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**MASTER'S QUALIFICATION THESIS**

**on topic**

**«Organizational maintenance for the development of export-oriented  
enterprise»**

Specialty

073 “Management”

Educational program

Management of International Activity

Orientation of educational  
programme

educational and professional

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**Kyiv – 2024**

**NATIONAL UNIVERSITY OF LIFE AND ENVIRONMENTAL SCIENCES  
OF UKRAINE**  
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06 May 2024

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**TASK**  
**on implementation master's degree qualification thesis by graduate**

**Xie MINGXUAN**

Specialty 073 "Management"  
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development of export-oriented enterprise»  
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Deadline for submission of completed work to the department 2024.11.25

Source data for the master's qualification thesis: legislative acts, educational and  
scientific literature, financial statements of the enterprise, statistical data,  
technological maps, resolutions, orders

List of questions, that subject to research:

1. Theoretical and methodological aspects of organizational support for the development of export-oriented enterprises
2. Analysis of the state and effectiveness of export-oriented enterprises
3. Directions for improvement and prospects for the development of export-oriented enterprises

List of graphic material (if necessary) tables, figures, diagrams \_\_\_\_\_

**Date issues task** «06» May 2024.

**Advisor of master's  
qualification thesis**

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**I accepted the task**

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## ABSTRACT

The work consists of an introduction, three chapters, conclusions and a list of references, which includes 48 titles, the work contains 5 tables and 2 figures. The volume of the paper is 78 pages.

The purpose of the master's thesis «Adaptation of the company's development strategy to modern international activity» is to identify and substantiate modern global trends and challenges that affect international business, to determine the necessary adaptations to the existing company strategy and to evaluate the effective framework for strategic modification. In the light of globalization, growing competition in international markets and changes in trade policy, export-oriented enterprises are becoming strategically important for ensuring economic growth, creating new jobs and raising the standard of living of the population.

The purpose of the master's thesis « Organizational maintenance for the development of export-oriented enterprise » is to study the theoretical and methodological aspects of organizational support for the development of export-oriented enterprises, to determine key factors affecting their effectiveness, and to develop recommendations for improving existing organizational structures and business processes in order to increase competitiveness in the international market.

According to the goal, the following tasks are outlined:

- Analyze the strategic response strategies of domestic and international small and medium-sized manufacturing enterprises during crises;
- Assess the market opportunities and challenges for Mingfeng Lighting Co., Ltd. post-pandemic;
- Study the strengths and weaknesses of the current development strategy of Mingfeng Lighting Co., Ltd.;
- Propose a strategic adjustment plan based on the company's internal and external environment;
- Explore how technological innovation and brand development can enhance the company's competitiveness;
- Analyze the impact of logistics and supply chain management on the

implementation of the strategy;

-Propose measures to ensure the successful implementation of the company's strategy.

The object of the study is an export-oriented enterprise in the context of their development and organizational support.

The subject of the study is a set of theoretical and methodological aspects of organizational support, methods and tools that contribute to the effective development of export-oriented enterprises.

The information base of the study is composed of scientific sources, statistics, data from international organisations and international standards, financial and ESG reporting data of Mingfeng Lighting Co., the results of its own research and Internet resources.

Scientific novelty of the results: The conclusions and recommendations of the work can help Mingfeng Lighting Co. to successfully implement sustainable development goals in the company's activities through the expansion of foreign economic activity.

The research results were approved at the VII International Scientific and Practical Online Conference: 'New Challenges for the Agrarian Sector of Ukraine in the Context of Globalisation' (Kyiv, NUBIP of Ukraine, 9 May 2024).

The main provisions and results of the study are reflected in the conference proceedings: MINGXUAN X., IBATULLIN M. ORGANIZATIONAL MAINTENANCE FOR THE DEVELOPMENT OF EXPORT-ORIENTED ENTERPRISE. New challenges for the agricultural sector of Ukraine in the context of globalisation: Proceedings of the VII International Scientific and Practical Conference of Students, Postgraduates and Young Scientists, 9 May 2024 - K.: NUBIP of Ukraine, 2024.

**KEYWORDS:** SUSTAINABLE DEVELOPMENT, SUSTAINABLE BUSINESS DEVELOPMENT, FOREIGN ECONOMIC STRATEGY, FOREIGN ECONOMIC ACTIVITY, ENVIRONMENTAL RESPONSIBILITY, SOCIAL RESPONSIBILITY.

