

# QINGDAO FRESH SUPERMARKET PROJECT

Nan nan Liu\*

Graduate School, Southeast Asia University, Bangkok, Thailand

E-mail:s6341B20005@live.sau.ac.th

## ABSTRACT

The project team plans to open a modern fresh supermarket in Hongdao Industrial Park, Qingdao, Shandong. The name of the supermarket is Yi ju Fresh Supermarket, which focuses on providing healthy, fresh and safe green fresh food for residents near the industrial park. We create a brand advantage of green fresh food, and create a brand that is safe, nutritious, environmentally friendly, convenient, fresh, and green fresh food. Compared with existing fresh food sellers, we have obvious advantages and are very suitable for target markets of all levels of consumer groups. strong market appeal. In terms of income estimation, the fresh supermarket is based on the flow volume of 15,000 person-times, the consumption rate of 15%, the average of 20 yuan/day, and the estimated gross profit rate of 17%. at 3.3696 million yuan. The estimated revenue of fresh food supermarkets in the next five years is: 848,600-yuan, 856,000-yuan, 2,042,200-yuan, 3,686,700 yuan, and 5,063,800 yuan.

**Keywords:** fresh food, S WOT analysis, competition analysis

## INTRODUCTION

The name of the supermarket is Yiju Fresh Supermarket. The reason for choosing the name "Yiju" is that the founder wants to make the fresh store more grounded and provide community residents with high-quality fresh products.

The area requirement of the newly built fresh supermarket is about 2000-3000 square meters. The proposed registered capital of Fresh Food Supermarket is 1.5 million yuan. The main sources of funds are self - raised funds and equity financing, of which 1 million yuan is self-raised and external equity financing is 500,000 yuan. Funds are mainly used for pre-production equipment procurement and marketing promotion, rent, raw materials, supermarket decoration and other related expenses.

The supermarket is currently preparing for operation. The project team members are tentatively scheduled to be 4 people. At present, the team work tasks have been divided. The next step is to focus on external financing and promote the supermarket business as soon as possible.

Adhering to the concept of "honesty and trustworthiness, safety first, warm service, small profits but quick turnover, and convenience for customers", the supermarket has introduced a modern supermarket management system, and has won the attention and love of the masses with its high-quality service, good reputation and perfect after-sales service. In daily operations, people-oriented, caring for employees, focusing on safe production and labor protection, and repaying the society with practical actions.

Operating characteristics: to meet the needs of customers. Complete variety, affordable price, excellent service.

Fresh supermarket products and services

Fresh products: vegetables, fruits, fresh pigs, frozen goods, seasonings, wild mushrooms, cattle, mutton, poultry, three agricultural products, etc. We can provide consumers with fresh vegetable food with reasonable price, rich variety and high quality.

Additional products: Provide high-quality door-to-door service and high-quality member value-added services for consumer customers.

Supply channels: direct supply from source + procurement from formal wholesale markets. In principle, it is required that all products must be purchased from regular units, and all procurement personnel must be trained to take up their posts to ensure that customers are provided with "three guarantees" (guaranteeing quality, guaranteeing supply, and guaranteeing price) product.

## **INDUSTRY ANALYSIS**

### **2.1 PEST analysis**

#### Market Political Environment Analysis ( P )

In recent years, agricultural development has received attention, and favorable policies have helped fresh food e-commerce. The state has issued a number of policies to encourage the development of agricultural e-commerce, and at the same time, it has issued corresponding norms and favorable policies in terms of circulation and technological development. The national strategy promotes fresh food import and export business, and the Belt and Road policy and the establishment of free trade zones have strongly promoted cross-border fresh food e-commerce business.

#### Economic Environmental Analysis ( E )

hot online retail market has become an opportunity for the development of fresh food e-commerce. According to McKinsey's "2019 China Digital Consumer Trends Report", the scale of China's e-commerce market has reached 1.5 trillion US dollars, which provides a strong foundation for the development of the fresh food e-commerce industry. In 2018, the compound annual growth rate of online retail transaction volume reached 27%, and the online market penetration rate of fresh food e-commerce continued to increase. It is expected to reach 21.7% in 2020, with strong development potential.

