

HEMA in Hong Kong: The Development of HEMA Business Model in Hong Kong

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ABSTRACT

In this research, we investigated Hong Kong consumers' opinions and sentiments on HEMA, a new supermarket retail model. Through looking into Hong Kong consumers' present consumption patterns and selection tendencies at local retail supermarkets in Hong Kong. A quantitative investigation using an online questionnaire was conducted. This report proposes three marketing phases to enable HEMA to enter the Hong Kong market as a new retail brand in mainland China, localize HEMA in the Hong Kong market, establish HEMA's unique brand image, and gain popularity among Hong Kong consumers.

KEYWORDS

New-retail model; HEMA; Marketing model; Hong Kong retail

1. INTRODUCTION

HEMA is a new retail chain in China, founded by Alibaba Group in 2015. HEMA adopts the new retail model. It sells a wide range of products, including fresh food, daily necessities, imported food. HEMA's own brand products are also popular among consumers [1].

HEMA has gradually improved its presence in the consumer market in mainland China and has become a well-known supermarket brand. With the end of the epidemic and closer ties between Shenzhen and Hong Kong, HEMA began to enter the Hong Kong market.

Due to the fierce competition in the local supermarket market in Hong Kong, HEMA needs to clearly define its market positioning after entering Hong Kong, highlight the characteristics of HEMA's branded products, and bring into play HEMA's strengths. And to develop a detailed activity program for the habits and preferences of Hong Kong consumers to promote. Attract more Hong Kong consumers to choose HEMA.

Therefore, this report will further analyze HEMA's brand situation in Hong Kong, and develop a new brand campaign for HEMA "Find your fresh and creative life in HEMA" to enhance HEMA's brand awareness in Hong Kong.

The report firstly introduces the brand background of HEMA. It then analyzes HEMA's SWOT, competitors and stakeholders in Hong Kong. A study was conducted to justify our inference of the problems and opportunities that HEMA may face in Hong Kong, covering the quantitative findings.

Next, we will present the final campaign plan based on our findings. "Find your fresh and creative life at HEMA" is a marketing campaign for HEMA as a new retail supermarket chain brand to the public. It aims to raise the awareness of HEMA in Hong Kong. The program covers information including target audience description, theme, goals and objectives. It also presents an execution plan

in terms of strategy, creative tactics, media plan, overall timeline and budget. It also prepared contingency plans for potential crises and conducted an evaluation for the project.

2. BACKGROUND AND ENVIRONMENTAL SCANNING

2.1. Company Background

As the market becomes increasingly competitive, and as consumers' consumption levels and shopping needs continue to rise, the retail market has been driven to improve its service levels and introduce new service models. This reform of the market environment has also taken place in the retail superstore industry, which is closely related to consumers' daily lives. Traditional retail - indoor and outdoor markets selling food, household goods, clothing, etc. [2]. However, these basic functions alone are far from being able to meet the increasingly diversified consumer needs of retail superstores. Meanwhile, faced with the impact of digital marketing and e-commerce, the survival space of traditional retail in the retail market has been continuously compressed, and looking for a new direction of transformation is the situation that most of the nationwide retail superstores have to face at present.

With the rapid development of the times, the continuous progress of science and technology has led to a series of changes in people's lives. Supermarket transaction mode is the representative of the major changes after the continuous improvement of the standard of living. The double enhancement of technology and consumption has transformed the business model of "buying" and "selling" from the traditional offline model and a single e-commerce model to a new retail model that is more convenient for both buyers and sellers. According to China Circulation Economy [3], we understand that "new retail" refers to a selling method that centers on enhancing the user experience and buying experience. There are three main modes of "new retail": one is to combine online and offline with logistics to realize the integration of commodities and logistics channels; the other is to provide customers with a wider range of experiential consumption services to realize the consumption scene; the third is to create a "new retail" platform that includes internal staff of retail enterprises and upstream and downstream partners, i.e., to build an all-channel industrial ecosystem. The third is to create a "new retail" platform that includes employees and upstream and downstream partners of retail enterprises, i.e. to build an omni-channel industrial ecosystem [4]. Among them, the most representative is HEMA Fresh Life (hereinafter referred to as HEMA), which is regarded as a sample of Alibaba's new retail. On July 21, 2023, Alibaba Group released its 2023 financial annual report [5]. It disclosed, among other things, that in FY2023, online transactions contributed more than 65% to HEMA's GMV, and HEMA's overall GMV exceeded RMB55 billion (US\$8 billion). More than 90% of HEMA's self-operated stores that have been in operation for more than a year during the same period have realized positive cash flow [6].

2.1.1. History of HEMA

Founded in 2015 and opening its first store in Shanghai in 2016, HEMA is an innovative attempt by Alibaba Group. With the support of big data and artificial intelligence technology, Alibaba's "new retail" will link the traditional commodity circulation model from production to after-sale, and provide customers with online services and offline product experience services through the platform, i.e., a new retail model of modern logistics, which realizes the in-depth integration of enterprise resources through the Internet. In 2016, Jack Ma first put forward the concept of "new retail" at the Yunqi Conference. At present, new retail is developing rapidly and is becoming an important retail model in China's retail market.

The target customer group of HEMA is an all-age, mainly middle- and high-end consumer group, which is mainly intellectual, fashionable, family-oriented and quality-of-life mobile Internet users born in the 70~00 years. The common characteristics of these groups are that they have strong purchasing power and have initially or fully realized financial freedom and consumption autonomy,

and the key is that they are willing to accept more fresh ways of life and consumption. They have a higher quality of life, like individuality, pursue quality, and enjoy socializing and surfing the Internet. In addition, their most notable consumer characteristic is their preference for "one-stop" solutions, i.e., one-stop shopping for products, one-stop handling of ingredients, and one-stop cooking [7].

In November 2023, Alibaba decided to suspend the IPO process of HEMA, and at the same time made major adjustments to the existing sales model. As the front-runner of Alibaba's New Retail, HEMA began to make rapid adjustments under the tremendous pressure of profitability and consumer market shift. In order to better capture market share in the competitive market, HEMA not only canceled its annual membership fee, but also set lower prices for some of its products. HEMA is vigorously doing discount transformations, more than 5,000 kinds of goods in offline stores from October 13, 2023 to reduce the price, and set up the "offline exclusive price" area in the stores. According to Aurora data, since the launch of the lower price of the "mountain-moving price" to the end of September 2023, the average weekly DAU (daily active users) of the HEMA App has increased by 13.3% [4].

At present, Hong Kong does not lack retail superstores facing all levels of consumption, but it must be admitted that there is a lack of innovative retail superstores integrating with the Internet and big data in Hong Kong's current retail industry [8]. All existing types of superstores are traditional retail superstores with basic functions. Compared with the development of the retail industry in mainland China, which is deeply integrated with the development of the Internet, the current retail industry in Hong Kong is not closely connected with the development of the Internet or even artificial intelligence, and the focus of the retail industry is still on "selling goods directly to consumers", with a more traditional and single sales channel. Alibaba, on the other hand, has brought the development of new retail to mainland China through cross-border cooperation between the retail industry and the development of Internet technology [9].

Summarizing the current consumption situation in Hong Kong, Hong Kong residents have a higher level of consumption than mainland residents and have higher requirements for daily consumption and quality of life. Not only that, after the end of the epidemic, with the closer ties between Hong Kong and the Mainland, the consumption habits of Hong Kong residents have also been more influenced by the mainland. On weekends, Guangdong cities adjacent to Hong Kong, such as Shenzhen, Guangzhou and Zhuhai, have also become good places for Hong Kong residents to relax and spend money. Hong Kong East Rail Line directly connected to the Shenzhen Luohu District and Futian District of the HEMA stores are also favored by Hong Kong residents, in the rest of the day daily "full" situation. Even on the Internet, there is already a "Hong Kong-Shenzhen HEMA shopping" - buying goods from the Shenzhen HEMA for Hong Kong residents. It is evident that HEMA's sales model and products have, to a certain extent, gained the recognition of some Hong Kong residents.

Hong Kong gained a net migration of 174,000 people in 2023, including many from mainland China as the Hong Kong government eased the conditions for mainland residents to obtain permanent residency status in Hong Kong. These "new immigrants" to Hong Kong are more familiar with the retail industry in mainland China, and are more accustomed to the "new retail" and e-commerce model, which is highly integrated with the development of the Internet. This also means that, in addition to Hong Kong residents, this group of new immigrants also plays a significant role in the development and promotion of new retail in Hong Kong. As payment methods from mainland China such as WeChat and Alipay become more and more popular in Hong Kong, the barriers to entry for new retail superstores like HEMA, which relies on mainland China's "specialty" retailers, will diminish. Hong Kong's potential in the new retail industry should not be underestimated.

2.1.2. SWOT Analysis for HEMA

As a pioneer in China's new retail sector, HEMA has its own unique strengths and challenges.

(1) Strengths

- 1) Strong back-office support: as part of the Alibaba Group, HEMA can rely on strong supply chain and technical support.
- 2) Online-Offline Integration: HEMA has successfully realized the integration of online and offline, connecting online and offline consumption experience through digital technology.
- 3) Supply Chain Innovation: Leveraging technology and data analysis to optimize the supply chain, improve inventory turnover efficiency and reduce wastage.
- 4) Diversified Products: Providing diversified products such as fresh ingredients, cooked food, snacks, etc. to meet different consumer needs.
- 5) Technology-driven shopping experience: Introducing intelligent technologies, such as code-sweeping payment, face recognition, etc., to enhance the shopping experience.

