

Marketing Strategy Optimization of Light Food

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Abstract. With the continuous improvement of China's economic level and people's increasing awareness of health, the light food industry is booming in China. Using the PEST model to analyze the current marketing environment, the paper highlights the government's policy support in promoting digital consumption, the important contribution of the food distribution industry to the economy, the positive trend of society gradually moving towards healthy eating, and the positive impact of technological innovation on the light food industry. However, the industry is also facing challenges such as fierce homogenous competition and how to balance the healthy attributes of food with consumers' need for satiety. Nevertheless, the light food industry as a whole still contains huge growth potential. Through the flexible use of the four PS (product, price, place, promotion) marketing mix, such as product differentiation, diversified pricing strategies, franchising and innovative packaging design, light food companies can effectively enhance their market competitiveness and consumer loyalty. As the concept of healthy eating becomes a dominant trend and the light food industry continues to grow, it is necessary to encourage light food companies not only to actively spread the concept of healthy eating, but also to commit to providing light food that truly meets health standards.

Keywords: Light food industry; digital consumption; health awareness; PEST analysis; marketing strategies.

1. Introduction

Due to the rapid increase in the economy and people's standards of living in China in the 21st century, according to the National Bureau of Statistics of China, the disposable income had reached ¥39,218 in 2023, which was an increase of 6.3% compared to the previous year [1]. The food industry has also become more integrated into people's lives. However, along with the rise in the standard of living, people's health has shown a negative trend, especially in obesity. According to the State Council Information Office, more than 50% of adult residents in China were overweight or obese, nearly 20% of children and adolescents aged 6-17 were overweight or obese, and 10% of children under 6 years old were also affected [2].

Therefore, people started to focus on body health, and awareness of body health developed. The dietary habits of the new generation have changed, with health becoming a top priority as people pay more attention while pursuing a high quality of daily life. Thus, the idea of "light food" became popular in China rapidly. The national health initiatives, and the fitness market grew rapidly, and related fields of health management and sports nutrition maintained a growth rate of more than 10% [3]. However, the light food industry had not yet matured. Compared with foreign developed countries and regions, the penetration rate of light food in China in 2020 was only 40%, whereas European and American countries and regions had reached 90% [4]. Thus, the potential of the light food industry was still very large, which meant the competition needed to be improved in areas such as product variety, advertising on digital media, and packaging competition. Those improvements are crucial, since the enhancement of competition can stimulate economic growth and innovation, which enable the light food industry to utterly utilize the huge market potential. Also, due to the late entry of the light food market into China, there was no leading company dominating the entire industry; each brand remained separate and small so far.

Nevertheless, the growth potential for the Chinese light food industry continued to rise due to its immature competition. Furthermore, along with the industry's growth, consumers' preferences and expectations also increased, which meant that the diversity of products needed to expand to adapt to

changing preferences. According to Qu Yueling, and Jia Chaohong, there was a problem of homogeneous competition in the market, making it difficult for consumers to distinguish differences between brands [5]. Unfortunately, the refinement of products did not meet consumers' expectations, and homogeneous competition became a problem for the light food industry.

On the other hand, no lack of opportunity creates potential growing space for light food companies. This is because the topic of health has become one of the most popular topics nowadays. Also, the Healthy China initiative declared the significance of eating green, fresh, low-oil, and healthy food in 2024 [6]. Thus, this paper aims to explore the current marketing circumstances of light food and its potential strategies for marketing optimization to provide a comprehensive analysis of the light food industry's marketing.

2. Marketing Status of Light Food Industry based on PEST

2.1. Politics

Until 2024, in terms of the political environment, the light food industry has benefited from the country's attention and support for the health industry. According to Xinhua News, "People need to make sure that people can choose, eat, and eat healthily" [7]. This emphasizes the significance of body health and provides a solid policy foundation. Thus, light food gains significant opportunities for growth under the encouragement of the Chinese government, which can bring ample benefits to China, such as improved average body health for its citizens. Policy support is not only reflected in the macro policy level but also in specific industry norms and management. According to the Healthy China Initiative (2019-2030) in 2024, the promotion of popular science content on healthy eating is strongly encouraged, as is the participation of citizens in various activities for healthy living [8]. Therefore, along with the government's encouragement, the recognition of a healthy diet will push the light food industry to flourish, since it provides a healthy diet. All these factors will become a strength for the light food industry and marketing.

2.2. Economy

According to Zhang Aoping in 2021, digital consumption of food is a mixture of the "lazy economy" and the home economy [9]. Also with the circumstances that most light food restaurants have partnerships with digital consumption platforms. Cooking used to be the most important activity in a family, but now food delivery can be solved. The "lazy economy" represents the pursuit of an efficient life, and the number of people in this group is increasing remarkably. Meanwhile, this phenomenon reflects the significant role that food delivery plays in people's lives, particularly when time and energy are limited. Thus, the increase in digital consumption can stimulate economic growth. According to the 2019 and First Half of 2020 China Food Delivery Industry Development Report, the revenue from food delivery increased from 29.1 billion yuan in 2014 to 653.6 billion yuan in 2019 [10]. This considerable revenue not only emphasizes the strong momentum of food delivery but also demonstrates the potential of digital consumption to help light food align with this economic growth.

