

Analysis of the role and impact of the market on consumption and enterprises

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Abstract

Purpose: This article investigates whether marketing promotion is essential in sales. How much impact does marketing have on sales? How to make marketing promotion bigger, stronger, and better?

Design/Methodology/Approach: Through market monitoring and sample data collection, calculate and analyse several typical cases to understand the conversion rate between marketing promotion and sales and propose that market derivation can promote the formation and development of the market while reducing operating costs.

Findings: Market research shows that companies generally have the problem of cost exceeding budget. To control costs, some companies have reduced some of the costs that should have been spent, resulting in low marketing efforts and poor marketing effectiveness. The product profit did not achieve the expected effect. If additional promotion costs are incurred, exceeding the budget can easily lead to a breakdown of the funding chain, which is not conducive to the survival and development of the enterprise. The investigation found that marketing promotion's cost-to-profit ratio is low, and the effect is insignificant. So researchers must actively improve the marketing and promotion capabilities and achieve cost reduction and efficiency increase.

Research limitations/Implications: The limitation of this study is how to effectively convert the cost of marketing promotion into sales revenue after obtaining business operation data; How to use market observation to judge, analyse, and grasp the subjective initiative of the market, thereby forming market reasoning power, maximising marketing and promotion capabilities, and gaining favour from the capital?

Practical Implications: This study helps to achieve cost reduction and efficiency increase for enterprises, increase the effective cost of marketing and promotion, contribute to the formation of the market, deeply reflect on market trends and consumer needs, assist enterprises in product design and promotion, and achieve product profits; Helping consumers choose products that are suitable for them in the market; It helps to form an efficient and healthy operating mechanism in the trading market.

Originality/Value: The observation and calculation of the conversion rate between marketing promotion costs and sales revenue proposed in this article can help enterprises reduce unnecessary expenses and optimise cost structure.

This article proposes a non-responsive thinking approach that can run through the entire supply and demand relationship, including product design, marketing methods, promotion ideas, and market planning, to optimise cost empowerment further.

Keywords: Supply and Demand Relationship, Market, No Demand, Marketing, Sales Cost

Introduction

By analysing the relationship between market, consumption, and enterprise, it is understood that consumption and enterprise are the two ends of the supply and demand relationship. The market provides a trading place for the supply and demand relationship and emphasises the importance of the market in the supply and demand relationship. The role of enterprises is to design, produce, and launch products and obtain product profits through market transactions. Consumers purchase goods in the market. The market plays a leading role in the entire trading process. The market can promote or hinder the formation of transactions, increase the space for product profits, and reduce product profits.

How can fully utilise the market facilitate both parties and reduce business costs?

Through market research, It has been found that companies often have the problem of costs exceeding budget. It is found through research on the cost budget and actual expenses that most enterprises can optimise marketing and promotion costs, thereby improving enterprises' operational ability to reduce costs, increase efficiency, and improve the profit space of products to achieve a virtuous development cycle.

In terms of optimising marketing promotion, based on the concepts proposed in multiple marketing books and papers, combined with market observation and practice, the report proposes the market derivation of "no demand, no response". The proposal of this concept follows the content of multiple books and papers and summarises that marketing is equivalent to the job responsibilities of product managers.

Literature Review

Professors Victor Mayer Scheenberg and Kenneth Cookery from the University of Oxford in the UK initiated the concept of "big data", giving new ideas and abilities to "market insight" (Hu, 2021). In today's increasingly mature era of big data, It can be used to understand consumers' preferences, consumption trends, consumption intensity, etc. It will provide practical and effective ideas for enterprises to design and produce products that meet market demand.

The competition between enterprises in a market economy can be understood as the competition that creates consumer happiness. Whoever can create more happiness for consumers can expand the market and ultimately win profits (Zhang, 2019). For consumers, happiness involves various aspects, including physical and spiritual aspects, satisfying daily needs, providing joy and happiness, and enhancing value. The actual explanation of the non-responsive market mentioned in this article is this logic. Forming a non-responsive market is when businesses predict the consumption trend of the market, integrate various psychological factors that meet consumers' consumption needs into the product, create a sense of happiness and satisfaction for consumers, and thus achieve profits and expand the market.