(2) Weaknesses

- 1) Brand awareness: HEMA's brand awareness in the Hong Kong market may be relatively low, and brand promotion and publicity are needed to attract consumers' attention.
- 2) Geographical and cultural differences: There are geographical and cultural differences between HEMA's headquarter location and Hong Kong, and there is relatively little understanding of the consumption habits, taste preferences and shopping habits of consumers in the Hong Kong market.
- 3) High Operating Costs: Maintaining an integrated online and offline model requires the investment of a large amount of resources, which may lead to higher operating costs.

(3) Opportunities

- 1) Hong Kong consumers seeking quality life, the quality of HEMA products can effectively attract Hong Kong consumers.
- 2) Brand Upgrade: Continuously improve brand image, expand high-end market, and attract more high-quality consumers.
- 3) The New Retail Market is a new concept for Hong Kong consumers and HEMA can prioritize to capture more market share.

(4) Threats

- 1) Market changes: Changes in consumer habits and market demand may affect HEMA's business model. For example, payment in HEMA stores in mainland China must be made through the official HEMA app. And the payment in Hong Kong supermarkets is more diverse. At the same time, Hong Kong's APP has Yuu can make points for many supermarkets. HEMA's official APP may be impacted.
- 2) Local competitors in Hong Kong: There are many well-known brands in the Hong Kong retail supermarket that have built up market share and customer loyalty in the Hong Kong market. HEMA needs to cope with the competitive pressure from these local competitors.
- 3) Legal and policy risks: HEMA needs to comply with Hong Kong's business laws and related policies, including registration and licensing requirements, food safety standards, labor regulations, etc. Products sold by HEMA should comply with Hong Kong's food safety standards. Otherwise, there will be a risk that the products will be taken off the shelves.

HEMA' Competitors in Hong Kong:

Table 1. HEMA' Competitors in Hong Kong

	Product	Price	Location	Member system	Sales model	Integration restaurant
HEMA	Fresh products Daily chemical products Internet hot products	Middle and high income	Near large neighborhoods	Y	O2O	Y
YATA	1 & 2	High income	Premium shopping mall	N (Yuu)	O2O (Yuu)	Y
Market Place	1 & 2	Middle and high income	Premium shopping mall	N (Yuu)	O2O (Yuu)	N
PARKnS HOP	1 & 2	Low and middle income	street	N (Yuu)	N	N
Sam's Club	1 & 2 & 3	Middle and high income	suburbs	Y	O2O	N

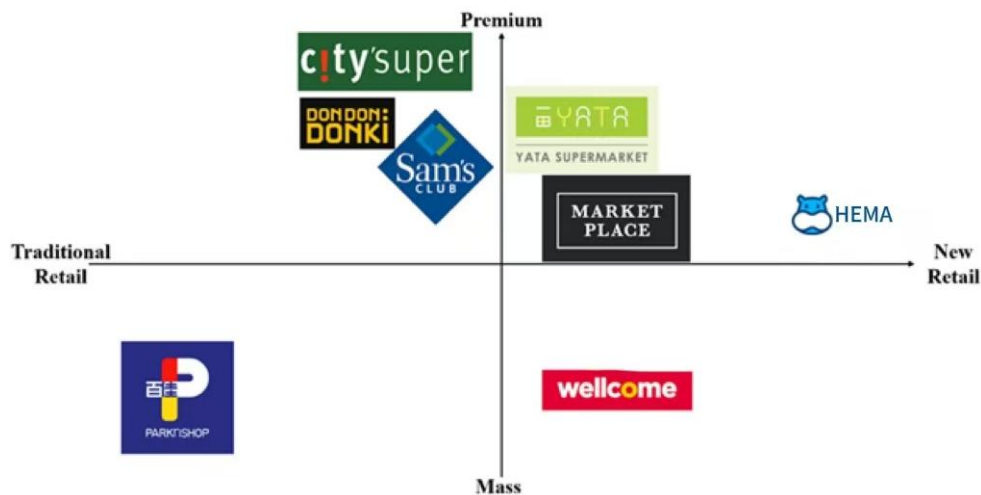


Figure 1. Perceptual Map of Hong Kong retails

2.1.3. Stakeholders Analysis

(1) Existing and potential consumers: Consumers are the most direct stakeholders of HEMA. HEMA is well known in Mainland China and therefore has a portion of existing consumers. These existing consumers will also be consumers of HEMA in Hong Kong. But they may make more comparisons of HEMA between the two regions.

The second is that potential consumers also need to be tapped in order to expand the consumer market. And to satisfy the different needs of Hong Kong consumers for the products.

(2) Local Competitors: Hong Kong's supermarkets are highly competitive and HEMA will face competition from other local and international supermarket brands. HEMA needs to develop a differentiation strategy to attract consumers and compete with competitors for market share.

(3) HEMA employees: the work of employees maintains the stability and good operation of HEMA's offline line, which directly affects the quality of customer service and operational efficiency. Employees also rely on HEMA for stable income, good working conditions and career development opportunities.

(4) Alibaba Group: HEMA is an owned fresh food and daily necessities retail chain of Alibaba Group, which is directly controlled by Alibaba, with a budget funded by Alibaba, and the revenue of Box Horse has a direct impact on Alibaba Group. Therefore HEMA has a relatively sufficient budget and funds to be able to carry out its activities.

(5) Suppliers and partners: HEMA needs to maintain relationships with suppliers and partners to ensure supply chain stability and product quality assurance. This includes partnerships with agricultural suppliers, food processors, logistics companies, and so on. At the same time, as HEMA's mainland suppliers will be responsible for the supply of products from HEMA Hong Kong. There is a need to agree with the suppliers on products that are more suitable for HEMA Hong Kong as well as the mode of product transportation to ensure product safety and product freshness in HEMA Hong Kong.

(6) Media: The entry of HEMA into the Hong Kong market will require significant media promotion. In particular, online social media will be promoted mainly on Instagram, Facebook, YouTube and Little Red Book. HEMA's marketing strategy will be centered on social media and will organize various activities to attract the target audience.

2.2. Research Findings and Discussion

Regarding understanding the profile of the target audience, the project will collect information mainly through questionnaires. The questionnaire will cover information on age, gender, income level, etc. It will also provide information on consumers' attitudes, interests and needs towards HEMA and other supermarkets in Hong Kong. This project hopes that through quantitative research, we can better understand the needs of the target audience and set up a more feasible way to promote HEMA in Hong Kong.

2.2.1. Research Objectives

This study was primarily a quantitative study. The purpose of the study is to investigate:

- (1) Hong Kong residents' perceptions of HEMA brands and products.
- (2) the shopping preferences, needs and behaviors of Hong Kong residents when shopping in supermarkets.

2.2.2. Methodology

An online survey was conducted with 118 participants aged 16 to 45, and an electronic version of the questionnaire was distributed via hyperlinks on social media from February 28th to March 4th. The questionnaire was divided into four sections, namely "Knowledge of HEMA", "Attitudes towards HEMA", "Purchasing habits of retail superstores" and "Demographic Questions". Of the valid questionnaires, 62 were male and 56 were female. Tencent Questionnaire Star software will monitor the evaluation mechanism of this survey, analyze the statistics and code the data.

2.2.3. Findings and Discussion

(1) Respondents' Attitudes Toward HEMA

Of the respondents, 97 (82.2%) had the experience of shopping at HEMA. 21 (17.8%) had not shopped at HEMA, and 61.86% agreed that HEMA is a popular retail supermarket.

From the respondents' attitudes towards the prices of goods in HEMA, it can be seen that consumers who think that HEMA's prices are more favorable are in the majority.

43.3% of the respondents had a clear positive attitude towards HEMA's after-sales service. Overall, the respondents had a positive attitude towards the products and services currently provided by HEMA.

(2) Low recognition of official HEMA apps

There are more respondents who think that HEMA's app is not convenient to use. Considering the limitations of HEMA's app in mainland China, HEMA's promotion in Hong Kong can give more consideration to the app's sense of user experience, provide better app services, and improve users' satisfaction with the use of the official app.

(3) Respondents who have purchased HEMA private label brands are more likely to recognize HEMA private label brands

More of the respondents recognized HEMA's own products sold by HEMA. However, 39.93% of the respondents said that they have not purchased HEMA's private label products from HEMA. The promotion of HEMA's private label products among consumers needs to be improved.

(4) Variety of products and favorable prices are attractive to respondents

We also surveyed respondents about their preferences for choosing different supermarkets. The results show that price is the most important reason influencing respondents' choice of supermarket. The variety of products covered in the supermarkets and the geographical location of the supermarkets also have a greater impact on the choice of the respondents.

In the course of this project, there were some limitations, such as the questionnaire survey did not cover the entire diversity of the Hong Kong population and the sample size was relatively small. This may result in the results of the study not fully reflecting the needs and preferences of Hong Kong residents and mainlanders living in Hong Kong. Also the data of the study may be limited to the results of the quantitative survey, which may lead to an incomplete understanding of the target audience.

2.2.4. Limitations

(1) Limited sample representativeness: The sample data of this questionnaire survey is limited. If the sample size and representativeness are not sufficiently adequate, the survey results may not accurately reflect the opinions and behaviors of the entire target population.

(2) Subjectivity and bias: Because the questionnaire survey is mainly adopted. The survey results will be affected by respondents' subjective opinions and personal bias. Some respondents may provide inaccurate or biased answers, thus affecting the accuracy and reliability of the data.

