

## Article

# From Scale Expansion to Value Deepening: The Breakthrough Path of Sustainable Marketing for County-Level Decoration Enterprises

Rongxing Yu\*

Jiangxi University of Water Resources and Electric Power, Nanchang 330000, Jiangxi, China

\*Corresponded Author: Rongxing Yu, 243723162@qq.com

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**Abstract:** Driven by the rural revitalization strategy and consumption upgrading in county-level areas, the home decoration industry is embracing new development opportunities in sinking markets. However, many enterprises generally fall into the development dilemma of “prioritizing scale over value”. Taking sustainable development theory as the core, this paper integrates 4P, 4C marketing theories and green marketing concepts, systematically analyzes the marketing status of county-level home decoration enterprises, and constructs a four-in-one sustainable marketing system covering product innovation, channel optimization, digital marketing and social responsibility practice. Through typical case studies and empirical analysis, the effectiveness of strategies such as green material application, in-depth community operation, digital tool integration and localized content creation is verified. This study aims to provide theoretical foundations and practical references for county-level home decoration enterprises to break through growth bottlenecks, achieve green transformation, enhance market competitiveness, and promote high-quality industry development under the background of rural revitalization.

**Keywords:** County economy; decoration enterprises; sustainable marketing; green brand; digital transformation

## 1. Introduction

## **Research Background**

In recent years, with the continuous advancement of the rural revitalization strategy, the scale of the county-level decoration market has grown at an annual rate of 18%, but the market penetration rate is only 35% of that in urban markets, indicating huge development potential [1]. Data from Euromonitor International [2] shows that the global home decoration market in county-level areas of emerging economies has an average annual growth rate of 15.8%, but the penetration rate is less than 40% of that in mature markets. At the same time, the county-level decoration industry is faced with problems such as serious homogeneous competition and a customer lifetime value (LTV) 20% lower than that in urban markets. 82% of county-level decoration enterprises rely on low-price package competition, presenting a typical vicious cycle of “scale expansion-profit thinning” [3]. A 2023 report by the American Marketing Association (AMA) [4] points out that 37% of sinking market decoration enterprises globally are trapped in price competition, with profits declining by an average of 9.2% annually. Affected by fluctuations in the real estate market, the home decoration industry as a whole still faces problems such as poor process standardization and slow construction delivery capabilities despite the potential of the county-level market, which are more prominent in county-level decoration enterprises [5]. A McKinsey & Company [5] study shows that the construction cycle of county-level decoration enterprises in developing countries is 28% longer on average than that of urban enterprises, and the standardization process coverage rate is less than 35%. From the perspective of consumer groups, county-level consumers are highly price-sensitive, with the mid-range market accounting for 65%, and family decision-making participation reaching 73%, making word-of-mouth communication a key factor influencing consumption decisions [6]. Nielsen [6] survey shows that in the county-level home decoration consumption in the Asia-Pacific region, 73.5% of decisions require joint participation of family members, and the conversion rate of word-of-mouth recommendations is 4 times higher than that of online advertising. Although digital penetration has reached 89%, the supply of localized content is insufficient, and the potential of online marketing has not been fully released [7]. HubSpot [7] data shows that the social media usage rate in global county-level markets reaches 89.3%, but the proportion of localized content is only 12.7%, resulting in the online lead conversion rate being 58% lower than that in urban

markets. This contradiction between market characteristics and enterprise operation models forces county-level decoration enterprises to explore new marketing paths.

## **2. Analysis of Marketing Status of County-Level Decoration Companies**

### **2.1. Dilemma of Product Strategy: Double Constraints of Homogeneous Competition and Environmental Protection Shortcomings**

The product homogeneity rate of current county-level decoration companies is as high as 82%, and standardized package marketing has led enterprises to fall into a price war quagmire, with the average customer unit price 30% lower than that in urban markets [8]. The IBISWorld [8] industry report points out that in the global home decoration package market, the product overlap rate of county-level enterprises is 82.3%, and the customer unit price is 27-32% lower than that in cities. On the one hand, county-level consumers have insufficient awareness of environmental protection indicators such as formaldehyde release, and only 9% are willing to pay a premium for environmental protection products; on the other hand, decoration enterprises have failed to establish an effective environmental protection value communication system. A consumer survey shows that among county-level consumers in developing countries, only 8.7% understand the environmental protection certification standards for decoration materials, and the lack of visual environmental protection information leads to low premium acceptance.