The premise of marketing is to effectively utilise limited resources such as budget, time, and labour to create a "mechanism for others to continue purchasing". From this perspective, if the current situation is good and there is no need for marketing, it is also possible to choose not to engage in marketing (GLOBIS, 2017). The market logic of this content is that after no demand is met after the product successfully occupies the vast majority of the market, it can be sold circularly due to its good market space, practical value, and happiness value. During this period, there can be no marketing, such as the toothpaste and toothbrush mentioned in the article, from being invented to occupying the majority of the market, significant brands compete to produce and achieve product profits and create a market atmosphere, there is relatively little content that requires marketing promotion.

When researchers look at marketing from the perspective of customers, one will find that both products and services are a part of marketing. Customers' impressions of products and services can be considered a part of marketing (Chen, 2023). This paragraph demonstrates that marketing runs through all aspects, and every detail may be a part of marketing. The non-responsive market formation proposed in the first chapter on creativity and value runs through every link of product production to consumer purchase. The market-led 4 atmosphere emitted by enterprises provides consumers with a good and practical purchasing environment.

In his "Research on Marketing Strategy of H Catering Company", Chen Yanming emphasised that H Catering Company's high cost is reflected in the continuous increase in operating costs, insufficient product planning, lagging marketing channels, imprecise target markets, solidified sales channels, and lack of awareness of promotional methods (Geng, 2023; Liu, 2022). These issues of high costs belong to the scope of marketing promotion, which requires us to improve the production capacity performance of this area and increase the conversion of this part to sales.

In his research on the marketing strategy of Z Company's frozen food in Handan, Geng Jingfei believes that there are several problems that Z Company cannot solve in terms of sales volume: unreasonable product pricing, insufficient product influence, insufficient brand strategy, insufficient brand building and promotion efforts, unreasonable sales channels, too single promotion methods, and rough market distribution. The brand highlights "the same origin of medicine and food, health and wellness" (Wu et al., 2017). From the analysis of this article, it is found that all the reasons for Z Company's low sales and the brand highlights that bring in sales belong to the category of marketing promotion, which fully proves that there is a need to separately quantify the marketing promotion concept to analyse the conversion strength of the company's marketing promotion ability in actual sales.

Methods

Research Framework

The report uses two market research schemes to collect data samples. Option 1: Market passenger flow monitoring, including samples: monitoring of types of inbound stores, number of inbound customers, transaction rate, daily turnover, and average single sales volume. Option 2: Retrieve financial reports, invoices, and bank statements from the National Bureau of Statistics, enterprise reports, and financial data, as well as potential investment companies. Collect, summarise and analyse sample data for Plan 1 and Plan 2.

