# ANALYSIS OF STRATEGY MANAGEMENT OF MEITUAN. LTD FROM THE PERSPECTIVE OF CUSTOMER LOYALTY

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**ABSTRACT**

Now the market competition is increasingly fierce, the enterprise is committed to starting the brand is more important. Brand is the external image of an enterprise. In order to have a more favorable market position and occupy more market, the competition between brand and brand is becoming more and more fierce. In today's rapid development of technology, new products and new alternatives emerge in an endless stream. Cultivating and gaining customer loyalty is also a very important brand marketing strategy. To explore takeout order software, rider service attitude, takeout health protection and delivery satisfaction and customer loyalty, the article through online questionnaire information collection and integration shallow analysis, after the SPSS software to make relevant regression analysis, finally get Delivery order software , rider service attitude, takeout health protection and delivery satisfaction have a positive impact on brand loyalty and brand trust intermediary, aims to create more possibilities for strategic management, to provide relevant reference for brand development and marketing.

**Keywords:** Delivery order software, Brand loyalty, Rider service attitude, Takeout health protection, Strategic management, Delivery satisfaction

## 1. INTRODUCTION

As a business giant, Meituan's development process is not unchanged, and it will adjust different strategic layouts at different stages. For enterprises, to seize the opportunity, to make timely adjustments, to usher in greater development. So what are the main factors affecting and driving the evolution of Meituan Review's future development strategy? What are the development prospects? What innovative strategic layout? Where are the investment opportunities? How to operate an important new business that affects the business operation?

The organization and management of Meituan, a collection of serial entrepreneurs, are becoming more and more sophisticated. Meituan CEO Wang Xing founded Meituan.com in the beginning as a group-buying website. Later, with food as the core, it will deepen and strengthen the upstream and downstream of the industry chain. New businesses outside the boundaries will be invested more carefully, and the company's organizational capacity will be strengthened. What a company is like is closely related to its founders. Functions such as HR or finance are just landing or amplifying the founder's ideas in their professional fields(Si, 2011). Meituan management model: Based on the core department of the original company, a top-down management structure centred on technology and marketing is formed. The core management team has a thin number of people, a distinct division of labour, and is relatively flat. It is more conducive to control and execution effect. Background of Meituan members: a competitive team with a high degree of mutual trust, and has a deep consensus after much entrepreneurial polishing in school/fanfou/local life service and many years of running-in. In response to the development of the times, we will team up with Tencent in time to consolidate the flow of entrance resources(Ran, 2011).

## 2.   RESEARCH OBJECTIVES

1．To study on technology, new products and new alternatives emerge in an endless stream.

2．To cultivating and gaining customer loyalty of brand marketing strategy.

3．To explore takeout order software, rider service attitude, takeout health protection and delivery satisfaction and customer loyalty,

## 3.   RESEARCH HYPOTHESIS

H1. User feedback has a positive impact on takeaway food safety.

H2. Takeaway order software has a positive impact on customer loyalty.

H3. Rider service attitude has a positive impact on the takeaway component.

H4. Rider service attitude has a positive impact on customer work.

H5. Rider service attitude has a positive impact on takeaway packing.

H6. Rider service attitude has a positive impact on customer health.

H7. Takeaway order software has a positive impact on customer feedback.

H8. Takeaway order software has a positive impact on customer work.

H9. Takeaway order software has a positive impact on customer life.

H10. Takeaway order software has a positive impact on customer needs.

## 4.   LITERATURE REVIEWS

### 4.1 Meituan strategic management

Meituan's business lines have been attacked in all directions in recent years, both online cars hailing and fresh food supermarkets, making it difficult for investors to understand meituan's business. Business expansion logic. Some people regard meituan's business expansion as the conclusion under the guidance of Wang XinFeng's "infinite game" theory. Fruit; Some view it as meituan exploring a new growth pole. In fact, these understandings are biased. We believe that. The reason why this phenomenon occurs is that we lack thinking and judgment on the overall view of meituan.

In fact, meituan has more or less mentioned its strategy in public, and it can often be seen in various media reports, It's just that we didn't pay attention to or rise to the overall dimension of this problem. Meituan's grand strategy is "Super Platform" According to the strategy, this platform takes local life services as the big scenario closed loop, and by meeting the different needs of the same type of users, it can reduce the cost.