#### Social Environmental Analysis(s)

Fresh food is the category with the highest willingness to upgrade consumption. According to the 2020 BCG China Consumer Confidence Survey, 63% of consumers most want to upgrade their consumption is fresh food. "New retail" takes fresh food as the entry point to enhance the consumer experience. In recent years, the new retail model of online and offline integration represented by Hema Xiansheng has been hit by consumers. The store is the warehouse, the delivery radius is 3 kilometers, and the service of delivery in half an hour further enhances the consumption experience.

#### Technical Environmental Analysis (T)

The application of big data and artificial intelligence can improve the operation and maintenance efficiency of fresh food enterprises and reduce enterprise costs. The application of big data technology helps fresh food e-commerce companies to better manage inventory, analyze consumer preferences, and improve operation and maintenance efficiency. The development of the Internet of Things and cold chain logistics promotes the standardization of fresh products and reduces losses. From the field to the dining table, the Internet of Things technology assists the establishment of the traceability system, and the standardization of fresh products is guaranteed. At the same time, the cold chain technology greatly reduces the loss rate of fresh food.

### **2.2 Analysis of Five Forces Model**

#### 1. Threat of New Entrants

The size of the threat of potential entrants in an industry mainly refers to the number of companies willing to enter the industry and the ease of entering the industry. For the fresh food

industry, the threat of potential entrants mainly depends on the level of innovation of the entrants and the new demands of the fresh food market. The fresh food market in the current market has a good growth space. With the increase of China's per capita disposable income and the national policy level attaching great importance to the green fresh food industry, fresh food supermarkets, as an important carrier of fresh products, are currently underinvested. It is also difficult to meet the growing demand for fresh food consumption by the people. Judging from the current domestic fresh market volume, entering a fresh food supermarket supplier will not bring short-term changes to the industry structure. The threat of potential entrants is relatively small.

## 2. Bargaining Power of Suppliers

The suppliers of fresh food supermarkets are mainly agricultural product production bases with a radius of five kilometers. The win-win situation of fresh food projects is not only limited by upstream large fresh food suppliers, but also depends on logistics and warehousing service providers. The commercial characteristics of fresh food supermarkets are Uninterrupted and continuous supply of fresh products, on the whole, fresh supermarkets do not have good bargaining power in the industry relative to the upstream. Sometimes fresh supermarkets can only insist on purchasing when they are losing money.

## 3. Bargaining Power of Buyers

my country's fresh food e-commerce market has a rapid development momentum, fierce competition in the industry, and low standardization of fresh products. As a result, there are more alternative products in the market and consumers have more advantageous bargaining power. The bargaining power of consumers can induce price wars among competitors, and some companies even adopt extreme pricing strategies of price inversion to quickly obtain traffic and promote transactions. The bargaining power of buyers has also been further improved.

## 4. Threat of Substitutes

The threat of substitutes can be summed up in the price-performance ratio between competing products. The entry of substitutes will inevitably pose a huge threat to existing enterprises, which is certain, especially for large fresh supermarkets, because it is too easy to obtain substitutes, and for customers, this is the easiest to get rid of. attractive. Price, quality, performance, switching cost, etc. will affect the choice of customers. The most important thing for customers is the price/performance ratio of the product. He doesn't care where the product is bought or what brand it is. There is not much difference, resulting in low switching cost for customers, even almost zero. This makes the threat of substitutes huge for fresh supermarkets.

For customers, it is to buy the most satisfactory things at the lowest cost. This shows that the price of the product should be lower and the quality should be better, but there are also risks in implementing these, and it will easily become an inappropriate way of competition such as price wars. In order to deal with the threat of substitutes, it is necessary to carry out rectification from within the enterprise. If there is no difference in products, then create differences in other places, reduce costs, and improve customers' recognition of brands and services.