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## INTRODUCTION

In recent years, multiple global industries have been impacted by factors such as the pandemic, the financial crisis, and the China-US trade tensions. Many export-oriented small and medium-sized enterprises (SMEs) are facing challenges such as reduced orders, fluctuations in raw material prices, and logistical difficulties. Specifically, in Guzhen, Zhongshan, Guangdong Province, which was once a global leader in the lighting industry, the pandemic has exacerbated the challenges facing the sector. Mingfeng Lighting Co., Ltd. was established in 2004 and is primarily engaged in the research, development, production, and sales of lighting products. Although the company has accumulated a certain level of production capacity and customer resources over the years, its shortcomings in brand building, technological innovation, and market expansion have become increasingly apparent. Especially during the pandemic, the reduction in orders and production delays significantly impacted the company's revenue. Therefore, the company urgently needs to adjust its development strategy, enhance its core competitiveness, seize the opportunities brought by market recovery, and achieve sustainable development, which led to the selection of this research topic.

Through an analysis of relevant domestic and international literature, including the works of scholars such as Alexey Ukhanov, Alexander Chupin, Zhanna Chupina, Bai Changsheng, Brian D. Sparks, Chen Hua, Chen X, Chen Xinfeng, Chen Zhimei, Du Qianyi, Xu Yiqi, Xiong Yuqin, Nie Qi, Zheng Gengrui, Gao Yuling, Gu Xiuling, Huang Qinghua, Zhou Zhibo, Zhou Mi, Li Guanghui, Li Juan, Li Shengjie, Li Kai, Liu Cheng, Lin Pingfan, Liu Xiaobin, Luo Huan, Michael E. Porter, Porter M.E., Sun Huiyuan, Sun Shiqi, Tan Hui, Wang Xinyuan, Wu Jinxi, Peng Rui, Wu Sanzhi, among others, it can be concluded that strategic development plays a crucial role in helping enterprises respond to changes in the external environment. However, existing research primarily focuses on strategic applications in large enterprises, with a lack of in-depth studies on how SMEs can adjust and innovate their strategies during special periods. Therefore, the complexity and significance of this issue, along with its theoretical and practical gaps, determined the selection of the research topic, objectives, and tasks.

**The purpose of the work is** to study the theoretical and methodological aspects of organizational support for the development of export-oriented enterprises, to determine key factors affecting their effectiveness, and to develop recommendations for improving existing organizational structures and business processes in order to increase competitiveness in the international market.

**According to the goal, the following tasks are outlined:**

- Investigate the operational status of Mingfeng Lighting Co., Ltd. during the pandemic and its impacts;
- Analyze the strategic response strategies of domestic and international small and medium-sized manufacturing enterprises during crises;
- Assess the market opportunities and challenges for Mingfeng Lighting Co., Ltd. post-pandemic;
- Study the strengths and weaknesses of the current development strategy of Mingfeng Lighting Co., Ltd.;
- Propose a strategic adjustment plan based on the company's internal and external environment;
- Explore how technological innovation and brand development can enhance the company's competitiveness;
- Analyze the impact of logistics and supply chain management on the implementation of the strategy;
- Propose measures to ensure the successful implementation of the company's strategy.

**The object of the study is** an export-oriented enterprise in the context of their development and organizational support.

**The subject of the study is** a set of theoretical and methodological aspects of organizational support, methods and tools that contribute to the effective development of export-oriented enterprises.

The research focuses on Mingfeng Lighting Co., Ltd., located in Guzhen, Zhongshan, Guangdong Province. The theme of the study is the company's strategic development and the path to enhancing core competitiveness in the post-pandemic era.

The research is based on the company's operational data during the pandemic, market research reports, and relevant industry cases. The study adopts a combination of qualitative and quantitative research methods, including SWOT analysis, EFE matrix, IFE matrix, and the analysis of strategic development choices and implementation measures. The informational basis for the research includes the company's financial statements, market demand changes, industry environment reports, and related literature. Through this data, this study aims to propose feasible strategic plans for Mingfeng Lighting Co., Ltd. and provide specific implementation recommendations.

## **CHAPTER 1: THEORETICAL AND METHODOLOGICAL ASPECTS OF ORGANIZATIONAL SUPPORT FOR THE DEVELOPMENT OF EXPORT-ORIENTED ENTERPRISES**

### **1.1 Essence and significance of export-oriented enterprises**

The development of corporate strategic management theory has evolved in response to the ever-changing and turbulent environment, gradually forming a theoretical framework that has gained prominence internationally. In both domestic and international business environments, as companies continue to develop and adapt, increasing numbers of scholars have further analyzed and studied corporate development strategies. This ongoing exploration and research have continuously updated and refined corporate strategic management theories.