The second strategy of meituan is the "supply side strategy". "As the Internet entered the second half, meituan began to carry out supply-side reform Layout "(Wang Xing's internal speech in 2016). The "supply side strategy" here refers to meituan's hope to deeply cultivate the industrial chain and benefit, Drive the upstream supply-side reform

with its own accumulation in the downstream, understanding of the industry and its own technological advantages, so as to achieve the purpose of improving the value of the industrial chain and strengthening its own barriers.

### 4.2 Previous research on the innovative business strategy of Meituan company

Construction of the optimal model of e-commerce profit model from the perspective of adverse selection[J].Zhao Shengguang, Xue Xiaoyan, Business Economic Research. 2019. Thearticle pointed out that e-commerce companies choose to adopt reverse-selection profit models such as "big data mastering" and "big data pricing" to compress consumer surplus and increase their own profits.

Research on the marketing strategy of food delivery based on the O20 model [D]. Wang Xiaohui. Henan University 2016. Under the O20 business model, one of the audiences that cannot be ignored is college students. Learn from the specific groups analyzed in this article, analyze the different needs of all groups, and expand the scope to develop new models. Sun Ximing SWTO analysis of online group buying "Business Times" No. 21, 2011. Learn from the SWOT analysis of this article to analyze the advantages and disadvantages of online group buying and the opportunities and threats faced. In order to observe the business strategy of Meituan, we can understand the motivation and purpose of the strategic layout from many aspects.

Research on the profit model of group buying websites based on the O2O model[D]. Su  Rong,  Inner Mongolia  University 2016. From  the  perspective  of  the  industry  development environment and corporate value creation activities, this article  comprehensively analyzes the profit model of Meituan.com and evaluates the profit  model from both quantitative and qualitative indicators. Learn from this article corresponding to the current data of Meituan and analyze the current operating mode.

Research on the Profit Model of B2C E-commerce Enterprises——Taking Amazon as  an example[J]. Jing Ki..2017.This article explores the fundamental differences between  different e-commerce profit models from  the  perspective  of  value  creation  structure.  Taking  Amazon as an example, it analyzes  Amazon's B2C profit model. Using   analytical methods for reference, I compared Amazon and Meituan, thinking about  the   differences from multiple angles.

4.3 **Customer loyalty degree and Strategy Management**

Customer relationship management is the enterprise to take the customer relationship as   the core. A marketing management strategy to carry out systematic customer research  and  optimize  the  enterprise organization  system  and  business  process,  improve  the  customer trust level and loyalty, and improve the enterprise efficiency and profit level.
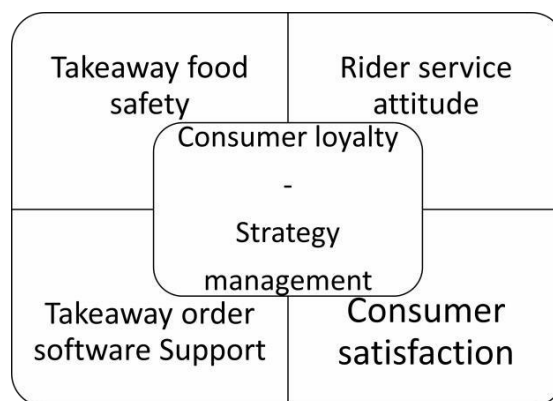
## 5.  CONCEPTUAL FRAMEWORK



Figure 1 The conceptual framework of this research

## 6.  RESEARCH METHODOLOGY

**6.1 Research  Design:**

This  paper  analyzes  Meituan's  innovative  strategic  deployment  by   integrating big data, sorting out historical documents, using quantitative analysis, SWOT,  and  income-expenditure  mathematical models, further analyzing  the  importance  and  practicality of this strategy, predicting future trends, and proposing corresponding  Suggestions for avoiding risks(Renren & Sizong, 2013).

**6.2 Research Methodology**

Quantitative research Method: When processing and analyzing these numbers, it is first  necessary to clarify the scale on which these information materials are measured and processed. In order to obtain the statistical results of the relevant number of specific  research objects, quantitative research is usually carried out, and qualitative research is   exploratory, diagnostic and predictive. It does not pursue accurate conclusions, but only   through data analysis to understand problems, find situations, and draw perceptual knowledge. In quantitative research, information is represented by certain numbers.  When processing and analyzing these numbers, we first need to clarify the measurement  methods and processing scales of this information materials. SS Stevens divides scales   into four types, namely nominal scale, sequential scale, Spacing scale and proportional  scale. (Juan, 2014).