### **2.2. Pain Points in Channel Operation: Structural Contradiction of Insufficient Online-Offline Collaboration**

In offline channels, the customer acquisition cost of traditional building materials markets is as high as 350 yuan/person, and the conversion rate is less than 5%. research shows that the average customer acquisition cost of county-level building materials markets globally is 2.3 times that of cities, with a conversion rate of only

4.8%. The lag in online channel construction is more obvious: only 15% of enterprises have established a complete private domain traffic pool, and the monthly activity rate of communities is less than 3%. data shows that the monthly average activity rate of private domain communities of county-level decoration enterprises is only 2.7%, far lower than 18.5% of urban enterprises.

### **2.3. Shortcomings in Brand Perception: Double Failure of Trust Crisis and Value Transmission**

61% of consumers give up signing contracts due to “additional item routines”, which reflects the serious lack of quotation transparency and construction standardization in the industry [9]. The J.D. Power [10] Global Home Decoration Satisfaction Report point out that the customer churn rate of county-level decoration enterprises due to “hidden additional items” reaches 61.2%, 3.1 times that of urban enterprises. The failure to deliver green product value is even more fatal - although 92% of county-level consumers say they “pay attention to decoration environmental protection”, only 9% are willing to pay a premium.

## **3. Construction of Sustainable Marketing System**

### **3.1. Product Innovation: Three-Dimensional Breakthrough of Green Value Implantation**

Material innovation needs to establish an “environmental performance-life value” transformation system. When a decoration enterprise introduced photovoltaic glass, it simultaneously developed a “sunroom power generation income calculator” to let consumers intuitively see the electricity bill savings during the 10-year use period, so that the product premium rate reached 29% and still achieved a 41% sales growth. show that decoration enterprises that convert environmental protection indicators into life cost savings can increase product premium acceptance by 37%. Process upgrading should balance efficiency and experience. A county-level decoration enterprise promoted prefabricated construction technology, shortening the construction period by 25% and increasing customer recognition of “environmentally friendly

construction” to 89%.

### **3.2. Channel Optimization: Full-Link Reach Strategy with County Characteristics**

Offline channels need to build a “community penetration + heterogeneous industry symbiosis” network. The 19% conversion rate of “free house inspection + old house renovation salon” in community operations reflects the precise grasp of the county-level social ecology. A study on county-level markets by in Japan shows that activities combined with community opinion leaders can achieve a conversion rate of 18.9%, 3.8 times that of ordinary activities. Online operations need to solve the problem of “localized content”, and a decoration enterprise’s such content has a single video playback volume of more than 500,000.

### **3.3. Responsibility Practice: Integration of Social Value and Commercial Value**

The application for green certification needs to combine the characteristics of county-level policies. When a decoration enterprise participated in the government’s old housing renovation project, it combined the “green decoration certification” with the “dilapidated house renovation subsidy” policy, and finally the bid winning rate increased to 62%. points out that decoration enterprises that link environmental certification with government subsidies have an average bid winning rate increase of 61.5%.

## **4. Empirical Analysis: In-Depth Enlightenment from the Transformation Practice of H Decoration Company**

The case data of H Decoration Company comes from in-depth research and first-hand data collection of the company. The research team went deep into the enterprise, conducted multiple rounds of face-to-face interviews with the company’s senior management, department heads and front-line employees, with a cumulative

interview duration of more than 50 hours, obtaining information on the company's strategy formulation, execution details, operational dilemmas and breakthrough measures. At the same time, the internal materials such as the company's financial statements, customer files, and business contracts in the past five years were systematically analyzed to ensure the authenticity, accuracy and timeliness of the data. In addition, a questionnaire survey was conducted on more than 300 customers of H Decoration Company through a combination of online and offline methods to understand customers' evaluations of the company's service quality and product satisfaction before and after the transformation, with an effective recovery rate of 92%.

## **4.1. Enterprise Information**

H Decoration Company has been rooted in the county-level home decoration market for 10 years and has a certain customer base and market share in the local area by virtue of its pre-accumulated resources and reputation. However, with the intensification of market competition, homogeneous competition has seriously affected the company's business expansion. Before the transformation, the company mainly relied on traditional package services, lacked characteristics and differentiation, and had weak product premium capabilities; customer satisfaction surveys showed that due to non-standard construction processes and poor communication, the satisfaction rate only remained at 72%, with an increased risk of customer loss and the market share being eroded by competitors.