(3) Lack of insight: Questionnaire surveys usually provide quantitative data, but for some multiple choice questions, the quantitative data may not be able to provide detailed reasons and explanations behind. This may require further qualitative research methods such as in-depth interviews or focus group discussions. This is lacking in this project.

2.2.5. Implications

Based on the above findings, we found that the HEMA brand is not well known in Hong Kong. It also pays more attention to the quality of the product in terms of consumer preference. Therefore, we will conduct campaign marketing on social media to Hong Kong consumers to build a good brand image for HEMA and increase HEMA's awareness and consumer brand loyalty in Hong Kong.

According to the impact of social media marketing campaigns on brand awareness, brand image and brand loyalty [10] the authors analyzed after conducting an online survey of 547 brand's on social media using a sampling method. The authors showed that social media marketing activities have an impact on brand image and brand loyalty, but the most significant impact is on brand awareness.

Therefore, based on the data collected, we will promote HEMA's social media marketing campaign in Hong Kong. Expanding HEMA's awareness in Hong Kong and increasing HEMA's competitiveness in the market.

2.3. Problem or Opportunity Statements

In this project, a questionnaire survey was used to obtain Hong Kong consumers' perception of HEMA and retailers' supermarkets. After analyzing the data from the questionnaire survey, the following major problems may exist for HEMA's marketing activities in Hong Kong:

The first is that HEMA will face many competitors in the local market of Hong Kong. Hong Kong's retail supermarket is highly competitive with many local and international retail brands, and HEMA, as a new entrant to the Hong Kong market, will need to find its own unique market position in the face of many competitors.

Secondly, the brand name of HEMA in Hong Kong is less recognized. After the questionnaire survey, we found that some consumers have not heard of HEMA or consumed in HEMA, and are relatively unfamiliar with HEMA's brand and concept. And they do not know much about HEMA private label products.

In response to these issues, we proposed opportunities to support our campaign:

First, HEMA's products are fresh and private label products are unique. HEMA, as a new retail supermarket with diversified products and a wide range of private label products, is not only able to continuously create private label products, but also could create a variety of private label products. It is not only able to create private label products. It can bring more choices for consumers.

At the same time, HEMA also has a few stable suppliers in mainland China. Shenzhen HEMA suppliers are also able to provide fresh products for Hong Kong HEMA in a timely manner. Unlike other Hong Kong supermarkets that need to import fresh products, which may not be fresh or expensive, HEMA's fresh products are transported directly from Shenzhen to Hong Kong, which makes the products fresher. This will provide stronger competitiveness for HEMA in Hong Kong.

Secondly, it is the enhancement of HEMA's brand awareness. As a city with highly developed network, Hong Kong is connected to social media all over the world, and has more open and developed information publicity channels. HEMA can publicize through Hong Kong's social media, Instagram, Facebook, YouTube, and Xiaohongshu. Relying on Hong Kong's Internet environment, more consumers will be attracted to recognize and choose HEMA.

2.4. Campaign Goals, Themes, & Objectives

2.4.1. Goals

Through the above research and analysis, this project will establish the following goals for the promotional program of HEMA in Hong Kong:

- (1) Market Penetration: To establish HEMA as a prominent retail brand in Hong Kong with a significant market share in the region.
- (2) Brand Awareness: To raise awareness of HEMA's unique products and brand image in the Hong Kong market.
- (3) Customer Engagement: Foster customer engagement and loyalty through personalized shopping experience and quality service.

2.4.2. Objectives

Market Penetration:

- (1) Reach the localization of HEMA in Hong Kong: Adapt product selection and marketing strategies to the preferences and cultural differences of the Hong Kong consumer market. Add more localized products within the first six months of opening a HEMA store in Hong Kong.

(2) Increase awareness and financial performance of HEMA in Hong Kong: Achieve sales targets and profitability goals set for HEMA's Hong Kong store, demonstrating the feasibility and success of HEMA's entry into the Hong Kong market. Within one year, HEMA's share of the Hong Kong retail market will reach 10%.

Brand Awareness

(1) Increasing HEMA's online exposure such as social media advertising click rate and offline exposure such as OOH awareness by 40% after campaign period

(2) Boosting HEMA's social media engagement by 30% during the campaign period

Customer Engagement:

(1) To increase the participation rate of HEMA campaign by 70%

(2) Increase the rate of consumers signing up for a HEMA membership within the first three months to 55%

(3) Increase consumer repurchase rate to 60% within one month at HEMA

2.4.3. Campaign Theme: "Find your Fresh and Creative living at HEMA"

HEMA is a data and technology-driven new retail platform dedicated to bringing consumers more convenience in their daily lives through data and technological advances, while also bringing fresh goods at a good price. HEMA specializes in "fresher" and "higher quality" fresh food. Relying on the perfect supply chain and data technology, HEMA insists on "one-day-only sale" in some fresh food categories, realizing "daily freshness" from vegetables, fruits, meat and poultry, dairy products, bakery, seafood, aquatic products, etc., so that consumers can buy better quality and healthier food at relatively lower prices. This allows consumers to buy better quality and healthier food at relatively lower prices.

According to the results of our questionnaire, Hong Kong consumers are more demanding in terms of food ingredients, and in the pursuit of food safety and health, they also have a higher pursuit of food quality. At the same time, Hong Kong people also pay attention to convenience and price when choosing retail superstores. Therefore, we would like to emphasize to Hong Kong people the advantages of HEMA in terms of product quality and price, i.e., HEMA can provide consumers with better quality food and products at a relatively lower price. While HEMA has already been integrated into people's daily lives on the mainland, Alibaba Group's "new retail" concept is still new in Hong Kong. Committed to fulfilling consumers' aspirations for a better life, we will use technology and innovation to bring "Fresh Living" to consumers in Hong Kong.

What sets HEMA apart is a more complete supply chain and more advanced digital operations. Compared to traditional retail superstores that purchase goods from different suppliers based on commodity categories, which may go through more layers of agents. However, as a subsidiary of Alibaba Group, HEMA can directly utilize Alibaba Group's purchasing power and import channels to directly cooperate with the manufacturers or producers at the top of the supply chain, which shortens the supply chain and reduces the intermediate links, thus lowering the cost. HEMA can also conduct more accurate inventory management through Alibaba's data analysis and cloud computing capabilities, and forecast the demand for commodities. Forecasting, coupled with an efficient logistics system, HEMA is able to reduce the operating costs of goods while keeping inventory levels low. All of this gives HEMA a price advantage over other traditional retailers.

2.5. Target Audience Profiles

2.5.1. Target Audience

Based on the results of the survey and analysis, the target audience in this project is defined as Hong Kong residents (including mainlanders living in Hong Kong) aged 18-42. Targeting this target

audience is based on their purchasing power, consumption needs, lifestyle and market potential. This group is likely to be more compatible with HEMA 's brand philosophy, product selection and service experience, which will help HEMA to achieve competitive advantage and market share growth in the Hong Kong market.

2.5.2. Demographic

According to the Census and Statistics Department of the HKSAR Government [11], the provisional figure for Hong Kong's population at the end of 2023 was 7,503,100, representing an increase of about 30,000 persons or 0.4% when compared with the end of 2022. Among them, about 881,300 persons in Hong Kong are aged between 20 and 29. 1,166,000 persons are aged between 30 and 39, and finally, 1,139,700 persons are aged between 40 and 49. At the same time, according to a recommendation of the University Grants Committee being discussed in the Legislative Council of Hong Kong, the ceiling of Mainland students in Hong Kong's major universities may be changed from the current 20% to 40% of the total number of undergraduates from the 2024-25 academic year onwards.

Therefore, after conducting a questionnaire survey, we have positioned our target audience as all Hong Kong residents aged 18-42, including Mainland students in Hong Kong. This age group usually focuses more on convenient and fast shopping and healthy lifestyle. They are also more familiar with the new retail consumption pattern.

2.5.3. Psychological Test

A questionnaire survey of the target audience was conducted and analyzed to find that Hong Kong residents aged 18-42 and mainlanders living in Hong Kong are more interested in convenience, health and variety of consumer experiences. They may be more inclined to buy high-quality, fresh food and lifestyle products, and are interested in innovative shopping and retailing models. At the same time, mainland residents living in Hong Kong may also recognize and rely on HEMA 's brands and products. Due to the commonality of language and cultural background, HEMA may be more likely to attract the attention and purchase intention of this group.

2.5.4. Infographic

According to our findings, our target audience they are more focused on the variety of products in supermarkets and the distance of supermarkets for emerging shopping modes. They may be more sensitive to emerging shopping modes and brand experience and willing to try new products and services.

2.5.5. Behavioral

According to the results of our interviews, 82.2% have had the experience of spending money in HEMA. And 61.86% of consumers recognize HEMA Supermarket as a popular supermarket. Respondents have a high awareness of HEMA Supermarket, and Hong Kong residents aged 18-42 and mainlanders living in Hong Kong usually have a certain purchasing power and spending power, and they may be more willing to buy high-quality and convenient products and services. HEMA may have found that this group has a higher demand for healthy food, convenience shopping and digital experience by analyzing consumers' purchasing behavior and trends.

3. CAMPAIGN STRATEGIES AND CREATIVE TACTICS

3.1. Campaign Strategies with Reasons in Relationship to Its Given Objectives Strategies with Rationales

Based on the results of our survey and in conjunction with HEMA's brand image. We wanted to show the Hong Kong public the freshness of HEMA's products and the diversity of its own branded

products during the campaign. The theme of the campaign is: HEMA allows consumers to enjoy the freshness of life brought by the brand. To achieve these objectives, two main events, "Fresh Life" and private label marketing, will be held in 2024. The main campaign marketing lasts for 12 months divided into three phases. A combination of online and offline promotions will be used to achieve the objectives.