**6.3  Reliability test of Research instrument**

Alpha  testing  refers  to  the  testing  of  a  software  product  (called  an  Alpha  version)  by  a   software

development company's internal staff, simulating various user lines, in an attempt to find bugs and fix them. The key to Alpha testing is to simulate the actual operating environment and user operation of the software product as realistically as possible and to cover as many possible user operations as possible. Software products that have been modified by Alpha testing are called Beta releases.

Table 1 Reliability test for questionnaire from each dimension

| Variable | Alpha Test | Number of Questions |
|---|---|---|
| Takeaway order software Support | 0.906 | 5 |
| Rider service attitude | 0.905 | 5 |
| Takeaway food safety | 0.913 | 5 |

As can be seen from the above table, pre-test data were collected from 200 samples. The Alpha reliability values of all variables are greater than 0.6. Therefore, the questionnaire can be used for the main study.

## 7. RESEARCH RESULT

The result of this study shows as tables.

Table 2 Demographic data (N=200)

| Demographic factor | Descriptive statistics | Descriptive statistics | Percentage |
|---|---|---|---|
| Order | Yes : | 200 | (100%) |
| Gender | Male | 80 | (40%) |
| | Female | 120 | (60%) |
| Occupation | Student | 60 | (30%) |
| | On-the-job | 80 | (30%) |
| | Unemployment | 60 | (30%) |
| Service | Very satisfied | 40 | (20%) |
| | Satisfy: | 60 | (30%) |
| | Generally | 70 | (35%) |
| | Dissatisfied | 30 | (35%) |
| Education background | University: | 100 | (50%) |
| | Master: | 60 | (30%) |
| | PhD: | 10 | (5%) |
| | Other | 30 | (15%) |

As shown in Table G, approximately 40% (N = 80) of the participants were women, while men accounted for 60% (N = 120). When it comes to occupations. Students, working, and unemployed account for the percentage, respectively 30% (N=60), 40% (N=80), 30% (N=60). About 20% (N =40) of participants very satisfied with service and participants with satisfy for 30% (N = 60), generally accounted for 35% (N =70), and dissatisfied accounted for 60% (N = 30).The percentage of university, master, PhD ,other, respectively 50% (N=100) , 30% (N=60), 5% (N=10), 15% (N=30) for education background.

Mean and Standard Deviation

Table 4.2 Averaged variances expected (N=200)

| Variables | C.R. | AVE |
|---|---|---|
| **A.  Takeaway order software Support** | -- | 0.559 |
| A1.Takeaway order software support pay attention to the  user experience. | 12.306 | |
| A2.Takeaway order software Support will respond to user  feedback. | | |
| A3.Takeaway order software Support cares about the health  of users. | 11.179 | |
| A4.Takeaway order software Support Will improve user satisfaction. | 10.263 | |
| A5.Takeaway order software Support Bring convenience to  users. | | |
| **B.  Rider service attitude** | | 0.581 |
| B1.Rider service strongly considers my goals and values. | | |
| B2.Rider service has always helps me. | 12.539 | |
| B3.Rider service has always convenient for my life. | 12.465 | |
| B4.Rider service makes me feel competent in my work. | 10.428 | |
| B5.Rider has always listened to my suggestions. | 11.206 | |
| **C.  Takeaway food safety** | | 0.505 |
| C1.Takeaway is clean. | -- | |
| C2.The takeaway packaging is very good. | 8.208 | |
| C3.Takeaway food safety measures are good. | 9.196 | |
| C4.The takeaway portion is large. | 8.146 | |
| C5.Eating takeaway will make me happy. | -- | |

AVE (Mean Variance Extraction) and CR (Combinatorial Reliability) for aggregation  validity (convergence validity) analysis; First: Usually, if the AVE is greater than 0.5 and  the CR value is greater than 0.7, the polymerization validity is high; Second: If the AVE or  CR value is low, consider reanalyzing the aggregation validity after removing a factor;  Third: the calculation formula is as follows, AVE value = Average (loading squared and  then summed), CR value = Sum(loading)^2 / [sum(loading)^2 + sum(e)], the loading value   is the standardized load coefficient, e is the residual standard load coefficient.