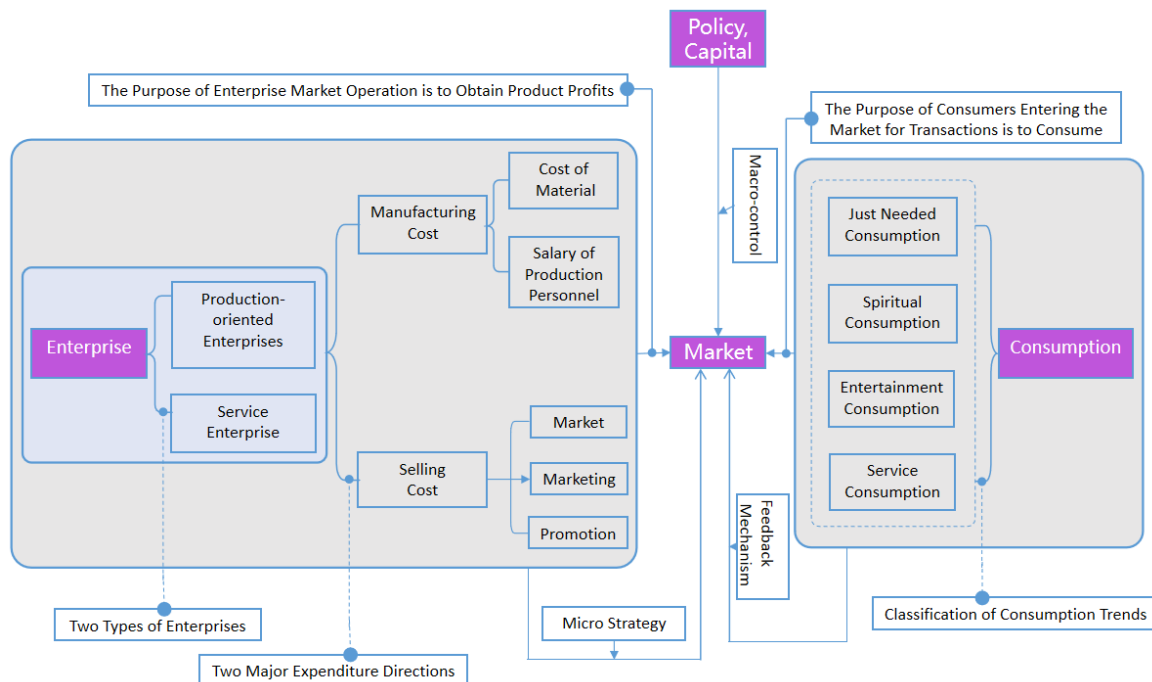


Figure 1 Research Framework

Research Methods

When analysing financial reports, the salaries of production and design personnel, the cost of raw materials, fuel, design fees, nonmarket store addresses such as company rent, water and electricity, and the salary performance of production department management personnel in production costs are included. The report will include endorsement fees, advertising fees, sponsorship fees, entertainment fees, publicity fees, business trips (for promotion purposes) fees, exhibition board fees, and marketing and promotion personnel salaries as marketing expenses. The report subdivides the marketing expenses into three regions: marketing, marketing, and promotion. The report includes the performance expenses (including bonuses, commissions, and prizes) and entertainment expenses incurred by resident personnel in the marketing expenses. The report will include endorsement fees, advertising fees (advertising fees implemented through Internet channels), sponsorship fees, promotional fees, travel expenses (for promotion purposes), and promotion personnel expenses (including basic salary and performance) in the promotion expenses. The report includes the rent, water and electricity expenses, resident personnel salaries (essential salary portion), advertising expenses (advertising expenses for promotion using offline advertising spaces), resident personnel's basic salary, and display board fees as market expenses generated by the store.

Table 1 Operating Cost Framework

Operating Revenue	production Costs	Raw Materials, Energy Consumption	
		Salary of Production and Research and Development Personnel	
		Other	
	Selling Costs	Marketing	Entertainment Expenses
			Performance Bonus Commission for Resident Personnel
			Event Planning
		Market	Rent, Water and Electricity Generated by the Store
			Advertising Expenses (Offline)
			Exhibition Board Fee
			Basic Salary of Resident Personnel
		Promotion	Endorsement Fee
			Advertising Fee (Online)
			Sponsorship Fee
			Publicity Expenses
			Business Trip (Promotion)
			Promotion Personnel Expenses (Basic Salary and Performance)

The report has found through market research that there are currently three types of enterprise structures: production only without sales, sales only without production, and production and sales enterprises. The first type belongs to processing and OEM, and there are usually fixed cooperative enterprises that demand goods in large quantities, which involves less marketing and promotion. The calculation and analysis method only applies to enterprises that generate marketing and promotion expenses.