Phase 1: Raise awareness for HEMA by using Hong Kong's social media for online warm-up. Strengthen Hong Kong residents' awareness of HEMA.

In this phase, we will set up HEMA's official account on social media commonly used by Hong Kong residents to publicize and promote HEMA. Show Hong Kong residents the brand image of HEMA with fresh products and humanized service. It is hoped that Hong Kong residents can establish an initial awareness of HEMA. At the same time, an interactive game link was made online, allowing the audience to simulate the operation process of HEMA's transparent kitchen in a small game. At the same time, food-related health knowledge was released. To pave the way for HEMA's subsequent branding.

Phase 2: Build up the target audience's love and resonance for HEMA and develop a higher brand preference compared to competitors.

In the first phase we have increased the awareness of Hong Kong consumers towards HEMA as a brand. Consumers recognize HEMA as a new retail brand, but still lack some willingness to shop and spend money at HEMA. So in this phase we will work on increasing consumers' interest in HEMA and attracting them to experience HEMA's shopping model and products.

In this phase, we will organize offline promotional activities and in-store sampling and promotional activities. Real consumer experience can better promote real consumer spending.

Phase 3: To increase the engagement of HEMA with customers by active interactions.

In this phase we will increase the level of interaction between HEMA and consumers. Both through social media and offline face-to-face. The third phase is related to the localization of the brand in Hong Kong. HEMA will explore Hong Kong's food culture with Hong Kong consumers through offline activities, organizing offline and in-store tasting events, and attracting consumers to vote online through social media. The offline face-to-face events are not only held in HEMA stores, but also in other large shopping districts in Hong Kong, where limited-time flash mobs can reach more Hong Kong consumers.

At the same time, we also held a time-limited game in the store in the form of a scavenger hunt with the theme of "Find Your Fresh Living At HEMA". Consumers could find the activity cards while shopping in the store, which were placed at the product shelves and other corners of the HEMA store. Shoppers can redeem the cards for discounts as they shop.

3.2. Creative Tactics and Executions. Indicate How Each of the Tactics is Implemented in Following the Rationale of the Strategies and How the Objective(S) Can Be Achieved References

Phase 1: Increase HEMA's brand awareness in Hong Kong

Tactic 1: Establish official social media accounts to communicate with the public. Raise awareness for HEMA. Strengthen Hong Kong residents' awareness of HEMA.

Description:

Create an official HEMA HK account on Hong Kong's major social media platforms, Instagram, Facebook, YouTube and XiaoHongshu. Through these platforms, post news about HEMA's activities in Hong Kong, share HEMA's product posters, and provide introductions to product features. Let the public have a comprehensive understanding of HEMA's brand image and product features, and arouse

the public's attention and interest in HEMA. At the same time, initiate topic discussions on these social media platforms with hashtags. I Invite Hong Kong local KOLs to make collaborative posts and netizens to post and participate in the activities or comments. In terms of KOLs, we will invite Emi Wong and Point Cook Guide, two KOL also has their own YouTube columns who have a high number of followers in Hong Kong, and the viewers of their videos match our target audience. Both KOLs also have a good personal image to the public, Emi Wong often shares how to make their own food with fresh ingredients, while Dot Cook guide focuses on food product sampling and sharing. Both KOLs can balance the theme of HEMA's fresh products with the promotion of HEMA's own products. Therefore, we will invite them to share and interact with HEMA HK on their social media accounts. Increase attention and followers for HEMA HK's official accounts. Generate engagement and promote interaction and social sharing among the target audience.

Posting topics and hashtags will be for the following four areas:

(1) Get to know HEMA:

#HEMA "Fresh"#: Introduce HEMA's product transportation chain, reflecting the freshness of HEMA products.

(2) Food Quest:

(featuring Emi Wong and point cook guide)

#HEMA's Foodie Quest#: Encourage users to share the culinary products they would like to buy at HEMA. A posting poll can be conducted to collect data on the food products that users are looking forward to, to facilitate the continuous updating of subsequent products. (Cook Guide for HEMA food sharing, see Figure 2)

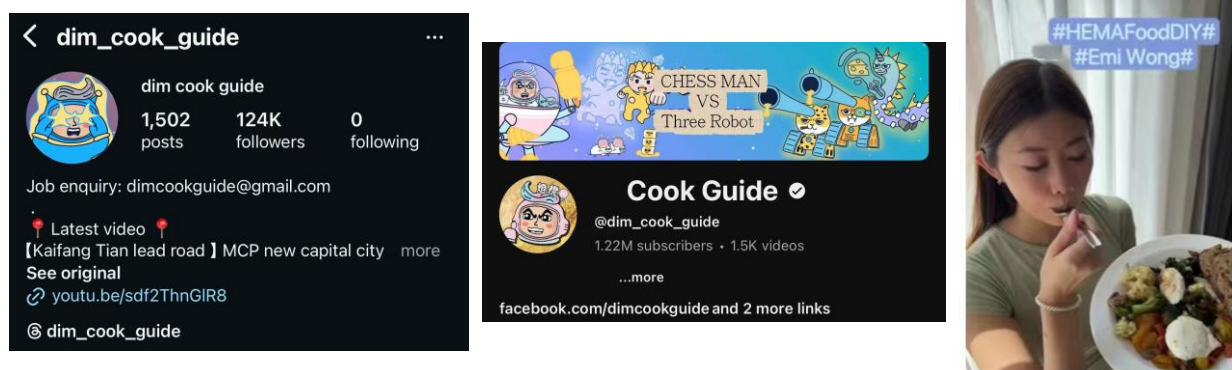


Figure 2. Point Cook Guide for HEMA food sharing

#HEMAFoodDIY#: KOLs are invited to share their gourmet creations made at home with HEMA-purchased ingredients, with preparation steps and photos. (Emi Wong carries out food creation using HEMA products and can ask KOLs to focus on showcasing the freshness of the ingredients, see Figure 3)

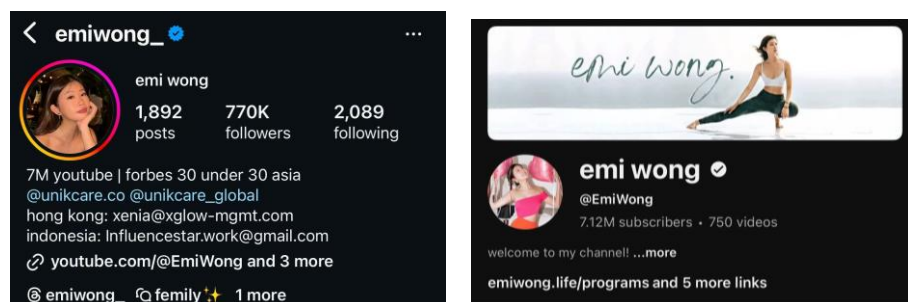


Figure 3. Emi Wong's social media accounts

(3) Playing with HEMA:

#HEMA's Shopping Tips#: Users are invited to share their tips on shopping at HEMA, their purchase lists, and special offers they found.

#HEMA's Goodies Recommendation#: Users are encouraged to recommend unique and useful products they found at HEMA and share their tips and experiences.

Rationale:

(1) We wanted to increase brand exposure by creating an official presence on social media. By creating interesting and compelling topics to discuss, HEMA can attract more users to engage and share. Promoting interaction and communication between users helps increase user loyalty and engagement. Attract more people to learn about and follow HEMA.

(2) Conduct word-of-mouth communication: Through the topics created, it stimulates word-of-mouth communication among users. When users share their opinions and experiences on the topics on social media, their friends and followers may also participate in the discussion, further expanding the influence of the topics and the awareness of HEMA.

(3) Attract KOL participation: inviting KOLs to participate in online topic discussions can increase the brand's influence and credibility. KOLs have a certain degree of influence, and their participation can attract more attention and discussion. When KOLs share HEMA-related content on social media, their fans and followers will also pay attention and participate in the discussion.

Tactic 2: Launch co-branded products of the classic movie IP King Kong to enhance the recognition of HEMA and its own brand products.

Description:

The movie "King Kong" is a classic movie IP with high popularity in China and abroad, and is also well known in Hong Kong, where the latest movie "Godzilla vs King Kong 2" will be released in March 28, 2024, so HEMA will also promote and co-brand with the movie "Godzilla vs King Kong 2" in March and April. Therefore, HEMA will also promote and co-brand its products with the movie "Godzilla vs King Kong 2" in March and April, and HEMA will launch its own products co-branded with the movie, capturing the essence of "creativity" and "freshness". HEMA will launch HEMA's own products co-branded with the movie, which will be a fun co-branding that capitalizes on the two characteristics of "creation" and "freshness". The movie will be a fun co-branding of King Kong's own products, which will capture the two characteristics of "creation" and "freshness". Generate a discussion on "What does Donkey Kong like to eat? The topic of discussion and product poster display. Promote HEMA and HEMA's own branded products based on high-profile classic movies.

Online: HEMA will release a poster co-branded with the King Kong movie on social media platforms. The posters will feature the main characters of the movie, King Kong and Godzilla, and HEMA's products. At the same time, HEMA will put up the cooperative peripheral products on the HEMA APP, see Figure 4.