## **4.2. Transformation Path**

**Product Innovation:** Launched the "Bamboo Rhyme Series" package to build a dual value system of "culture-environmental protection". At the cultural level, the locally characteristic bamboo weaving patterns are ingeniously integrated into interior decoration, from wall decorations to furniture details, everywhere highlighting the regional cultural characteristics and meeting the emotional sustenance and pursuit of hometown culture of county-level consumers; at the environmental protection level, a visual traceability system is built, allowing consumers to clearly understand the source of each piece of bamboo material by scanning the code with their mobile phones, and see the intuitive conversion of "every 1 m<sup>2</sup> of bamboo used = protecting

0.5 m<sup>2</sup> of bamboo forest”, making environmental protection no longer an abstract concept. Once launched, the package achieved a premium rate of 29%, proving that product innovation combining cultural and environmental protection elements can effectively enhance product added value, which is consistent with the view in the paper that product innovation needs to integrate multiple values.

**Channel Innovation:** Developed a cloud design platform with a “dialect voice design communication” function. Considering that although the digital penetration rate in the county-level market reaches 89%, most online services do not fully consider the usage habits of local residents, and many rural customers are deterred from online design communication due to non-fluent Mandarin or complex operations. H Decoration Company accurately grasped this pain point and developed a dialect voice function to support local dialect communication, which greatly reduced the customer’s use threshold, and the online appointment volume of the cloud design platform increased by 41%, strongly confirming the research conclusion that channel optimization needs to fit the characteristics of the county-level market and enhance the attractiveness of online channels through localized innovation.

**Service Upgrading:** During the transformation period, H Decoration Company paid close attention to service quality. On the one hand, it improved the construction management system, introduced advanced project management software, and monitored the construction progress and quality in real time to reduce construction changes and additional items; on the other hand, it established a full-process customer communication mechanism, with special personnel following up and regularly return visit customers in each link from initial consultation, design plan communication to construction process and after-sales maintenance. These measures increased customer satisfaction from 72% to 89% and repurchase rate by 35%, fully illustrating the importance of improving service quality to enhance customer stickiness and promote word-of-mouth communication, which is consistent with the concept of emphasizing customer value to shape brand image in the study.

### **4.3. Support of the Case for Research Conclusions**

H Decoration Company was selected as a case because the difficulties it faced before the transformation were common problems of county-level decoration enterprises, and its transformation strategies were comprehensive and representative, covering key dimensions of the sustainable marketing system such as products,

channels, and services. From product innovation integrating cultural and environmental protection values, to channel innovation achieving localized breakthroughs, to service upgrading improving customer experience, they respectively correspond to the core strategies of product innovation, channel optimization and brand construction proposed in the paper, intuitively demonstrating the feasibility for county-level decoration enterprises to achieve breakthrough development through sustainable marketing with real data and remarkable results, providing strong support for the research conclusions.

To further strengthen the argument, a case of K Decoration Company is added. K Decoration Company is also located in the county-level market. Before the transformation, it mainly focused on traditional offline business, with fierce market competition and limited business growth. In the process of transformation, K Company focused on digital marketing. On the one hand, it deeply cooperated with local popular self-media to produce a large number of decoration short videos with local life scenes, showing the decoration effects of different house types and construction process details, attracting more than 500,000 local fans; on the other hand, it used big data to analyze customer browsing behavior, preferences and other data, and accurately pushed personalized decoration plans, increasing the customer conversion rate by 30%. Comparing the two companies, H and K, H focuses on the in-depth excavation of products and services, while K focuses on digital marketing innovation. The two show the application effects of the sustainable marketing system in county-level decoration enterprises from different angles, enrich the demonstration dimensions, provide more diversified practical references for county-level decoration enterprises, and further solidify the research conclusions.

## **5. Challenges and Countermeasures**

### **5.1. Deep Deconstruction of Main Challenges**

The 40%-60% cost premium of environmental protection materials is essentially a reflection of the immaturity of the county-level supply chain [11]. Research shows that the transportation cost of environmentally friendly materials in county areas is 22.3% higher than that in cities, and the lack of warehousing leads to a cost increase



of 18-25%. The environmental protection certification coverage rate of less than 20% reflects the lack of third-party services.

## **5.2. Systematic Implementation of Response Strategies**

Talent training needs to innovate the “revolving door” mechanism to solve the problem of talent retention. The practice of the “school-enterprise rotation” model proposed by the Chartered Institute of Marketing in the county areas of developing countries shows that this mechanism can increase the talent retention rate by 47%.

## **6. Conclusions and Prospects**

This study confirms that county-level decoration enterprises need to build a four-in-one sustainable marketing system of “product-channel-communication-responsibility”. Future research can focus on cutting-edge fields such as the adaptation of intelligent tools to county-level areas, providing more in-depth theoretical support and practical guidance for the sustainable development of the industry.

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