For the measurement relationship: When each measurement relationship, the absolute  value of the standardized load system is greater than 0.6 and shows significance, which   means that there is a good measurement relationship.

Table 4.2.1 Validity analysis results (N = 200)

| ITEM | Factor | Loading | | Degree of commonality |
|---|---|---|---|---|
| | Ingredient 1 | Ingredient 2 | Ingredient 3 | |
| A1 | 0.523 | 0.609 | -0.013 | 0.645 |
| A2 | 0.452 | 0.654 | 0.042 | 0.634 |
| A3 | 0.127 | 0.897 | -0.053 | 0.823 |
| A4 | 0.258 | 0.815 | -0.025 | 0.731 |
| A5 | 0.669 | 0.337 | 0.127 | 0.577 |
| B1 | 0.684 | 0.438 | -0.004 | 0.66 |
| B2 | 0.636 | 0.468 | 0.16 | 0.65 |
| B3 | 0.552 | 0.566 | 0.08 | 0.631 |
| B4 | 0.698 | 0.271 | -0.144 | 0.582 |
| B5 | 0.838 | 0.162 | 0.013 | 0.729 |
| C1 | 0.773 | 0.111 | 0.031 | 0.61 |
| C2 | 0.536 | 0.412 | -0.063 | 0.461 |
| C3 | 0.621 | 0.454 | -0.024 | 0.592 |
| C4 | 0.513 | 0.453 | -0.107 | 0.48 |
| C5 | 0.007 | -0.031 | 0.977 | 0.956 |
| Characteristic root (before the rotation） | 7.623 | 1.141 | 0.996 | - |
| % of variance (before the rotation） | 50.82% | 7.60% | 6.64% | - |
| Cumulative % (before the rotation） | 50.82% | 58.43% | 65.07% | - |
| Characteristic root (after the rotation) | 4.908 | 3.805 | 1.046 | - |
| % of variance (after the rotation) | 32.72% | 25.37% | 6.98% | - |
| Cumulative % (after the rotation) | 32.72% | 58.09% | 65.07% | - |
| KMO | 0.907 | | | - |
| Bartlett | 1783.028 | | | - |
| df | 105 | | | - |

KMO values are used to determine the suitability of information extraction, common degree values are used to exclude unreasonable study items, variance interpretation rate values are used to illustrate the level of information extraction, and factor loading coefficients are used to measure the correspondence between factors (dimensions) and question items, as can be seen from the above table: the common value corresponding to all study items is higher than 0.4, indicating that the study item information can be effectively extracted. In addition, the KMO value is 0.907, greater than 0.6, and the data

can be effectively extracted information. In addition, the variance interpretation values of the three factors were 32.721%, 25.369%, and 6.976%, respectively, and the cumulative variance interpretation after rotation was 65.065% >50%. This means that the amount of information about the research item can be effectively extracted. Finally, combine the factor loading factors to confirm that the factor (dimension) and the study item correspond to each other, whether they are consistent with expectations, and if so, they are valid, otherwise they need to be readjusted. When the absolute value of the factor load factor is greater than 0.4, the options and factors correspond.

The main purpose of this study is to understand how strategic management affects meituan's consumer loyalty, in order to better conduct empirical analysis from three aspects, the researchers conducted a path analysis based on the structural equation model (SEM), setting invariant customer satisfaction. Figure 4.5 shows the output of this analysis, and Table 10 shows the normalized coefficients and hypothetical results for each path.

The structural equation model SEM regression relationship table includes two kinds of relationships, namely the influence structure relationship and the measurement relationship.

Table 4.3 Hypothesis testing (N = 200)

| Hypothesis | Path | Standardized Coefficient | C.R. (z-Value) | Standard Error |
|---|---|---|---|---|
| H1 | B5 → C5 | 0.034 | 0.486 | 0.094 |
| H2 | A1 → B1 | 0.589 | 10.32 | 0.05 |
| H3 | B4 → C4 | 0.431 | 6.756 | 0.067 |
| H4 | B3 → C3 | 0.575 | 9.95 | 0.045 |
| H5 | B2 → C2 | 0.453 | 7.187 | 0.05 |
| H6 | B1 → C1 | 0.439 | 6.915 | 0.063 |
| H7 | A5 → B5 | 0.575 | 9.944 | 0.059 |
| H8 | A4 → B4 | 0.446 | 7.05 | 0.06 |
| H9 | A3 → B3 | 0.52 | 8.6 | 0.073 |
| H10 | A2 → B2 | 0.507 | 8.329 | 0.074 |

As can be seen from the above table, when B5 affects C5, this path does not show significant (Z =0.486, P =0.627>0.05), so B5 has no influence on C5.