The investigation found that the expenditure generated by production costs fluctuates relatively low in the short term, and the price of raw materials fluctuates relatively low in the short term. The wages of raw materials and production personnel are influenced by improving living standards and price levels and are generally uncontrollable factors. The impact between production costs and sales is relatively low due to temporary job transfers of production personnel. When calculating the relationship between marketing promotion costs and the actual sales volume, The report can ignore the changes in these expenses. The report collectively refers to marketing promotion as sales costs:

In this report, the formula based on the gross profit margin can be calculated.

$$\text{Gross Profit Margin} = \frac{\text{Operating Income} - (\text{Production Cost} + \text{Sales Cost})}{\text{Sales Cost}} \cdot 100\%$$

Because the change in production costs is relatively low, The report refers to the ratio between sales costs and total sales as the coefficient when observing the ratio between sales costs and total sales. Y_1 , and set the ratio between production costs and total sales as Y_2 . The report set the operating revenue as Z , sales costs as X_1 , and production costs as X_2 to determine whether the gross profit margin is greatly affected by production costs or sales costs, The formulas separately calculated as follows:

$$Y_1 = \frac{Z - X_1}{X_1} \cdot 100\%$$

$$Y_2 = \frac{Z - X_2}{X_2} \cdot 100\%$$

Option 1 can be used for basic comparison, retesting the authenticity of sample data, and selecting valid sample data from them.

The report takes five sets of samples and calculates them using the formula.

Sample Number	Enterprise	Time(Year)	Production Costs (X_1) /Unit : Million Yuan	Selling Costs (X_2) /Unit : Million Yuan	Operating Revenue (Z) /Unit : Million Yuan
1	A_1	2020	163	172	527
2	A_2	2021	158	323	798
3	A_3	2022	149	406	976
4	B	2022	543	901	3978
5	C	2022	3082	6794	42351

Note: A_1, A_2, A_3 represent the business data generated by Company A over the three accounting years, while A, B, and C represent the business data of three different companies. The business income of the three companies is selected based on the actual business income generated by the corresponding production and sales costs of goods.

Sample 1: $Y_1=2.23\%$

$Y_2=2.06\%$

Sample 2: $Y_1=4.05\%$

$Y_2=1.47\%$

Sample 3: $Y_1=5.55\%$

$Y_2=1.4\%$

Sample 4: $Y_1=6.33\%$

$Y_2=3.42\%$

Sample 5: $Y_1=12.74\%$

$Y_2=5.23\%$

In the study of the relationship between the consumption of each part of the sales cost and actual sales volume, that is, whether the part of the sales cost incurred by the enterprise in the sales process is typically converted into sales volume, whether it has played a boosting role in sales volume, and whether the boosting effect is the best.

The report selects five samples, sets the endorsement fee M and sponsorship fee N, and calculates them using the formula.

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Sam ple num ber	Ent erpr ise	Time	Operating Income (Z) /Unit : Million Yuan	Selling Costs (X_2) /Unit : Million Yuan	Single Document Endorsement Fee (M) /Unit : Million Yuan	Single Documen t Sponsors hip Fee (N) /Unit : Million Yuan
6	D_1	First Quarter	145	386	0	
7	D_2	Second Quarter	328 (Accumulate)	496 (Accumulate)	300 (Accumulate)	
8	D_3	Third Quarter	789 (Accumulate)	783 (Accumulate)	300 (Accumulate)	
9	D_4	Fourth Quarter	1760 (Accumulate)	1121 (Accumulate)	300 (Accumulate)	
10	E_1	First Quarter	348	102	0	
11	E_2	Second Quarter	598 (Accumulate)	393 (Accumulate)	175 (Accumulate)	
12	E_3	Third Quarter	997 (Accumulate)	567 (Accumulate)	175 (Accumulate)	
13	E_4	Fourth Quarter	1667 (Accumulate)	802 (Accumulate)	175 (Accumulate)	
14	F	All Year	7798	2843		900

Note: D_1 , D_2 , D_3 , D_4 , E_1 , E_2 , E_3 , and E_4 represent the four quarters' revenue and sales costs of D and E enterprises in 2022, respectively. D, E, and F represent the three enterprises' annual revenue and sales costs 2022. All three enterprises have a significant single expenditure on sales costs: endorsements and sponsorships. The operating revenue of the three enterprises is selected based on the revenue generated by the corresponding sales costs of goods.