## 5. Rivalry of competitors in the same industry

At present, the products competing in the same type of market have various functions and categories. The key to industry competition lies in the competition among peer competitors. The quality of fresh products is the most effective and direct weight for peers. The positioning of our fresh food supermarket has always adhered to the goal of people's livelihood and large-scale consumption, building a product structure, positioning customer groups and other aspects to establish a supply chain. Judging from the current group of competitors in the fresh food market, the most direct competitors facing our supermarkets are Hema Fresh, Daily Youxian, JD E-commerce and other competitors. Our advantage lies in the fact that our team members

have rich experience in business operations, has certain advantages for product design and promotion of customer groups. We will rely on Alibaba's new technology and use a fully automated distribution model, which will be strictly controlled within 20 minutes from customer ordering to product delivery, and all logistics activities including picking, packaging and other logistics activities will be automated through the model, which will greatly improve the distribution mode of the product. In addition, we will also cooperate with third-party logistics platforms to make full use of the advantages of third-party logistics to solve the problem that orders cannot be delivered to customers on time because the number of orders exceeds our own distribution level, so as to ensure 30 minutes within 3 kilometers Bida's logistics timeliness optimizes logistics resources and reduces logistics transportation costs.

## **2.3 SWOT analysis**

### **(1) Advantage analysis**

#### **political advantage**

2017 Central Document No. 1 "Opinions of the Central Committee of the Communist Party of China and the State Council on Deepening the Structural Reform of the Agricultural Supply Side and Accelerating the Cultivation of New Momentum for Agricultural and Rural Development", which clearly optimizes the industrial structure of products, focuses on promoting the improvement of agricultural quality and efficiency; promotes green production methods to enhance the ability of sustainable agricultural development; to expand new industries and new formats, and to expand the value chain of the agricultural industry chain; to strengthen the drive of scientific and technological innovation to lead the accelerated development of modern agriculture; , activate the endogenous development momentum of agriculture and rural areas. It can be seen that the government attaches great importance to agricultural development, and local governments at all levels have also actively introduced some support and support policies.

The transformation of the sales and circulation of agricultural products to the operation of fresh supermarkets is the need for the structural reform of the rural supply side.

#### **Business advantage**

1) Advantages of fresh supply resources: We rely on the existing vegetable bases around the city and other places as the basis, purchase some vegetables and fruits at the origin, cooperate with large leading enterprises for meat, and be close to the urban area to maintain freshness. freshness.

2) Brand advantage: We create a brand advantage of green fresh food, and create a brand of safety, nutrition, environmental protection, convenience, freshness and green fresh food. Compared with the existing fresh food sellers, we have obvious advantages and are suitable for all levels of consumer groups. The target market has strong market attractiveness.

3) Integration advantage: We will build a comprehensive store of green fresh food and win consumers with high-quality fresh food and satisfactory service. Allow consumers to benefit from a smaller purchase cost.

4) Logistics advantage: We have a well-functioning logistics network to reduce the supply time of fresh food, increase the timeliness of supply, and ensure the safety, nutrition, environmental protection, convenience and freshness of fresh food.

5) Scale advantage: We will form a huge scale advantage and increase the competitiveness of fresh food through the establishment of chain and network operations.

6) Advantages of product quality and safety: With the gradual deepening of food safety awareness and the continuous influence of consumers' purchasing behavior, the quality and safety of agricultural products has increasingly become a major issue of public and government attention. We pay more attention to the quality and safety of fresh agricultural products, and pay attention to and emphasize the quality assurance of products.