From this phenomenon, the demand for digital consumption among consumers and the benefits for the economy are obvious. Nevertheless, the problem of homogeneous competition for light food has become a disadvantage, since homogeneous competition will dampen the sales of light food and then affect the restaurant's revenue. According to Jiang Hao's research, no matter how innovative the brand is, it can't escape the common category, like salads, where product homogeneity is very serious [11]. This is because the light food industry has relatively low barriers to entry, it only requires mixing several materials such as carrots, potatoes, corn, and so on, unlike other traditional foods that need a variety of different materials and clear timing control. Thus, the problem of homogeneous competition is severe and needs to be addressed, as it threatens the healthy economic growth of the light food industry in long term.

2.3. Society

Increasing weight has become a trend among Chinese, since in the Chinese daily diet, high oil, high sugar, and high salt have already become habits for most families. According to the WHO's report in 2024, the average salt intake per capita is 10.5g (the target is 5g), the average edible oil intake per capita is 42.1g (the target is 25g-30g), and the average free sugar intake per capita is 30g (the target is 25g) [12]. An unhealthy diet will generate many health problems, not only contributing to obesity but also leading to diseases like diabetes and hypertension. According to Zhe Liang, an MBA at Zhengzhou University, China now has more than 200 million people with hypertension and 97 million people with diabetes [13]. Obesity has already become one of the serious problems in China. Hence, along with the increase in obesity, people will pay more attention to losing weight and a healthy diet. This trend will become an opportunity that the light food industry can seize since less oil, sugar, and salt are characteristics of light food, and it is also a convenient channel for people to eat healthy food. Thus, due to its concepts that resonate with people, light food has become a cultural symbol of healthy eating and healthy life. Nevertheless, the problem of balancing health and satiety still exists in the light food industry. According to Liu Zhe and Yang Peng's research from 2021, light food often ignores the conditions needed to achieve satiety; they only meet the requirement of food calories not exceeding 500 kcal [14]. In the current light food industry, this balance is lopsided, facing the challenge of addressing both calories and satiety. This is because many light food restaurants focus only on calories and their influence on body health, yet this can generate potential dissatisfaction among consumers.

2.4. Technology

Under the big picture of O2O, digital consumption has already permeated into people's lives, with food delivery becoming a crucial part of people's daily diets. One of the most important changes is the way that people approach their food through food delivery platforms such as Meituan, allowing them to enjoy delicious meals at home without stepping outside. Nowadays, AI technology monitors consumers' preferences when they order food delivery, such as their taste in food and attention to packaging. This personalization enhances consumer satisfaction and promotes their loyalty to the restaurant, increasing their willingness to make repeat purchases. Not only does AI monitor preferences, but it also offers the convenience of selecting food on the platform. Thus, in the context of artificial intelligence, ordering becomes simple, time-saving, and labor-saving [15]. Through AI, restaurants can simplify the process of consuming food, and then eventually provide an efficient and high-quality purchasing experience for consumers.

3. Marketing Optimization Strategy of the Light Food Industry Based on the 4Ps

3.1. Product

3.1.1 Reduce homogeneity of product

Under the theory of 4Ps, the product is a crucial factor, and reducing the homogeneity of products will enhance the value of the brand and competitiveness. To begin with, to solve the problem of homogeneous competition, restaurants need to survey the consumers' preferences and reflections on previous light food, which will orient them toward a correct improvement direction. According to Gao Wanpeng, among the preferences for light food in 2023, 53.6% of consumers like salad, 46.6% of consumers like whole wheat sandwich toast, 46.3% like coarse rice/noodles, 40.7% like low-calorie salads, and 39.5% like fruit-vegetable juice [15]. Thus, light food restaurants need to focus on salad and innovate the flavor or type of salad to fit the preferences of consumers. For instance, Murvey founded a top-selling light food restaurant in Meituan, has numerous types of salad, such as steak salad, avocado salad, and salmon salad. These products are built based on monotonous vegetables and add value to additional products so that customers have more options.

3.1.2 Balance satiety and health

Furthermore, in the context of consumers' salad preferences, the balance of satiety and health cannot be neglected, since, as a meal, light food needs to guarantee consumers' satisfaction for both satiety and health. Thus, light food restaurants need to consider options beyond vegetables. According to WHO 2020, an adult needs to consume at least 400g of vegetables per day and less than 10% of total energy intake from sugars and fats (for a healthy body consuming about 2000 calories per day) [16]. Therefore, the innovation of menus and pairing for salads becomes significant. For example, FOODBOWL, a well-run light food restaurant, provides combined salads with rice, noodles, or sandwiches, allowing consumers to ensure both satiety (rice/noodles) and health (vegetables).

3.2. Price

In the context of well-developed technology, monitoring consumer preferences and exhibiting restaurant characteristics become simpler. All this technology can let restaurants seek out potential benefits and set a considerable product price. Thus, price setting is crucial in the operation of light food restaurants. According to Zhe Liang, differentiated pricing is necessary, which can be divided into customer-differentiated pricing, product-differentiated pricing, and channel-differentiated pricing [17].