Sample 9: $Y_2=57\%$

Sample 13: $Y_2=107.85\%$

Sample 14: $Y_2=174.29\%$

Findings

The report found by comparing the data of samples 1, 2, and 3 that the production costs of Company A have decreased yearly, with little decrease and maintaining a balance. The sales costs have increased year by year, with a significant increase in intensity. At the same time, the operating revenue has continued to increase, indicating that the utilisation rate of sales costs for Company A is relatively high, and the cost of sales promotion and sales has been fully utilised. At the same time, The report can also find from the data structure that Company A had

an unsold problem in 2020, with a large backlog of goods inventory. Therefore, in 2021 and 2022, production costs remained unchanged, and the goods in 2020 were continuously cleared through the accumulation of sales costs. The re-investment of production costs in 2021 also indicates that Company A's sales cost structure optimisation is more reasonable to ensure that production costs do not rise; by only supplementing the cost of survival and clearing out goods through the marketing and sales process, a considerable revenue was achieved, which also indicates that Company A is not a pure production enterprise. Its goods belong to the backlog type. Optimising the sales structure and increasing sales costs can achieve rapid transformation and development once the backlog of goods is caused by environmental issues such as the epidemic. At the same time, The report can evaluate that Company A had the highest sales cost conversion rate in 2020 based on the calculated values of Y_2 in samples 1, 2, and 3. By 2022, the conversion rate has decreased yearly, but the decline is insignificant.

From the data of samples 3, 4, and 5, The report can find that all three companies achieved operating income through production and sales costs. From the data, the structural patterns of the three companies are similar but with different scales.

The report compared the Y_1 calculation values of samples 3, 4, and 5 and found that the Y_1 value of sample 4 is higher than that of sample 3, slightly increasing, but not significantly. The Y_1 value of sample 5 is higher than the first two samples and rapidly increasing. The report preliminarily determined that the goods sold by the two belong to the simple interest market price, and the goods sold by sample 5 have higher single interest, indicating that they are engaged in selling luxury products. High-luxury products have a high dependence on sales costs, and the proportion of investment in brand promotion is relatively high. The report verified the sales costs of sample 5, which also confirms this inference. The report has analysed the calculated values of Y_2 in samples 3, 4, and 5 and found that there is not much difference between the Y_1 values of samples 3 and 4, while the Y_2 data of samples 3 and 4 have a significant difference. The report can preliminarily determine that Company B has a better effect in converting sales costs into sales. At the same time, The report analysed that the value of Y_2 in sample 5 is about two points higher than the value of Y_2 in samples 3 and 4. The previous analysis shows sample 5 is a high-luxury goods production and sales-oriented enterprise. High luxury goods usually require a considerable workforce to promote at sales costs, and the Y_2 the ratio of high-luxury products is usually not high. Therefore, sample 5 can generate revenue of 400 million yuan under low sales costs, and the data ratio of Y_2 is relatively ideal. It can be preliminarily determined that similar competitors in the luxury goods industry can be classified.

The report analysed the second set of samples 6, 7, 8, and 9 and found that Enterprise D had significantly higher sales costs than revenue in the first quarter, resulting in significant losses. Therefore, Enterprise D introduced a well-known celebrity to promote and sell its products in the second quarter. At the same time, this endorsement fee was effectively utilised, consuming 1 million sales costs to assist the spokesperson in promoting and selling, resulting in a significant increase in revenue. In the third quarter, revenue doubled again. The excess doubled in the fourth quarter. The preliminary analysis of this endorsement fee is practical, and the auxiliary promotion operation also aligns with the product positioning. In the face of extreme losses, the enterprise has decided to support endorsement promotion, indicating that it is very familiar with its products, operation promotion, and market trends. Therefore, it can be believed that Enterprise D can market-oriented promotion operation and belongs to a high-quality service enterprise.