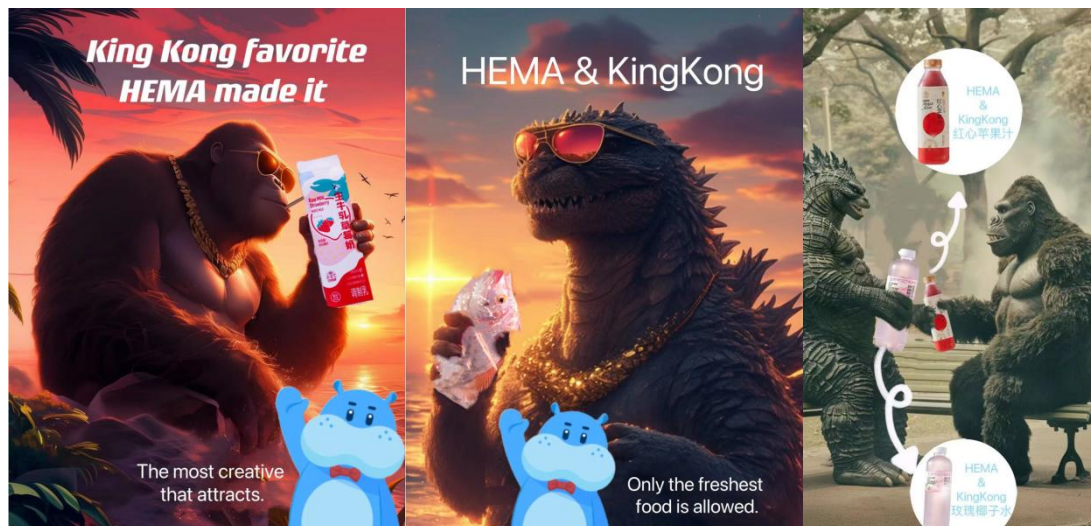


Figure 4. Posters co-branded with the King Kong movie

Offline: HEMA will sell food products co-branded with King Kong in offline shopping malls as well as displaying the co-branded peripheral products.

Rationale:

- (1) Target audience fit: as a PG-13 rated movie, King Kong is still watched by the main age level of 18+. It is also more popular with young people because of its sci-fi nature and fight scenes. This group also fits with HEMA's target audience of 18-42 years old. This fit can bring common market opportunities and audience groups for both parties. At the same time, HEMA and King Kong may also have target audiences that are interested in and identify with both brands. A co-branding partnership can meet the needs of these audiences and create a unique product by integrating the strengths and characteristics of both brands.
- (2) Creative complementarity: HEMA, as a brand that focuses on fresh ingredients and culinary creations, and King Kong, a well-known entertainment brand, may have complementary creative and marketing philosophies. A co-branding partnership could combine HEMA's ingredients and King Kong's image to create unique products or flavors that would attract more consumer attention.
- (3) Enhance brand recognition: As a well-known IP, co-branding with King Kong can bring HEMA higher brand awareness and recognition. Fans and followers of King Kong may become interested in HEMA's products and brand, thus attracting more new consumers and exposure.
- (4) Innovation and Uniqueness: A co-branding partnership can bring innovative and unique products or experiences to HEMA and King Kong. This collaboration can utilize the creativity and resources of both parties to create products that are unique in the marketplace, attracting consumers' attention and desire to purchase.
- (5) Market competition and differentiation: In recent years, more and more retailers are promoting their own brands through direct IP licensing, or DTR licensing model (Direct-To-Retail Licensing). This approach has become a clear trend in recent years. In particular, newly emerging new retail platforms are placing more emphasis on brand image building. The co-branding partnership can help HEMA to stand out in the highly competitive market in Hong Kong. By partnering with King Kong, HEMA can differentiate itself from other competitors by offering unique and attractive products. Such a partnership can enable HEMA to establish a unique image in the minds of consumers that differentiates it from other brands.

Tactic 3: Sharing interactive games through the official account: 1) Transparent kitchen of "HEMA"
2) Catch HEMA this way to promote downloading HEMA HK App to retain users.

Description:

Firstly, HEMA will share the interactive mini games opened by HEMA official accounts on social media, Instagram, Facebook and Xiao Hongshu. This is because these three social media platforms are easier to navigate, post and communicate with in real time. Users can play the game through the link or download HEMA's APP and register to play the game (use email or cell phone number to register). The game will be set up in two segments.

The first segment is a cooking and business mini-game where players will take on the role of HEMA's proprietor, where they will offer fresh products to customers or DIY products to sell. Earn enough gold coins in each level to break through. The interface of this game board will show the feature of "transparent kitchen" in HEMA supermarket, so that players can experience the freshness of HEMA products and the clean environment of HEMA supermarket. Players will be able to share the game on social media platforms and receive discounts for purchases at HEMA after successfully completing the level. (See Figure 5)

The second section is a casual mini-game. Players will pick out the same HEMA products from the shopping baskets filled with different HEMA products and synthesize them. At the end, the shopping basket will be emptied to complete the game. Each level of the game will also have a corresponding number of coins that can be used to spend at HEMA. (See Figure 6)

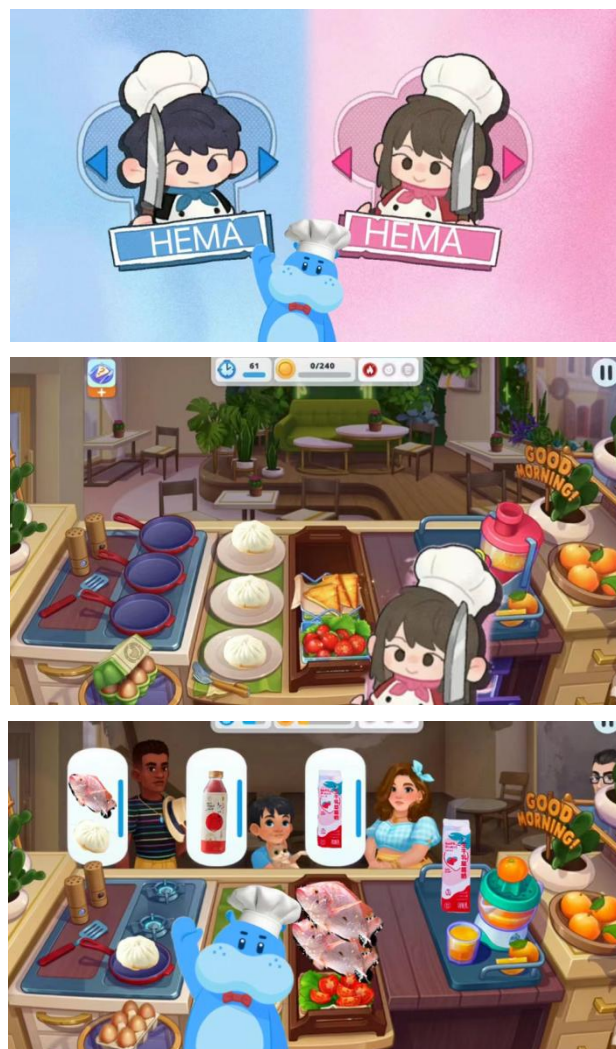


Figure 5. "Transparent kitchen" in HEMA supermarket

Consumers pick their favorite image

The game interface will be the real-life HEMA supermarket goods. The gamer needs to be ready to arrange the goods.

When a customer appears in the game, the player needs to click on the item to sell it to the customer. Players can get discount gold coins from HEMA APP by sharing it to social platforms. Gold coins can reduce a certain amount of money for real-life goods.



Figure 6. Casual Mini-game

The goods in the game will be real-life goods from HEMA supermarkets. Players click on three identical items to eliminate them. When all the items are eliminated, the message "Congratulations on catching HEMA!" will appear.

Players can get discount gold coins from HEMA APP by sharing it to social platforms. Gold coins can reduce a certain amount of money for real-life goods.

Rationale:

(1) Capitalize on the appeal of casual games: according to report data, 40% of casual gamers are millennials, and the main gaming demographic is over 25 years old with some social work experience and income. Casual game players have no special preference in hobbies and are involved in almost all types of hobbies, with baking and reading being their most widespread hobbies. And casual games are most popular on mobile devices, especially on cell phones. Therefore, we will create two games related to the HEMA brand and products, which will be attractive and entertaining to attract consumers' interest and engagement. Such games will increase consumer motivation to download the official app.

(2) Hidden advertising within the game: During the game, by setting up promotional elements and guiding messages related to HEMA products, consumers will become more familiar with HEMA-related products and information. Subliminally influencing consumers through the game. Provide links to download the official HEMA app on official accounts on social media platforms. For example, display HEMA's brand logo, recommend special offers or exclusive events in the game, and provide a download link or QR code for consumers to scan.

(3) Incentives: Provide consumers with incentives and benefits for downloading the official HEMA app to increase their motivation. For example, you can set up specific achievements or stages in the game, give some in-game rewards or HEMA coupons when consumers meet certain conditions, and direct consumers to download the official HEMA app to receive the rewards.

(4) Social sharing and invitations: Utilize the game's social features to encourage consumers to share the game's progress and invite their friends to join them when they complete a task or obtain a specific

achievement. Include a link to download the official HEMA app in the shared content to expand the reach of the download through word-of-mouth.

We hope to increase new consumers in this way while retaining those who have already registered. Personalize marketing to consumers based on HEMA APP registration information, using data analytics and consumer behavior tracking technology to understand consumer preferences and needs. Through personalized recommendations and targeted advertisements, we provide consumers with information about products and events that are relevant to their interests, increasing engagement and willingness to purchase.