When A1 affects B1, the standardized path coefficient value is 0.589>0, and this path presents a significance at the level of 0.01 (z=10.320, P =0.000<0.01), thus indicating that A1 has a significant positive influence on B1.
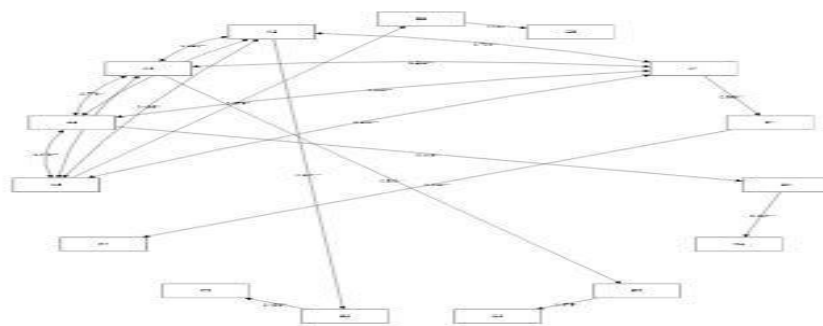
Figure 4.3      Path coefficients resulting from structural equation modeling (SEM)

## 8.     CONCLUSION

To sum up, it can be concluded that 10 hypothesis are valid.Customer relationship management adheres to the customer-oriented enterprise orientation and effectively improves customer loyalty to the enterprise. Can continue to make the enterprise's investment to get an effective return and realize the long-term development of the enterprise. So fundamentally speaking, customer loyalty is the core element of customer relationship management.The customer relationship management strategy is a comprehensive solution that takes into account the interests of enterprises and customer interests. It adapts to the update of the marketing management philosophy and attracts and meets the needs of its customers. And with loyalty research as the core, the effective difference segmentation of enterprise customers, firmly grasp the most valuable customers, so as to achieve the maximum income.

## 9.     SUGESSION

**9.1 Delivery business**.

High barriers to competition in food delivery, and the release of scale benefits will promote the positive profitability of the food delivery business With high competition barriers, Meituan's takeaway profitability is expected to increase significantly in the long run: (1) Meituan's local push team has rich experience and close cooperation with merchants. Supporting services such as cloud ERP and the catering supply chain can increase merchant stickiness and increase commission rate. (2) Online marketing services improve the realization rate and gross profit margin; (3) Rider cost rates are gradually optimized as the scale grows and the competitive landscape stabilizes; (4) The food delivery industry slows down, and the duopoly competition pattern has taken shape, The marketing focus has gradually shifted from acquiring new users to increasing consumption frequency; 19H1 Meituan's trading user incentives accounted for a significant decline compared to the price war period. Although the consumption habits of low-line users still need to increase investment, as the scale grows and user stickiness increases, The subsidy fee is expected to continue to be optimized. (Wubin, 2017).

**9.2 The in-store business**

The in-store business is dominated, and the advertising-led monetization model is expected to continue to optimize profitability and expand high-end hotels. The market share and commission rate of the hotel business will further increase; fast donkey growth is expected, the travel business operation thinking changes, and new The business will continue to reduce losses. In the store business, after more than ten years, the ecological construction of "traffic + merchants + content" has been completed, the moat is solid, and the advertising monetization ability has been continuously improved, realizing the two-wheel drive of "commission + advertising"(Bin, 2018)

## 10. RESEARCH CONTRIBUTIONS

This study contributes to the study of the applied approach taken by existing strategic management in solid consumer loyalty. Previous studies lack empirical research on solid consumer introduction strategy management. This study fills in the gaps in this study by examining the role of rider services, software support, and warehouse location design in influencing consumers' product attitudes and willingness to consume, which has never been studied before. The results of this study provide additional evidence for previous studies on how to solidify consumer loyalty. In addition, the results of this study make an additional contribution to business management strategies to solidify consumer loyalty. The results show that consumer loyalty is deeply affected by rider service, software support, and warehouse location, and Meituan's strategic management should include these variable.

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