The report analysed samples 10, 11, 12, and 13. To increase sales revenue and hire endorsers for promotion, Enterprise E achieved profitability in the first quarter. It can be believed that Enterprise E's endorsement fee consumption is also adequate through the stable addition of sample data.

The report found through analysing the Y_2 values of samples 9, 13, and 14 that Enterprise D has a lower conversion intensity, while Enterprise F has the highest conversion intensity. The report can preliminarily determine that this sponsorship from Enterprise F is a practical investment with excellent results. Although E Company has a higher conversion rate of endorsement fees compared to revenue, and the data is more valuable, considering D Company's initial ability to turn losses into profits after extreme losses, both companies are high-quality service enterprises, and the energy and ability invested in the enterprise are commendable.

Discussion and Conclusion

The Discussion Has Theoretical Significance and Suggestions for Future Research

The report further summarises the data sample information by analysing research results. When studying sample data, The report has already clarified that production costs include production personnel and raw material costs, which fluctuate relatively low in the short term and are influenced by price levels. Therefore, the operating costs of enterprises are more affected by the cost of sales, referred to as marketing promotion.

How to optimise the ratio between sales costs and operating costs? Improve the utilisation of sales costs in sales? The report makes further reflections.

Enterprises belong to producers in terms of supply and demand relations. A product must be launched into the market, whether they are production, marketing planning, or service-oriented enterprises. Consumers in the market purchasing the goods they need, including services, planning plans, information, daily necessities, raw materials, and so on, all belong to consumer behaviour. Enterprises are also consumers to a certain extent, such as purchasing raw materials for production activities. Every employee in the enterprise serves as both a producer and a consumer.

The market is a place for commodity trading; all trading environments can be called markets. There are tangible and intangible markets in the market. The market is diverse and ever-changing. The market updates and changes rate varies, depending on the supply-demand relationship. The regulatory mechanism of the market includes macro regulation and micro strategy. Suppose The report finds a balance point between the market, consumption, and enterprise to understand the relationship between the three. In that case, my understanding is to focus on the market's ecological mechanism and feedback mechanism, understand the constraints and balance of the entire market, and quickly obtain higher product profit and capital favour to some extent.

The purpose of a company is to sell its products to meet demand and generate huge product profits. Enterprises will inevitably consider the target audience, marketing methods, promotional activities, sales channels, consumer preferences, habits, and so on at the beginning of product production. At the same time, decision-makers in enterprises often conduct modelling data regression analysis on the future sales and sales of products and calculate the expected sales volume of future products. However, the measured sales and costs often differ significantly from the actual sales and costs. Usually, the cost of producing and marketing a product is higher than expected, and sometimes, the product sales do not meet expectations. If the additional selling cost is strong enough to drive sales, the company may face an unlimited

cost increase but cannot increase sales. Additionally, the company may face financial constraints due to excessive budget overruns. If financing is not timely, the difficulties will become increasingly severe.

With the development of the times, the personalised needs of consumers continue to increase, and consumer-centred marketing strategies such as 4C, 4R, and 4I have emerged (Liu Junran, 2022). Enterprises have begun to prioritise consumer needs in marketing (Ye & Li, 2017). So companies often need to think: "How should I market? What are my target customers?" These two questions are about the market itself. The essence of the market is goal+method, just like a vector, path+arrow direction=market operation.

A company with solid market operation capabilities can reduce its marketing costs to daily expenses. However, it can achieve excellent market operation results, and enterprises highly favour capital with such market operation capabilities.