Most of the merchants in the traditional vegetable market are mobile merchants, and the number of daily operations is limited. It is difficult for residents to buy fresh goods in the vegetable market. The transaction between consumers and retailers in the farmer's market is still a traditional transaction method. Consumers do not have any transaction certificates when purchasing agricultural products. Some operations are guerrilla-style and unstable, and the products sold cannot be traced back., the quality cannot be guaranteed, and it is difficult to be held accountable after a problem occurs. Affect the improvement of people's quality of life and consumption level; it is difficult to make consumers satisfied.

In terms of quality management, our fresh supermarkets have taken measures to strengthen the inspection and testing of fresh agricultural products. There are labels on the packaging of fresh agricultural products, which indicate the name, specification, price, shelf life, etc. of the fresh agricultural products, which makes people clear at a glance and reduces the cost for consumers to search for such information.

#### Weakness analysis

1. The logistics cost of fresh products is high, resulting in a high loss rate of fruit trees. China's fresh agricultural products are mainly based on the normal temperature chain logistics, and the cold chain logistics started late. 80% of the fresh products are stored, circulated, and initially processed at room temperature. Even in the cold chain transportation, only the traditional ice preservation method is used. The cold chain circulation rates of fruits and vegetables, meat and poultry, and aquatic products were 5%, 15%, and 23%, respectively; the refrigerated transportation rates were 15%, 30%, and 40%, respectively. The loss rate of vegetables and fruits in normal temperature chain circulation in China is 20-30%.

2. The project has just started, and there is a lack of professional talents. The project model needs to be tested and debugged by the market. In general, the growth of the team and the adjustment of the model require time, money, and resources to accumulate.

#### Opportunity Analysis

The community-based physical consumption scenario is one of the important parts of offline traffic. As the closest contact with consumers, the community offline physical stores have strong convenience attributes and can directly improve the daily life of consumers. Consumption quality. Based on the community, close to consumers, coupled with the attributes of high consumption frequency of fresh food, high repurchase rate and large market space, community fresh food stores have become a retail format that both capital and industry are concerned about. The community fresh food business format with strong convenience is an effective supplement to farmers' markets and large chain supermarkets. After the local emerging community fresh food chain brands find a replicable profit model, they will accelerate the degree of regional intensive distribution and continue to exist. Supply of empty adjacent areas to expand.

community fresh food business relies on optimizing the link between farmers and supermarkets, which effectively shortens the logistics time, reduces losses, and increases the frequency of consumption. The development of community fresh food supermarkets in my country is still in its infancy, and the market space is far from saturated, which provides an opportunity for the implementation of the project.

At the same time, China's policy level has put agriculture in the first place to support and promote it for 11 consecutive years. Food safety problems have emerged one after another, and people's living standards and income have improved year by year. The market has reached the consumption of fresh supermarkets and a huge consumer group with the same philosophy; The development of the Internet, mobile APP and timely settlement is more conducive to the convenience of customers' entry and enhances the market viscosity.

#### (4) Threat analysis

Segmentation of the market by domestic competing products ( Meituan's Xiaoxiang Fresh, Yonghui, Jingdong, etc.); the adjustment of national and local policies and regulations (especially the food industry) brings about increased risks and costs; the international market After the opening, potential competitors of foreign competing products .

## MARKET ANALYSIS AND MARKETING PLAN

### 3.1 Market Analysis

We have conducted sufficient research on the business model of community fresh food procurement in the city where we are located to understand the local market demand and structure.

(1) Among the consumers of fresh products in local communities in Qingdao, young mothers from middle-class families are the main force in fresh food consumption. Our survey data shows that female users account for 61.9% of the attention of local fresh food consumers in community fresh food, which is much higher than that of male users; from the perspective of marital status, the consumption demand of married people with children is high, accounting for 61.9%. In terms of age, young consumers aged 25-34 account for the largest proportion, accounting for 47.62%; in terms of income distribution, users with a monthly personal income of 5,001-10,000 yuan account for the largest proportion, reaching 48.41%, and their monthly personal income is more than 5,000 yuan. The proportion of consumers reached 75.4%.