Tactic 4: Quick advertisement on YouTube

Description:

YouTube has been widely used by the public as a video broadcasting platform, HEMA will not only set up an official account on YouTube to publish HEMA's brand promotional videos, but also put short advertisement videos on YouTube. HEMA will also put advertisement videos on YouTube, see the story board Figure 7.



Figure 7. Quick advertisement on YouTube

Rationale:

Usually, before watching a video on YouTube, viewers need to watch a 15 to 20 seconds advertisement. At the longest, you need to watch 6 seconds of non-skippable ads before you can click the "skip ads" button. Therefore, viewers are eagerly waiting for the "skip ad" button to appear, and feel that the advertisement has wasted 6 seconds of their time.

HEMA will utilize this platform feature to launch a "super-fast" advertisement that lasts only 6 seconds to show the freshness of HEMA's products and HEMA's brand image. At the end of the commercial, the character will press the "skip commercial" button for the viewer to go directly to the following video. In this way, HEMA's products and brand image are showcased. In this way, it attracts viewers' attention and deepens their impression of the brand. By showing the features of HEMA in the video format, it enhances brand awareness and attractiveness.

Phase 2: Developing a higher preference of HEMA

Tactic 5: Launch campaign – “Find the Fresh at HEMA”

Description:

The campaign, set up in HEMA stores, allows consumers to look for "Fresh Cards" in HEMA stores during the campaign period through tips posted on the official HEMA app and the official HEMA Instagram account, see Figure 8. Consumers who succeeded in finding the "Fresh Card" could collect NFC e-stamps at the checkout counter. For every three e-stamps collected, the consumer can redeem a voucher of 15 off a purchase of 150 or more on the HEMA app. Each account can redeem a maximum of two vouchers during the campaign period. Consumers who participate in the scavenger hunt will also have a chance to win additional discount vouchers when they share their scavenger hunt experience by posting on the RED and Instagram with the appropriate topics and tags. Each Fresh Card will have a different design, and the card face will be centered around themes such as HEMA's natural ingredients and innovative supply chain. Different Fresh Cards have different e-stamp artwork, and even after redeeming the e-stamp, the consumer will have a commemorative e-stamp in their official HEMA app. Consumers will be able to collect different commemorative e-stamps through different activities in the future. The collection of e-Stamps will also be counted in the honor roll and can be exchanged for different honors, thus attracting consumers to participate in different activities organized by HEMA.



Figure 8. “Find Your Fresh” Poster

Rationale:

The "Treasure Hunt" campaign's e-seal collection is also in line with many young people's hobby of collecting, and e-seal collection is also a good form of O2O activity, which can well demonstrate HEMA's innovativeness to the audience, and bring a sense of freshness of HEMA to the consumers. The e-seal collection method not only does not require the production of additional physical seal cards or the consumption of additional power, but also demonstrates HEMA's innovation and reinforces HEMA's brand concept of "pursuing innovation and environmental protection".

Tactic 6: Launch campaign -- Night Bazaar Culture Festival

Description:

Combining Hong Kong's regional cuisine and snacks, a HEMA-themed night bazaar will be created to suit Hong Kong's culture, showcasing a variety of HEMA's own-branded cooked food, fresh ingredients and local Hong Kong snacks. The night bazaar will be held on weekends and public holidays from evening to night, with stalls selling HEMA's ingredients and delicacies at the crowded Flower Market Park in Kowloon, Hong Kong. Since Flower Market Park is in the Mongkok area of Kowloon, it has a high flow of people, which is conducive to better reaching our target audience. The event also features live bands and other street performers to enhance the entertainment and spectacle of the event, attracting more consumers to the venue and increasing the amount of time they spend at the stalls. A "HEMA Hong Kong Memories" photo exhibition was also set up at the venue, featuring photos of Hong Kong's old and traditional markets to tell the story of market culture. The exhibition was publicized on HEMA's official social media accounts and HEMA's official app, and event posters were displayed at HEMA's offline stores.

Rationale:

HEMA's target audience is the Hong Kong consumer whose age from 17-42, so we wanted to deepen the consumer's impression of HEMA with more interesting and creative offline marketing activities. The "Treasure Hunt" and the "Night Market Cultural Festival" both combined HEMA as a retail superstore with entertainment to attract the audience's attention. At the same time, HEMA's own branded products and benefits were promoted to give the audience a deeper impression and increase consumer participation in HEMA's activities, thus increasing the audience's preference for HEMA amongst the many retail outlets in Hong Kong. This stage is also the contact and connection point to increase consumer interaction with HEMA, as the atmosphere of the Treasure Hunt and the Night Market Festival is relaxed and cheerful, and demonstrates the more competitive pricing of HEMA's private label products, as well as HEMA's overall product offerings. It also showcases the more competitive pricing of HEMA's own branded products, as well as the youthful and innovative uniqueness of the HEMA brand, which is different from that of other Hong Kong retailers, and is sure to attract a younger target audience [12].

The "Night Bazaar Cultural Festival" is aimed at a wider age range of audience. The event aims to promote HEMA's own brand of delicatessen food and fresh ingredients through Hong Kong's local bazaar and snack culture. The event is designed to attract the target audience who love food and have high expectation on food. Setting up a tasting session through the market stalls also gives consumers a direct opportunity to experience HEMA's products and promote HEMA's own branded products, which helps to expand HEMA's target consumer base. The addition of street performances not only improves the entertainment of the whole event, but also creates a livelier atmosphere for the event, which can better attract the attention of the target audience and increase the time consumers stay in the event venue, which is conducive to better converting the time consumers stay into purchases and consumption.

Phase 3: Increasing the engagement of HEMA with customers by active interactions.

Tactic 7: Launch campaign – “What's for a picnic?”

Description:

Spring Picnic marketing campaigns were set up in HEMA stores and on the official HEMA app, and the campaigns were promoted through HEMA's official accounts on different social media platforms with topical posts. Picnics and camping, as a casual and relaxed lifestyle, can be paired with the fresh ingredients sold by HEMA to better enhance the enjoyable experience while picnicking and camping. Hong Kong residents have a high interest in leisure activities such as picnics and camping, and some of HEMA's own-branded deli food, semi-finished food and food ingredients sold in HEMA stores are well suited for picnic and camping scenarios. Most of the delicatessen and desserts sold under HEMA's own brand are freshly made on the same day, which has a shorter shelf life but guarantees

the freshness of the food and its delicious taste. This campaign encourages consumers in Hong Kong to try these products, which will help them to further recognize HEMA's pursuit of freshness in ingredients. In the Spring season of April in Hong Kong, some of the products sold in HEMA stores that are suitable for picnics and camping will be co-branded with this event. The co-branded products will feature the campaign's special logo on the packaging, and a separate category of co-branded products will be added to the purchase channel of the official HEMA app, making it easier for consumers to shop. Consumers who purchase the co-branded products through stores or the HEMA app will be able to win prizes such as picnic organizers and picnic mats when they reach a tiered amount. (Purchase of co-branded products over 88 RMB can get a picnic organizer bag, and purchase of co-branded products over 188 RMB can get a picnic organizer bag and picnic mat) Consumers who have reached the threshold of the campaign and have registered for an account on HEMA's official app will be able to get a commemorative badge for the campaign within their account, and they can also add the commemorative badge to the "e-collector book" of the HEMA's official app. "e-Stamp Book" in HEMA's official app.

Rationale:

At this stage of the campaign, the main objective was to increase the interaction between consumers and HEMA, so the synchronization of online and offline marketing activities was considered as a marketing priority. The "What's for Picnic" campaign fits in with Hong Kong residents' love of picnics and camping, and is conducive to HEMA's influence on Hong Kong consumers' lifestyles as well as increasing the degree of interaction and engagement between Hong Kong consumers and HEMA, resulting in a higher degree of penetration of HEMA into the lifestyles of Hong Kong consumers. In this campaign, HEMA's main products were HEMA's own branded deli products, which had a short shelf life and were ready to sell on the same day, which was in line with the theme of the marketing campaign. The purchase of event co-branded prizes is highly compatible with picnics and camping, and is a practical type of giveaway, which is more likely to gain consumer favor and stimulate consumers to purchase event co-branded products, thus contributing to the increase of HEMA's sales. Picnics and camping, as a relaxing and leisure type of daily pastime, are also conducive for HEMA to build up its brand image among Hong Kong consumers, and are more in line with the preferences of the target audience. Participating in the campaign to get an e-stamp also meets the hobby of collecting stamps, blind boxes or badges, which is in line with the "game mentality" of young consumers [13]. Setting up e-pins not only eliminates the need for physical stamp albums, which is conducive to environmental protection and sustainable development of the planet, but also promotes the participation of consumers who have the hobby of collecting and the pursuit of collecting all the illustrations in the HEMA activities, which will help to achieve the repurchase rate of this group of consumers and increase the loyalty of the consumers to HEMA.

Tactic 8: World Environment Day Workshop – “HEMA Oceanographic Museum”

Description:

A small exhibition stand will be set up in the area where seafood and aquatic products are sold in HEMA stores, displaying fish models and introducing marine ecology and river ecology and the complete supply chain of HEMA's seafood and aquatic products. In conjunction with the event, HEMA's official app and official social media accounts will also post inquiries about the event to attract consumers to attend. Posters will be displayed at the entrances of HEMA stores to attract offline shoppers. A seafood cooking contest will also be held online to encourage consumers to create creative dishes using HEMA's seafood and aquatic products. Users who share their seafood dishes with HEMA-related posts on Xiaohongshu and Instagram will have a chance to win stackable vouchers of 150 minus 50 for HEMA's seafood and aquatic products through a lucky draw.