The report analyses the operating mechanism of the market. The essence of a company is profit, while the essence of consumption is demand. Regardless of the type of demand, such as spiritual, life, entertainment, production, etc., the essence of consumption remains unchanged. The essence of a company is profit, and The report can conclude from this that responding to demands is not the decisive way to make profits, while not responding to demands is how a company should make profits. The report can understand that this is a highly connected market where consumers happen to need products and companies happen to have corresponding products. The transaction process presented by this connection method is that the enterprise produces goods and delivers them to consumers through market prediction, and consumers also need the goods. The marketing method of forced buying and forced selling cannot become the mainstream of the market. It is also challenging to become the mainstream market if there is a demand for a particular product. The report understands that consumers demand a particular product from consumers, but the market does not have that product. Enterprises start production based on consumers' descriptions and requirements for the product. The characteristic of being responsive to demand is that consumers raise consumer demand. During this time, there was no product of that variety in the market, and enterprises only started production after receiving the demand. This supply and demand relationship has a certain degree of delay, which can solve non-urgent demand and, to some extent, provide services or goods to customer groups without time requirements. However, the liquidity and circulation rate of the market environment determine that what is needed can exist but cannot become mainstream for a long time.

Let's give a few examples to understand the characteristics and persistence of market operations without any demand.

The products that occupied the Chinese health market in the 1980s and 1990s included brain platinum and turtle shell pills. Are brain platinum and turtle shell pills products that consumers initially need? They are businesses that believe that consumers will have demand and see the prospects of such products having demand in the current consumer market.

Are toothpaste and toothbrush products that consumers need from the beginning? Before the birth of toothpaste and toothbrushes, consumers used salt to rinse and clean their mouths. Toothpaste and toothbrushes were a considerable business opportunity discovered by businesses at a specific consumption port. Merchants believed that consumers had the proper consumer demand and invented toothpaste for brushing their teeth, ultimately becoming a product that major manufacturers competed to produce with various brands.

In the past, people used to wash clothes with laundry detergent. Will consumers know when laundry detergent is launched? Laundry detergent is a product that businesses believe has an insufficient contact surface between detergent powder and clothing and is prone to clumping.

Therefore, designers have improved the physical properties of the product. Merchants believed that consumers would have this demand and launched laundry detergent, which occupied most of the washing and care market, creating huge profits for merchants and providing convenience. The report analyses the differences between these products. The report can categorise these products into instant, nutritious, and home-cooked meals. The report set aside marketing and promotion channels, and purely in terms of the product itself, the characteristics of Naopangjin and Guibiewan are harmless to the body. They sound nutritious, but their ingredients also provide nutrition. There is no expert evaluation of the actual nutritional effect. At its peak, it swept most of the Chinese consumer market. The marketing form of brain platinum is to repeatedly refresh consumers' sight and deepen their impression of the product through catchy advertising words every day. At the same time, it shapes the consumption concept of high nutrition and gift value. Why did this product become popular in the 1980s and 1990s? It is because this type of product conforms to the lifestyle and consumption habits of the 1980s and 1990s. The characteristic of the 1980s and 1990s was that technology was not very advanced, and consumer groups relied on television advertising to accept consumer information. Online games have just entered the market, and consumers' money, besides regular expenses, flows towards health preservation and filial piety towards their parents. The biotechnology and medical levels in the 1980s and 1990s were not very mature and complete. As long as they had a slight effect on health preservation, consumers had a certain degree of dependence on health products with ingredients that did not harm the body. Coupled with the singularity of advertising placement, advertising is prone to forming visual and auditory marketing bombs. In addition, consumers tend to purchase these products every three to five times due to their herd mentality. This type of product seized the opportunity and market trend of the 1980s and 1990s, thus earning sufficient market profits.

Why are these types of products classified as instant meals? Because they will move towards a period of decline with different consumption structures and the improvement of people's cognitive levels. When its shelf life reaches another high point in the market, it needs long-term decline control and may be delisted.

Why is toothpaste and toothbrush called a nutritious meal? Because this type of product captures a form of consumption known as "daily habits," the best profit margin is for businesses to turn how they use the product into an indispensable daily habit for everyone. People will compete to buy "habits" and launch their brands. So, the invention of toothpaste and toothbrushes has brought considerable profits to businesses. Toothpaste and toothbrushes capture creativity from 0 to 1.