(2) In terms of consumption frequency, local consumers purchase fresh food through community group buying 2-3 times a week as the most common consumption frequency, accounting for 30.95%; followed by once a week, accounting for 24.6%; among them, 35-year-olds The frequency of purchase of fresh food by the above consumer groups is relatively stable, while the consumption frequency of young and middle-aged people under 35 is not stable, ranging from 1-5 times a year to once a week.

(3) In terms of consumer goods, 88% of local consumers buy fresh products most frequently, and the frequency of purchase is 2-3 times a week; vegetables and meat, poultry and eggs are the second and third most popular items respectively. categories, and the frequency of consumers' purchases is maintained at 2-3 times a week or more. 22% of fresh food consumers buy fresh products most often, and the frequency of purchase is not low.

(4) In terms of competitors, two local companies in Qingdao have already started fresh food business. Their models are similar to ours, but their fresh product supply richness, dish freshness, operation and channel stability, and business expertise Sex is slightly underwhelming, which gives us an opportunity to enter the local market.

In terms of competition in the same industry, in addition to our company's fresh food supermarket, there are two other fresh food supermarkets in the local area, which constitutes direct competition for our company's business.

**Table 1** Comparison with Competitors

	<b>Yiju Fresh</b>	<b>Competitors are born fresh</b>	<b>Competitor HaoEsco Fresh</b>
Product	80% are mainly fresh products	50% fresh products + 50% other products	50% fresh products + 50% other products
Price	low price	medium price	high price

	<b>Yiju Fresh</b>	<b>Competitors are born fresh</b>	<b>Competitor HaoEsco Fresh</b>
Quality	from raw vegetable bases with guaranteed quality	The freshness is of high quality and relatively fresh	Customers report that the freshness of vegetables is not enough
Choose	Variety of fresh products to choose from	The variety of fresh products is moderate, the selection is general	The variety of fresh products is not rich enough, and there is little choice
Serve	General service	good service	good service
Reliability	Strong reliability	Strong reliability	Strong reliability
Stability	Strong stability	Strong stability	Strong stability
Professional knowledge	Extensive expertise in fresh food operations	Specializing in other categories of knowledge, general in fresh food management	Specializing in other categories of knowledge, general in fresh food management
Company reputation	Just got involved, good reputation	It has been operating locally for many years and has a good reputation	Operating locally for many years, word of mouth is declining this year
Place	Qingdao	Qingdao	Qingdao
Method of sales	offline sales	Online and offline sales	Online and offline sales
Credit policy	General discount	General discount	Higher discount
Advertise	less advertising	more advertising	less advertising

Compared with the other two local competitors, our fresh food group buying service has advantages in product supply richness, dish freshness, operation and channel stability, and business professionalism. However, since our company has just entered Guiyang, it will take time to get in touch with local consumers, and our company's advertising and marketing efforts are not enough, which slightly affects the depth of our company's involvement in the local market.

### **3.2 Marketing plan**

In terms of marketing, in the early stage, through the market penetration strategy, publicize the image of the new store, build a brand, increase market share, strengthen the quality of supermarket operation and service in the later stage, enrich the content of personalized products and services, and enhance customer stickiness. In terms of price marketing, the products and prices of fresh supermarkets are reasonably subdivided, and different price systems suitable for the market are formulated according to customer groups. Specifically, there are the following key marketing methods:

1. Close and in-depth cooperation with development zones, mid-to-high-end office buildings, park properties, etc. offline, to obtain high-end customer information quickly and at low cost, and realize the drainage of high-end customers to our fresh food supermarket.
2. Invest capital and labor costs to conduct targeted publicity for the new store;
3. Adhere to the promotion of word of mouth;
4. Actively organize various activities regularly with the park and community to attract more customers;
5. New media drainage.

## **MANAGEMENT TEAM AND COMPANY STRUCTURE**

### **4.1 Management Team**

Fresh supermarkets adopt a modern enterprise management system. According to the supermarket's business goals, it establishes an organizational structure, reasonably allocates personnel, clarifies responsibilities and rights, coordinates various relationships, and promotes the process of realizing the supermarket's business goals.