In the early 20th century, the concept of management functions was introduced, encompassing planning, organizing, commanding, coordinating, and controlling. These functions were analyzed and discussed, with planning identified as the primary and most important function of management. The strategic management thoughts proposed during this period represent the earliest developments in Western corporate strategic management research. However, it was not until the 1960s that the concept of strategic management truly began to take shape. The critical role of the economic environment in shaping company strategies was dissected, particularly through the analysis of industrial enterprise history.

Further, the "four elements of strategy" theory was introduced, emphasizing that corporate leaders, by analyzing both internal and external conditions, could develop long-term, comprehensive plans that guide the company's operations and ensure that its overall strategic direction remains competitive. This period marked the significant distinction between strategic management and traditional corporate management models: strategic management was seen as a dynamic, continuous process that spanned from decision-making to execution, always oriented toward the future.

During the 1970s and 1980s, corporate strategic management theory saw significant advancements, deepening in the 1990s. One of the most influential contributions came in the 1980s when strategic positioning theory was introduced, pioneering a framework that aligned organizational strategies with competitive strategies. This development helped foster an organic integration of strategy formulation and implementation processes, profoundly impacting the development of corporate strategies. In 1980, a guiding theory for corporate strategic management was proposed, focusing on the "Five Forces Model." This model outlined the five key forces that affect industry competitiveness and profitability, including the bargaining power of suppliers, bargaining power of buyers, the threat of new entrants, the threat of substitutes, and the intensity of competitive rivalry.

In the 1990s, the concept of the "business ecosystem" was first introduced, which broke free from the previous strategic confines based on industry segmentation and created a new strategic framework centered around the idea of co-evolution. This fresh model allowed for a more comprehensive understanding of competitive dynamics within industries.

Since the turn of the 21st century, the global competitive landscape for businesses has undergone substantial changes, driving the further evolution of corporate development strategy theories. Particularly in China, as businesses continue to grow in scale, domestic scholars have increasingly summarized foreign research experiences and applied them to local conditions, making significant progress in strategic management research tailored to Chinese enterprises. Scholars have emphasized the need for corporate development strategies to be comprehensive, long-term, and innovative. In formulating such strategies, it is essential to establish process control systems, key node control systems, and systemic regulation frameworks, paying attention to detail and conducting thorough self-analysis and scientific evaluation while mitigating potential risks in the planning process.

Further, the development of strategic management has become a key determinant of overall corporate success. Before the execution of a company's development strategy, it is crucial to identify the influencing factors to ensure effective implementation.

Moreover, issues such as unclear objectives in the formulation of strategies, insufficient understanding of industry environments, and weak foundations for strategic management implementation still exist in Chinese enterprises. To address these challenges, companies must clarify the purpose of strategy formulation, understand national policies and industry environments, and improve the execution capabilities of their strategies to enhance the scientific and rational foundation of strategic management.

For small and medium-sized enterprises, it is essential to thoroughly grasp policy requirements and the competitive landscape, particularly by aligning strategies with the company's specific circumstances. Clear positioning, the scientific selection of medium- and long-term plans, resource integration, and enhancing core competitiveness are crucial for ensuring the sustainable and stable growth of the enterprise. Additionally, the impact of the COVID-19 pandemic has prompted many companies in China to explore digital transformation as a means to survive and thrive in the post-pandemic era. This transformation has enhanced companies' digital capabilities, enabling the development of new business models that integrate online and offline strategies, thereby improving business resilience and overall competitiveness.

## **1.2 Research status of the lighting industry**

With the development and expansion of the lighting industry, numerous scholars have conducted research on this sector, while the industry still faces many unresolved issues that require urgent attention.

From the perspective of industry development trends, one study analyzed the situation of the lighting industry in Guzhen Town over the past decade and proposed strategies for the next 30 years to build China's lighting industry into an "Industry 4.0" hub. Key recommendations included enhancing the collective brand recognition of China's "Lighting Capital," adopting a professional and diversified strategy, actively integrating with the "Internet+" model, and forming strategic alliances. Another study, focusing on the development of the Guzhen lighting industry cluster, highlighted the integration of the industry chain and innovation chain, noting that their collaborative

fusion could enhance the cluster's innovation-driven capabilities. Additionally, a study on the lighting industry cluster in Zouqi Town suggested that the industry was transitioning from a single-mode to a diversified model, and from low-quality to high-quality products, while urging improvements in technological innovation during the production process to reduce costs and gain competitive advantages through new product development.

From the perspective of brand and technology management, it has been pointed out that, given the current characteristics of the lighting industry, there are very few core technology patents in both domestic and international markets. In Guzhen's lighting industry, ownership of intellectual property rights is also limited. Therefore, it was recommended that lighting companies expand, improve, and enhance their intellectual property protection channels, management systems, and international protection awareness. Additionally, concerns have been raised about the low rate of product quality compliance in Guzhen's lighting sector, and the underdevelopment of industry clusters. A comprehensive quality supervision system was suggested to address these issues. Further analysis also identified challenges such as a shortage of high-level talent and insufficient capacity for independent innovation in the lighting industry, with recommendations for enhancing competitiveness through the implementation of brand strategies and improved element protection.

