in the box without personality. It can be seen in most shop, it does not abstract most young people. Because most customers of box store are young people, the goal of them to visit box store is to look for some special goods. So the bosses of box have to keep their products personality to match the young people's fashion view. If he can not do this way, the risk of bankruptcy is very high.

3.2 Have no good management

Box store is like a small marketplace, every boss of the box is independent, all of them lay their products in the store, so the management of the store is a issue. According the survey, some problems were found: (1) The idea of a business and management level is lower. Most of the box store is lack of its own characteristics, they do not choose a place to set up their shop and the products style is very similar. Some bosses of the box store do not build up experience and do not know how to improve the image of the shop to attract customers. (2) Marketing strategy is poor. Most owner of box store jute knows to reduce the price to make sales promotion, they seldom notice to create a brand, improve service quality or set up a good impression to attract consumers. They do not separate the market and make a good orientation and have no standard management. (3) Have no enough supervisors. Because box store generally have dozens or more than one hundred box in a shop. If the owner of the store does not employ enough staff to manage the store, they can not manage very well. In most box store the owner only employ 1 or 2 workers to introduce the products to customers, the workers can not care every product and explain it to customers. In addition, there are too many goods lay in the open box, every customer can watch and the touch the goods, sometimes the goods lost and the owner have no notice. This will lead to losing not only to the owner of the box store but also to the boss of the box. (4) Have no information management. Box store is the terminal of sale chain, so the owner can collect lots of first hand information of the customers. To analyze this information will be helpful to make the sale plan. But most box store owner does not to collect this information and analyze them. In addition, most box store does not have a

scientific and technological tool to manage their goods information such as stock and the original data of income. Lack of appropriate technologies and information has become a block of the development of box store.

3.3 Quality dissension

The products quality can not be guarantee is the biggest problem. There is a fiercely competition between different owners of box store, in order to improve the rent rate of box, the owner usually do not choose the boss of box and products. In addition, the boss of box pursues to purchase low price products in order to earn more money. So they can not guarantee the quality of the products. This leads to the quality of the products in the box store have a very big difference. The quality dissension between the owner of box store and customers happen often.

Generally, there is an agreement between owner of box store and boss of box and the principle of the agreement is “who sent to sell, who is responsible for the quality”. But once dissension appear, the boss of box sometime try to delay the date to compensate, some of them even do not see the customers and explain. The customers’ right can not be protected. This also leads to some customer loss.

4 Conclusions

From the analysis above, following conclusion can be draw:

4.1 Choose a good location is very important to box store management

To manage a box store successfully, the owner should make a good decision to choose the location and good products. These two points are very important, if the owner does it successfully, he or her will have very big chance to earn money. To choose a good location, cluster effect should be taken into account. It means many box store can located together so that the customers can be attracted. Because the customers have more products to choose, they will think it is worth to visit. The owner needs not to worry about that too many shops will lead to bankruptcy because more visitors were attracted. A good location will lead to enough customers to visit box store.

4.2 Customer orientation is also very important to box store management

A good customer orientation should make sure that the products in the box store can attract the customer the owner want. If the products lay in the store can meet the style of the store and then accepted, if the products lay in the store can not match the style and then reject. In addition, every products should be different each other. If the box store can keep its unique style, it can decrease the tense of competition and attract some fixed customer group so that the owner of box store and the boss of box both can earn money. In general, should the customer orientation of the box store not be shaped at first, the owner can change it gradually by watching the customers’ behaviors.

4.3 To manage box store successfully, internet promotion strategy is necessary

Because the target consumer are mainly young people and young people like to logon internet, so make a good internet promotion is very important to box store marketing. After all, box store is quite different from common shop because the boss of the box will change constantly. So the owner of box store has to make advertisement continuously. To do this, the owner have to make his own web to show his or her advertisement, the web advertisement have many advantage such as cheap, being controlled easily, keep a clear style and changed easily. Another way is to use other famous internet forum to make advertisement, the cost is very cheap, it only takes some time. In China, these famous online forums are such as Baidu web, Shoo web and so on. Nowadays, young people like to use QQ or MSN to communicate on internet, so these are also the very important way to accept the information.

4.4 Chain store marketing is the future of box store management

In fact, many box stores in mainland of China are a single store. So the reputation of the store can not be improved. To decrease the risk of market, the owner of the box store can set up a chain store. Chain store is the future of China box store, for example, the “box room” brand in Shanghai has done very well. In fact, there are many successful box chain stores in Japan and Hongkong. Chain box store can not only improve the prestige, but also can attract publicity and some scientific management can be introduced in. Chain box store management has some advantages such as optimizing the allocation of resources, increasing market share, strengthening enterprise image and reducing operating costs.

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