Our fresh supermarket functional departments are divided into Planning Department, Operation Department, Engineering Department, Personnel Administration Department, Purchasing Department, Information Department, and Finance Department.

### **4.2 Board structure**

The members of the supermarket board include the shareholders of the supermarket as well as the managers of various departments. The function of the board of directors is to safeguard the interests of shareholders and promote the implementation of the decisions of the board of directors.

Chairman: Mr. Zhang

4 shareholders in the company, holding 51 %, 23%, 14 % and 12 % respectively.

shareholder Mr. Wang is the founder and legal person of the company;

Shareholder Ms. Li, responsible for the company's middle and back office operations and management;

Shareholder Mr. Zheng, responsible for external marketing and promotion;

Shareholder Mr. Zhu, responsible for channel connection

The opinion of the legal counsel of the other party to ensure the compliance of the business.

## **OPERATIONAL PRODUCTION PLAN**

### **5.1 Place of business**

The newly built seafood supermarket is located near Qingdao Hongdao Industrial Park. There are several reasons for choosing this place:

1. There are a lot of people in this place, and there are a large number of white-collar office workers nearby, and they have strong purchasing power.

2. The future development scale of the site is relatively promising, and the income increase of nearby residents is expected to be high.

3. At present, the area is still in a period of rapid development, and the rent is cost-effective. The rent per square meter is about 300 yuan per month.

## **5.2 Facilities and Equipment**

Hardware facilities: vegetable and fruit shelves, fast-moving consumer goods shelves, dry and groceries shelves, weighing counters, cash registers, pork air curtain cabinets , low-temperature milk refrigerators, ice cream dumplings freezers, radios, electronic scales (or cashier weighing all-in-one machines), fresh-keeping Film machines, office computers, store audio equipment, fish tanks and circulation systems, constant temperature systems, air conditioners, networked alarm equipment, fire extinguishers and other fire-fighting equipment.

Software facilities: Fresh supermarket cash register system, takeaway platform access (online channel), etc.

Materials and consumables: shopping bags (vest bag or continuous roll bag ), cash register paper, price tag paper, weighing paper, A4 paper, color pop promotion paper and other consumables; special knife set for pork segmentation; vegetable and fruit display props (rattan basket, plastic partition, Fruit trays, etc.); processing tools such as fruit knives, scissors, machetes; office supplies such as folders, markers, staplers, notebooks, writing splints; packaging and binding tools such as vegetable and fruit packaging boxes, plastic wrap, rubber bands, etc.; labor protection gloves , rubber gloves, alcohol cotton swabs and other labor protection supplies; wrenches, screwdrivers and other maintenance tools.

## **5.3 Operational plans and strategies**

The first stage is to expand the team, formulate service standards, and formulate management plans.

The second stage establishes the brand to realize the cost recovery.

The third stage of brand capitalization to expand new stores

Expand brand influence, develop new customers on the basis of continuing to maintain old customers (don't let old customers lose), and actively introduce new capital, expand branches, and maximize profits.

The cost of discovering, managing and cultivating outstanding talents is relatively high.

# **FINANCIAL ANALYSIS AND FEASIBILITY ANALYSIS**

## **6.1 Statement of sources and uses of funds**

In order to realize the overall strategy of the supermarket and achieve large-scale operation, the fresh supermarket plans to have a registered capital of 1.5 million yuan , and the main source of funds is self - raised funds and equity financing. Funds are mainly used for pre-production equipment procurement, marketing promotion , rent, raw materials, supermarket decoration and other related expenses.