Rationale:

The exhibition setup of the HEMA Marine Museum Day event can attract consumers to spend more time in the seafood and aquatic products section of HEMA stores. For those consumers who often use the official HEMA app to make online purchases and seldom visit offline stores to buy goods, this kind of event can also attract them to spend money and shop in stores to some extent. Influenced by the store environment and offline shopping, this group of consumers may spend more than when shopping online [14]. It is undoubtedly useful in boosting HEMA's sales and sales conversion rate [15]. Seafood accounts for a relatively large portion of the diet of Hong Kong Hong Kong residents, with Hong Kong people consuming an average of 66.5 kilograms of seafood per person in 2017, which is more than three times the global per capita consumption [16]. Consumers in Hong Kong also pay more attention to the quality and freshness of seafood and aquatic ingredients. Through this kind of activities, we can show consumers the advantages of HEMA's seafood and aquatic products have the cash and complete supply chain, you can buy high-quality seafood ingredients at a more favorable price. It can also enrich the experience of consumers who visit HEMA stores for offline shopping and increase the fun of shopping.

Tactic 9: "Eating at HEMA" -- KOLs visiting HEMA

Description:

Invite Hong Kong KOLs CAYU-CHI Alison (Alison, see Figure 9) and KAKI-CHICHI (chichi, see Figure 10) to visit HEMA stores on YouTube and release a store visit Vlog with HEMA-related topics. both KOLs have high influence on YouTube, with more than 100,000 followers, and the videos are played by a younger audience of Hong Kong residents. The audience of the videos is mainly young Hong Kong residents, which has a high overlap rate with the target audience of HEMA's marketing campaign. Moreover, the videos released by the two KOLs are based on lifestyle and food, with a relaxed atmosphere, which is in line with HEMA's brand tone. The content of the videos will focus on the evaluation of a wide range of food, desserts, cooked food and semi-finished food sold in HEMA, to demonstrate HEMA's pursuit of a "fresh lifestyle".

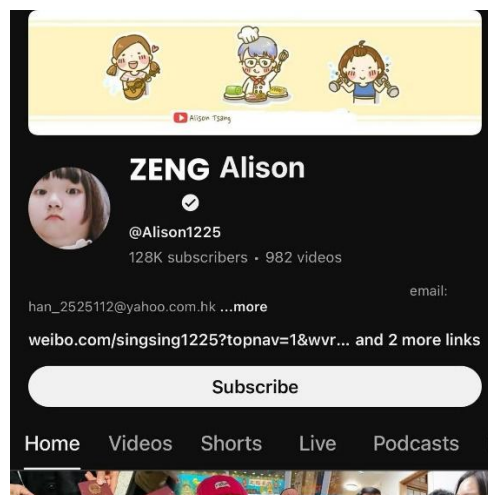


Figure 9. CAYU-CHI Alison' s YouTube Account

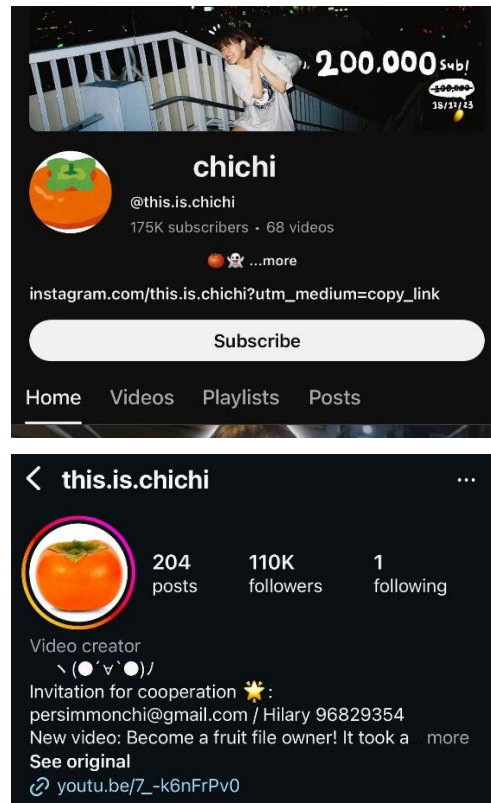


Figure 10. Chichi's YouTube Account and Instagram Account

Rationale:

People nowadays rely more and more on the information and opinions provided by KOLs on the Internet to make choices in their daily life style [17]. Inviting food KOLs and lifestyle KOLs that are well known and influential in Hong Kong can be a good way to attract followers of such KOLs to HEMA. The followers of CAYU-CHI TSANG Alison [Hong Kong Tsang's Little Sister] and KAKI KAKI CHI have a high degree of overlap with HEMA's target audience in Hong Kong, and the video content posted in the past is more in line with HEMA's tone.

3.3. Media Plan

HEMA will conduct the creation of official HEMA HK accounts on four social platforms - Instagram, Facebook, YouTube and Xiaohongshu - on the first day of 2024 as the very beginning of the campaign. And content posting.

The topics to be posted on Instagram, Facebook and Xiaohongshu will be in the order of Strategy 1 to Strategy 9. The above schedule of topics will continue throughout the campaign period. The frequency of posting on Instagram, Facebook, and Little Red Book will be maintained at 2 to 3 times per month.

The official YouTube account will feature content such as HEMA's product documentaries.

YouTube will feature CAYU-CHI Alison (Alison) and KAKI-CHICHI (chichi) promoting HEMA in their respective sections in September and October.

YouTube's Quick Ads will be run for 12 months, 2 weeks per month, with content from the previous section. Two 6-second non-skippable ads will be placed. At the same time, the advertisements for HEMA will be screened for the type of video that matches the brand's concept, which will help to increase the effectiveness of the advertisements. The ads will be placed mainly in the video categories of "Fresh Food", "Hong Kong Life" and "Creative Food". The target audience watching this segment

is also more in line with HEMA's target audience and can be more targeted to attract the target audience.

For the co-branding with the movie King Kong, the online campaign will start in early March, and offline product sales will begin on March 28th, when the King Kong movie officially opens in theaters. The co-branding campaign will run for two months from early March to the end of April.

HEMA's online gaming campaign will run throughout the promotional period. Memories of the gaming campaign will take place on different dates each month. Help more users download the official app and use it through HEMA's online gaming link.

3.4. Timeline for Activities

		Year 2024																							
Month		Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct		Nov		Dec	
		Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	Early/Late	
		Phase 1: Increase HEMA's brand awareness in Hong Kong																							
Tactic 1	Establish official accounts and post	INS, FB, XiaoHongshu : 1. Get to know HEMA																							
		2. HEMA's Foodie Quest invite KOL Dim_Cook_Guide																							
		3. HEMA Food DIY invite KOL Emi Wong)																							
		4. HEMA's Shopping Tips																							
		5. HEMA's Goodies Recommendation																							
Tactic 2	Co-branding with King Kong	YouTube: Product Introduction Video																							
		INS, FB, XiaoHongshu, HEMA APP offline store																							
Tactic 3	Promotion of HEMA APP	INS, FB, XiaoHongshu: Share game link																							
Tactic 4	Quick advertisement on YouTube	Ad 1																							
		Ad 2																							
		Phase 2: Developing a higher preference of HEMA																							
Tactic 5	Launch campaign "Find the Fresh at HEMA"	INS, FB, XiaoHongshu, HEMA APP																							
Tactic 6	Launch campaign "Night Bazaar Culture Festival"	INS, FB, XiaoHongshu, HEMA APP OOH in MTR																							
		Phase 3: Increasing the engagement of HEMA with customers by active interactions.																							
Tactic 7	Launch campaign "What's for a picnic?"	INS, FB, XiaoHongshu, HEMA APP																							
Tactic 8	World Environment Day Workshop "HEMA Oceanographic Museum"	INS, FB, XiaoHongshu, HEMA APP																							
Tactic 9	"Eating at HEMA" KOLs visiting HEMA	INS, FB, XiaoHongshu, HEMA APP YouTube																							

Figure 11. Timeline

3.5. Budget

Phase/Item	Cost(s)	Quantity	Total(s)
Phase 1: Increase HEMA's brand awareness in Hong Kong			
Tactic 1: Establish official social media accounts			
- Invite Kol:Emi Wong	\$59,000	1	\$59,000
- Invite Kol: Cook Guide	\$22,000	1	\$22,000
Tactic 2: Launch co-branded products of the classic movie IP King Kong			
- Co-branded IP fee with King Kong movie	\$2,900,000	1	\$2,900,000
- Co-branded promotional poster with King Kong movie offline store posters	\$100	3	\$300
Tactic 3: Sharing interactive games through the official account			
- HEMA two mini-games production ui costs	\$300,000	2	\$600,000
Tactic 4: Quick advertisement on YouTube			
- Ad 1	per day \$70	84 days	\$58,800
- Ad 2	per day \$70	84days	\$58,800
		Sub- Total:	\$3,098,900
Phase 2: Developing a higher preference of HEMA			
Tactic 5: Launch campaign – “Find the Fresh at HEMA”			
- Printing cost of Posters in HEMA offline stores (A3)	\$9	20	\$180
- Roll-up Banners in HEMA offline stores	\$200	20	\$4,000
- Fresh Card (4 in.)	\$2	50	\$100
- NFC Electronic Seal	\$15	15	\$225
Tactic 6: Launch campaign – Night Bazaar Culture Festival			
- Printing cost of Posters in HEMA offline stores (A3)	\$9	50	\$450
- Venue Booking	\$80,000	4 days	\$320,000
- Event Helpers Recruitment	\$70/hr	50	\$70,000
- MTR OOH	\$100,000	45 days	\$4,500,000
- Settings:			
a) Bazaar setting	\$80,000	1	\$80,000
b) Lighting & Sound	\$25,000	/	\$25,000
c) Stage setting	\$4,000	1	\$4,000
d) Photo exhibition	\$10,000	1	\$10,000
		Sub- Total	\$5,013,955
Phase 3: Increasing the engagement of HEMA with customers by active interactions.			
Tactic 7: Launch campaign – “What's for a picnic?”			
- Printing cost of Posters in HEMA offline stores (A3)	\$9	20	\$180
- Roll-up Banners in HEMA offline stores	\$200	20	\$4,000
- Stickers on co-brand products	\$1	5000	\$5,000
- Picnic organizer bag	\$5	2000	\$20,000
- Picnic mat	\$18	900	\$16,200
Tactic 8: World Environment Day Workshop – “HEMA Oceanographic Museum”			
- Printing cost of Posters in HEMA offline stores (A3)	\$9	20	\$180
- Roll-up Banners in HEMA offline stores	\$200	20	\$4,000
- Exhibition	\$8,000	2	\$16,000
Tactic 9: “Eating at HEMA” -- KOLs visiting HEMA			
- KOLs Invitation	\$10,000	2	\$20,000
		Sub- Total	\$85,560
		Total:	\$8,198,415