3.2.1 Customer differentiated pricing

Charging different prices through price discrimination for different consumers is an effective method to guarantee not only the profits of a product but also consumer satisfaction with light food. Price discrimination can be separated into three types: first-degree price discrimination, second-degree price discrimination, and third-degree price discrimination. To begin with, to ensure maximum profit, restaurants can sell several light food combinations that customers can customize themselves, thus covering the entire consumer surplus. Besides, by using second-degree price discrimination, restaurants can charge different prices for individual customers who buy for their consumption and for group customers, or set different prices for different times (prices can be slightly higher at meal times). Also, by using third-degree price discrimination, product prices can be adjusted for different age groups, consumption levels, and other indicators. Therefore, these light food restaurants can maximize their profits.

3.2.2 Product differentiated pricing

Each light food restaurant can look at the products of other competitors and then design their unique brand products to charge different prices and earn profits. However, this pricing strategy is complicated for suppliers to design. Only by satisfying consumers' preferences can they achieve sales from unique products and then increase profits.

3.2.3 Channel differentiated pricing

Under the context of O2O (online to offline), online delivery has become increasingly popular not only in the light food industry but also in the entire catering industry. Each light food restaurant can enhance its cooperation with food delivery platforms such as Meituan and Eleme to allow more consumers to conveniently order light food and increase the absolute number of orders. Furthermore, online deliveries can reduce the cost of delivering products because these platforms use qualified personnel to deliver, and restaurants only need to prepare light meals on time.

3.3. Place

When considering the optimal place for selling products, operating a franchise is an outstanding opportunity for every light food restaurant, as it can cooperate with third parties to reduce operating costs. Franchises have numerous advantages, such as effective growth and minimal employee supervision. According to Kyung-A Sun and Seoki Lee, franchising generally helps companies generate a competitive advantage, leading to better performance [18]. Thus, franchisors can use less capital to operate a franchise and pay more attention to management and marketing, which can

provide more profits for the business (light food company). Furthermore, franchises can enhance the effectiveness of the operation of a light food restaurant. According to Steven C Michael, companies that are highly involved in franchising can achieve greater efficiency than those with lower or no involvement in franchising [19]. In other words, by operating a franchise business, companies can increase their business scale and earn more profits than through traditional business models. Thus, franchises are a good opportunity to expand the scope and location of the business, because the room for growth is very large, which includes reducing cost and being more effective.

3.4. Promotion

To begin with, online promotion, which includes food pictures and logos, is a significant method to boost the popularity of each light food restaurant, since online promotion is the most direct way for customers to notice the restaurant. According to Ning, due to the nature of O2O, online display is the most important factor affecting customer attention [19]. Thus, online display, including the display of dishes and brand stories, can be regarded as an interaction with customers, thereby increasing customers' impressions of the light food restaurant, and thus increasing the number of potential customers.

Meanwhile, not only does online promotion require attention, but each light food restaurant also needs to concentrate on product itself, particularly when it comes to packaging. Packaging is an optimized method for light food restaurants for marketing, as it can enhance consumers' willingness to buy the light food product and increase the popularity of the brand. For the brand to stand out, packaging design that conforms to the “light” theme and includes visual communication is essential. Therefore, a package design based on consumer experience becomes crucial. According to Liu, packaging design centered on user experience can better connect users and brands [20]. In other words, only when the consumer's experience improves can the brand's reputation improve and expand its influence. Among these, the combination of visual impact, beauty, and simplicity of design is essential. Meanwhile, it is also necessary to focus on the interaction between packaging and consumers. Fully considering this interaction is an effective way for consumers to have the best user experience, which will have a positive impact on the brand, as stated by Liu in 2023. To achieve this interaction, light food companies can consider adding a QR code to the package, allowing customers to better understand the brand and participate in various activities. Therefore, only by creating packaging that aligns with user experience and psychology can customers truly recognize the light food brand, thereby achieving the purpose of promotion.

4. Conclusion

Driven by the concept of healthy eating and digital consumption, China's light food industry has shown unprecedented growth potential. This potential stems not only from people's pursuit of a healthy lifestyle, but also from the profound transformation of the traditional food industry by digital technology. Although there are challenges in the current market such as fierce homogenization competition and difficult balance between health attributes and consumer satiety needs, the light food industry still has a broad space for development and ample opportunities through the adoption of innovative marketing strategies.

Specifically, light food companies can meet the diversified needs of the market through flexible pricing strategies, such as setting differentiated prices according to different consumer groups and different consumption scenarios. At the same time, the adoption of franchise mode helps light food brands to rapidly expand the market and enhance brand influence. In addition, through creative packaging design, it can not only attract consumers' attention, but also enhance the added value of products, thereby enhancing consumer satisfaction and loyalty.

With the continuous prominence of healthy lifestyle in public discourse, the light food industry has ushered in unprecedented development opportunities. By continuously developing and promoting light foods that truly meet health standards, light food companies can not only meet consumers' urgent

needs for healthy eating, but also play an important role in promoting healthier eating habits across the country.

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