**Table 2** Estimated financial data

Sources of funds	Specific projects (source of monetary funds)	Amount: ten thousand yuan
	Self-raised by shareholders	100
	Equity financing	50
	total	150
fund application	Procurement of production equipment	25
	Marketing	15
	supermarket space rental	30
	raw materials	55
	Supermarket decoration	20
	Operating Reserve Fund	30
	<b>total</b>	<b>150</b>

**6.2 Estimated financial data**

According to reasonable calculations, the estimated revenue of fresh food supermarkets in the next five years is 2.233 million yuan, 2.4552 million yuan, 2.8235 million yuan, 3.9529 million yuan, and 4.5458 million yuan respectively; the profit estimates are 913,100 yuan, 2,823,500 yuan, 4,545,800 yuan respectively 1,049,600 yuan, 1,257,000 yuan, 1,952,400 yuan, 2,325,600 yuan.

terms of financial ratio, the gross profit margins of fresh supermarkets in the past five years were 57.27 %, 57.37 %, 57.47 %, 57.74%, and 57.84%, respectively, and the return on assets was 30.87 %, 38.15 %, 30.14 %, 39.86%, 31.53%.

The NPV of the fresh supermarket is 2,314,700 yuan, and the IRR is 44.15 %.

To sum up, fresh supermarkets have strong profitability, abundant cash flow, and high commercial investment value.

**Table 3** Estimated annual expenditure

Tax Estimate: Yuan			
years	Income estimates	tax rate	tax
2022	2,232,000	10 %	245,520
2023	2,455,200	10 %	270,072
2024	2,823,480	10 %	310,583
2025	3,952,872	10 %	434,816
2026	4,545,803	10 %	500,038

Estimated annual expenditure: RMB		
years	Income estimates	Spend Estimate
2022	2,232,000	1,217,500
2023	2,455,200	1,289,000
2024	2,823,480	1,426,800
2025	3,952,872	1,783,500
2026	4,545,803	1,961,850

<b>ratio analysis</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
sales growth rate	0	10%	15%	40%	15%
gross profit margin	5 7.27%	5 7.37%	5 7.47%	5 7.74%	5 7.84%
cash ratio	27.58 %	27.58 %	27.58 %	27.58 %	27.58 %
quick ratio	159.7 4%	121.0 9%	126.1 5%	115.6 0%	121.2 0%
Assets and liabilities	17.26 %	22.77 %	21.86 %	23.86 %	22.75 %
return on assets	3 0.87%	3 8.15%	3 0.14%	3 9.86%	3 1.53%

**Table 4 NPV and IRR**

<b>NPV and IRR</b>		
Year	free cash flow	Present value of free cash flow
0	(1537800)	(1537800)
1	810450	790450
2	986573	853212
3	1184555	965321
4	904302	785623
5	2194136	1865321
capital cost	4.60%	
NPV	2 3,147,661	
IRR	44.15%	

### **FEASIBILITY SUMMARY**

In the household consumption structure of urban residents, food is in the most basic position. As household income increases, so does food spending. The structure of food consumption is changing from basic production centered on meeting the heat demand to meeting the nutrition-centered health needs, and from quantity to high-level demand for quality. The structure of modern consumer groups is gradually becoming younger, and people's consumption concepts have changed, especially young office workers, who do not want to spend too much time on purchasing products, especially fresh ingredients, they pursue convenience, speed and freshness., safe fresh food, which provides support for the rapid development of fresh supermarkets.

The project will build a fresh supermarket, which will help provide healthy and safe fresh food for the surrounding residents, and at the same time contribute to local economic development and industrial upgrading. After completion, it can achieve better economic and social benefits, and has strong anti-risk ability. Therefore, the construction of the project is necessary and feasible.