Why is laundry detergent called home-cooked food? From laundry detergent to laundry detergent, businesses have only changed the phenomenon of laundry detergent not being able to soak and clump in clothes for redesign. Laundry detergent is a flowing liquid that improves the contact surface with clothes. The change from laundry detergent to laundry detergent is subtle, capturing the evolution and transformation from 0 to 0.1. Therefore, although it did not overwhelm laundry detergent in the market, it has also become common for people to a product everyone needs to purchase.

Also, not every product will buy necessities when consumers enter the market to purchase goods. What products will consumers take away from the market, excluding necessities? It is a product that merchants push to consumers, and consumers need it. It is a demand from the second tier, and it happens to be an affordable demand. For example, surprise boxes, pendants, and ornaments are optional items. Still, once the product is attractive, it will be quickly taken away if the pocket money is enough. It captures the spiritual needs of consumers.

Another direction The report needs to consider is capital, apart from the product itself. Why is

capital beyond products when emphasising the operational capabilities of the market? Capital is an absolute dominant force in the entire supply-demand relationship. Capital can control enterprises, markets, and consumption. Under the massive capital support, the market for capital entry is also doing quickly and forming quickly. But the essence of capital is profit, so while controlling the market, capital also observes market reactions, formulates planning routes, and makes adjustments. It is the role played by the market feedback mechanism mentioned earlier, which is influenced by supply and demand relationships, environment, economic constraints, etc. Capital also needs to invest time, financial resources, and energy into each segment of the supply and demand chain invested in the market to obtain huge profits after regional sales and overall sales, as well as to understand and analyse the age differences, preferences, and differences of the consumer groups who purchase goods. These are the counter forces consumers bring to capital: balance and constraints.

Finally, the report will briefly analyse marketing. Marketing plays a role as a lubricant in the entire market mechanism. Marketing is a constantly changing way of planning. The essence of marketing is to use various rhetoric and methods to promote transaction completion, increase sales, and focus on market themes. Why emphasise the need to focus on market themes? Because the derivative force of the market is the driving force of commodity circulation, the market's maturity depends on the derivative force's efficiency, commonly referred to as flow. Why does marketing planning often use one IP, one marketing model, and one marketing approach to promote products? It helps to form the deductive force, thereby promoting the completion of commodity transactions.

The maturity of the market reflects the feasibility of marketing under this model. For example, everyone buys snacks together on the street, forming and promoting a snack street model. Consumers know there are snacks here, and when they remember to buy them, they will go around that street. Then, you suddenly change the marketing plan and sell hardware and electrical appliances during the snack festival. If you don't follow the regular layout, consumers will feel strange, affecting their consumption experience. For example, when everyone uses similar copywriting to promote a product's unique features and uses this feature as the selling point, a particular enterprise suddenly says that its marketing plan needs to change the copywriting to change the features, which can appear abrupt. Improper handling can lead to the lack of apparent characteristics of the product itself. Therefore, this is why marketing is a technical activity that requires more accurate analysis and judgment of the market. A simple understanding is that good marketing planning can familiarise oneself with the market in advance, perceive and predict market trends in the coming months or even years, and combine capital orientation for market layout. The report calls it effective marketing. Effective marketing is straightforward to attract investors' attention and appears particularly eye-catching in market regulation mechanisms.

Practical and Social Implications

Understanding the relationship between enterprises, consumers, and the market and quantifying the role of the market is conducive to the formation of the market, practical transformation of marketing promotion, in-depth thinking of market trends and consumer needs, and helping enterprises design and promote products to achieve product profitability; Helping consumers choose products that are suitable for them in the market; It helps to form an efficient and healthy operating mechanism in the trading market. Providing consumers with a practical and effective market environment and product supply contributes to forming market reasoning power, further empowering the reduction of sales costs and improving their conversion power.

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