Figure 12. Budget

3.6. Contingency Plan

Potential risk 1: The KOLs promotions are not attentive to the target audience

Solution:

We start by researching and surveying the more active Hong Kong KOLs on YouTube to determine if they have the potential to collaborate with HEMA based on the subject matter, style and content of their past videos. We also evaluate the talent, style and reputation of the KOLs to see if they fit in with the style and tone of the HEMA brand. Just in case the two YouTubers, CAYU-CHI TSANG Alison and KAKI-CHICHI are unavailable, I've also prepared a list of other KOLs who are active on YouTube, and "Stephen Leung Eat, Drink & Be Merry" (Stephen Leung) with 260,000 followers is also available. Once the expected two KOLs are not available, we will invite this KOL Stephen Leung, an active food sharing KOL in Hong Kong, has a younger audience of Hong Kong residents, and each video has an average of more than 30,000 views on YouTube, which is good data and traffic, and helps us reach a wider target audience.

Draft detailed contracts with KOLs outlining content guidelines and the approval process. Monitor content pre-release and provide KOLs with clear briefs about brand values and messaging. Have a backup list of KOLs and content creators who can be engaged at short notice.

Potential risk 2: Low participation of the offline marketing campaigns.

Solution:

After the implementation of each offline marketing campaign, if the participants of the campaign are lower than the expected target, we will post the promotional information of the offline marketing campaign on HEMA's official social media accounts more frequently, and the frequency will be increased to at least one post or content related to the campaign on each of the official social media accounts. Each post will include incentives to increase consumer and target audience engagement with our social media accounts and to stimulate their participation in the event. For example, for the Night Bazaar Cultural Festival held in Mongkok's Flower Market Park, use HEMA's official social media accounts to post and set up comments and retweets to participate in a lucky draw for a chance to win HEMA's discount vouchers or free gifts on the day of the Night Bazaar Cultural Festival, and so on. Reserve a larger section of the HEMA app to publicize each offline event, and set up the opening screen of the HEMA app with a poster promoting the event to ensure that every consumer who opens the HEMA app has the opportunity to see the promotional message. In this way, we will increase the coverage and exposure of the event to attract more participants.

If the participation in each offline event was lower than expected, we would train some of our store staff during the subsequent events and set up temporary booths in the offline stores to introduce the event to consumers in order to attract more participants.

Potential risk 3: The Night Market Cultural Festival event experiencing inclement weather

Solution:

Considering that the venue of the Night Bazaar Cultural Festival will be held outdoors at the Flower Market Square in Mongkok, we will pay attention to the weather information released by the Hong Kong Observatory in advance and flexibly advance or postpone the event to avoid rainy weather. For and its adverse weather conditions, such as Black Rainstorm Warning and Typhoon and Typhoon Signal No. 8, the event will be postponed, otherwise it will be held normally. Notice of postponement will be posted on the official HEMA app and HEMA's official accounts on various social media platforms. The location of the postponed event will remain the same and the time of the event will be chosen on the nearest Friday and Saturday night, and the new time will also be posted with the postponement announcement.

Potential risk 4: Participation in the game of HEMA was lower than expected.

Solution:

Transparent kitchen of “HEMA” and Catch HEMA were our pre-promotion marketing campaigns. Because of the sharing mechanics included in the games, the engagement of these two games had a closer correlation to the spread of HEMA on social media. If the game doesn't have a high level of engagement, or if the game has a low level of sharing and distribution on social media, in order to increase HEMA's social media exposure through these two games, we will be increasing the rewards for passing the games. Increase the face value of the discount vouchers that consumers can get after passing the games, and set up some of the game pass rewards as physical goods that consumers can collect directly when they spend money in offline stores. Increase the budget for game rewards to encourage consumers to participate in the game and share the game to increase the engagement rate and get a better reach.

3.7. Evaluation

Evaluation plan to enhance market penetration objectives:

- (1) Localize HEMA in Hong Kong: Adapt product selection and marketing strategies to the preferences and cultural differences of the Hong Kong consumer market. Add more localized products within the first six months of opening HEMA in Hong Kong.
- (2) Increase HEMA's visibility and financial performance in Hong Kong: Achieve sales targets and profitability goals for HEMA stores in Hong Kong to demonstrate the feasibility and success of HEMA's entry into the Hong Kong market. Within one year, HEMA's share of the Hong Kong retail market will reach 10%.

Evaluation Methods:

- (1) Monitor sales data, including sales volume, number of sales and average purchase amount to assess achievement of sales targets.
- (2) Track changes in market share and calculate HEMA's share of the Hong Kong retail market using market research data and sales data. Also monitor sales data and market feedback of localized products to understand their popularity and sales growth. Conduct market research and consumer surveys to assess the awareness and satisfaction of localized products.
- (3) Monitor competitors' market share and market share trends to assess HEMA's relative position and growth in the market.

Evaluation plan to enhance brand awareness objectives:

- (1) increase HEMA's online exposure (e.g., social media ad clicks) and offline exposure (e.g., outdoor ad awareness) by 40% after the campaign.
- (2) increase HEMA's social media engagement by 30% during the campaign.

Evaluation Methods:

- (1) monitor growth in interaction metrics such as likes, comments, shares, etc. on social media platforms.
- (2) track the number and engagement of hashtags and user-generated content (UGC) related to the campaign.
- (3) use click-through rates for posts and ads to detect and track increases in click-through rates for online ads
- (4) Conduct market research and surveys to understand the increase in offline ad awareness.

Evaluation Plan to Enhance Client Engagement objective:

- (1) increase participation in HEMA activities by 70%.
- (2) increase the percentage of consumers enrolled in HEMA within the first three months to 55%.
- (3) increase the percentage of consumers who repurchase within one month of HEMA to 60%.

Evaluation Methods:

- (1) Monitor the number of registered participants and enrollments for the campaign, compare the data for each campaign, and review after the campaign to facilitate adjustments for subsequent campaigns.
- (2) Use questionnaires. Evaluate participants' satisfaction and engagement with the event through their feedback and surveys. Understand their shopping experience and willingness to repurchase.
- (3) Continuously track the number of registered members and compare it with the previous time.
- (4) Analyze the consumer behavior and purchase frequency of registered members to determine the improvement of conversion rate.
- (5) Track consumer buying behavior and purchase frequency to determine the improvement of repurchase rate.

4. CONCLUSION

In this report, we investigated the views and attitudes of Hong Kong consumers towards HEMA, a new retail model of supermarkets for the survey, and also investigated the current selection tendency and consumption habits of Hong Kong consumers in local retail supermarkets in Hong Kong. A quantitative study (online questionnaire) was conducted on this. The results of the survey show that most Hong Kong consumers have had the experience of spending or shopping at HEMA, but their recognition of HEMA is not high.

With the theme of “Find your fresh and creative living at HEMA”, this report aims to make HEMA enter the Hong Kong market as a new retail brand in mainland China through three thematic marketing phases to localize HEMA in the Hong Kong market and establish HEMA's unique brand image and gain the favor of Hong Kong consumers. The three phases are: 1. Raise awareness for HEMA by using Hong Kong's social media for online warm-up. Strengthen Hong Kong residents' awareness of HEMA. 2. Build up the target audience's love and resonance for HEMA and develop a higher brand preference compared to competitors. 3. To increase the engagement of HEMA with customers by active interactions. In the first phase, we will focus on increasing the awareness of HEMA among Hong Kong consumers through online marketing via social media platforms, a series of online marketing campaigns, co-branding and mini games will be used as the strategy for this phase. In the second phase, we will use offline marketing activities to increase Hong Kong consumers' love for the HEMA brand, using offline activities to let consumers feel more intuitively the freshness and innovation that HEMA pursues, and in-store activities to help increase sales. In the third phase, we set up both online and offline marketing campaigns, in which online and offline were used in conjunction to increase consumer interaction and engagement with the HEMA brand. Tactics in this phase also included the promotion of KOLs on social media, through which HEMA's penetration on social media and among consumers in Hong Kong was increased.

We hope this report provides inspirational insights for HEMA. HEMA can further consider the Hong Kong market in its future development and continue to promote the concept of fresh and creative lifestyle.

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