## REFERENCES

- [1] Chunxia, W. (2017). Consumers' attitude and willingness to buy fresh agricultural products online--An empirical survey based on Beijing. *China Agricultural Science Bulletin*, 33(30), 158-164.
- [2] Dehua, F. (2017). Research on O2O and Reverse C2B Business Model of Fresh Agricultural Products. *Contemporary Economics*, 29, 24-25.
- [3] Fei, Y. (2017). Zhang Shuyun. Research on Influencing Factors and Countermeasures of Agricultural Product E-commerce Development in Hebei Province [J/OL]. *Hebei Agricultural Science*, 03, 1-3.
- [4] Fuping County. (nd.). Modern Rural Science and Technology, (10), 4-5.
- [5] Haoyue, X., Junhai, L., Qiang,Z., Wenhui, L., & Xinmin, G. (2010). Analysis on the development status and development mode of e-commerce of fresh agricultural products in
- [6] Hongguo, B. (2017). Analysis of the influencing factors of consumers' willingness to buy tropical fruits online. *Modern Economic Information*, 05, 333.
- [7] Huanhuan, S. (2017). Research on the current situation and model of e-commerce development of agricultural products--taking Huaiyuan County, Anhui as an example. *Modernization of shopping malls*, 19, 42-43.
- [8] Huifeng, W. (2017). *Fresh food e-commerce "calls" for cold chain construction*. China Post, 2017-10-17 (004).
- [9] Jianping, L. (2017). Research on the O2P model of fresh food e-commerce in my country. *Modern Business*, 28, 19-20.
- [10] Jianhai, Y. (2017). Research on the development of fresh food e-commerce logistics under supply chain collaboration. *Cooperative Economy and Technology*, 22, 100-101.
- [11] Jinfeng. (2017). *Research on fresh food distribution scheme in e-commerce environment—taking Beijing black dog logistics as an example* [J/OL]. China's Strategic Emerging Industries, (2017-03-06).
- [12] Kewei, L. (2017). *Five stages of rural e-commerce development* [J/OL]. Henan Agriculture, 08, 1-4.
- [13] Kim Il-ran. (2017). Innovation of urban fresh product distribution under the background of "Internet. *Modern Business*, 27, 19-20.
- [14] Lishe, N. (2017). *Bonded Import Living Museum*. *Ningbo Economy* (Finance and Economics) 08, 12.
- [15] Li, L. (2017). Optimization countermeasures for the logistics mode of fresh agricultural products under the e-commerce environment. *Business Economics Research*, 19, 138-140.

- [16] Meihua, H. (2017). *Discussion on omni-channel practice of multi-channel retailers -- taking*
- [17] Rui, S. (2017). Discussion on the development strategy of fresh agricultural products based on e-commerce platform. *Business Economics Research*, 20,135-137.
- [18] Simin, Y. (2017). The scale of fresh food e-commerce transactions in the first half of the year reached 85.14 billion yuan. *Computer and Network*, 43(19), 11.
- [19] Tao, H. (2017) "New Retail" and the Future Trend of E-commerce [J/OL]. *Business Economics Research*, 08, 52-55
- [20] Xiaowen, Z., & Yuhua, S. (2017). Research on the "last mile" crowdsourcing distribution of fresh food e-commerce under the background of sharing economy. *Price Monthly*, 10, 66-69.
- [21] Xiao, H. (2017) Analysis of Fresh Food O2O Business Model--Take "SF Express" as an example. *Business Economics Research*, 20, 122-124.
- [22] Xiekun, W. (2017). Optimization of fresh food e-commerce logistics and distribution business of Y company. *Logistics Engineering and Management*, 39(10), 91-93.
- [23] Yonghui supermarket as an example. *Journal of Xichang University* (Natural Science Edition), 31(03), 64-68.
- [24] signatures. (2017). *Warm service makes "carnival" the norm*. *International Business Daily*, 2017-11-08 (A08).
- [25] Xiaonong, C. (2017). *Chief reporter of this newspaper. Where are the shortcomings of Shanxi rural e-commerce*. *Shanxi Economic Daily*, 2017-11-12 (002).
- [26] Zhiyong, Q., & Jinjin, F. (2017). The impact of "Internet " on the operation and circulation of fresh food e-commerce. *Business Economics Research*, 19,81-83.