From the perspective of factor security, it was noted that local government efforts in environmental construction, policy support, research and development, promoting cooperation, strengthening intermediary institutions, and publicizing the industry have played a significant role in promoting the rapid development of the Guzhen lighting industry. However, challenges still remain in terms of rising production factor costs. Additionally, fragmented logistics management and distribution systems were found to constrain the industry's growth, leading to calls for the establishment of a logistics platform to effectively support the development of the lighting industry.

The lighting industry is primarily composed of small and medium-sized enterprises (SMEs). As the role of SMEs in economic development becomes increasingly prominent, both domestic and international research on SMEs has matured.

One of the foundational studies on SMEs, published in 1931, defined the scale standards for small and medium enterprises and introduced the "Optimal Scale Theory," addressing the development strategies for SMEs. In the 1970s, the concept of "Small is Beautiful" was introduced by an economist, providing a unique perspective on the scale of enterprise development. In 2005, empirical research conducted on SMEs in the Pearl River Delta identified a range of factors that could influence the internationalization process of Chinese SMEs, including human resources, policy environment, foreign market conditions, capital operations, and the profitability of foreign markets and products. Recently, China has introduced various policies such as the "Opinions on Improving the System for Supporting SME Development" and the "14th Five-Year Plan for Promoting SME Development in 2021," providing essential support and guidelines for the growth of domestic SMEs.

As the lighting industry continues to develop, increasing amounts of research have emerged focusing on the sector. One study in 2004, examining the competitive characteristics of businesses in Guzhen, a hub for lighting enterprises, found that competition among businesses in the region was intensifying. Local firms viewed others producing similar or related products within the same area as direct competitors, with local competition being the primary source of pressure. In 2011, research on the international marketing strategies of Chinese lighting enterprises emphasized the need for companies to focus on technological innovation to overcome challenges in international markets. It highlighted the importance of improving management, upgrading product branding, and strengthening competitiveness, arguing that merely focusing on quality improvement and cost reduction was insufficient. In 2014, an analysis of the international marketing situation for LED lighting products found significant potential demand in the global market, urging enterprises, industries, and governments to take necessary actions to enhance marketing strategies. In 2018, a study on the strategy of independent brands for export lighting companies suggested that Chinese lighting firms should establish modern management mechanisms to maintain their market image and improve economic benefits as they globalize.

In addition to overall corporate strategic planning, lighting enterprises also engage in activities related to production, cost management, and sales promotion. Research has highlighted that lighting businesses face external environmental risks, such as market fluctuations, changes in consumer demand, and uncertainties like government economic policies, all of which can cause actual profits to deviate from expected outcomes. To mitigate these risks, measures such as cultivating marketing entities, expanding marketing networks, and implementing standardized production were suggested. Furthermore, some studies have pointed out that a significant proportion of lighting enterprises acquire information through new mass media platforms. Thus, individual lighting companies can leverage social platforms such as TikTok and Kuaishou to promote products and identify potential customers. Moreover, improving the awareness of strategic cost management across all levels of the organization, selecting high-quality suppliers, and forming strategic partnerships were identified as key factors in optimizing cost management capabilities. One study examined B2B e-commerce marketing strategies for a lighting company, recommending that future marketing efforts should focus on brand development, using B2B platforms to expand the brand's influence across the country, particularly in second- and third-tier cities. Additionally, research into order delivery issues at a lighting manufacturing company suggested that implementing just-in-time production, comprehensive production maintenance, and optimizing new product development processes could improve order fulfillment levels.

### **1.3 Literature review**

Through the analysis and synthesis of existing literature, it is evident that the competition in the lighting industry has become increasingly intense. Lighting enterprises still face numerous issues in production operations and strategic planning, such as severe product homogeneity, low-to-medium production levels, insufficient marketing capabilities, and the need for improved management skills. These challenges are common among small and medium-sized lighting manufacturers in China.

However, lighting companies also face favorable conditions, such as the expanding e-commerce platforms and relatively well-established national policy support. To capitalize on these opportunities, lighting companies must leverage their strengths, mitigate weaknesses, and continuously enhance their production and sales capabilities. It is crucial for them to adopt an innovation-driven development strategy, transitioning from low-end to high-end production.

The above literature provides strong relevance and theoretical foundation for this study. Based on the review and integration of existing research and theories, this paper will use Mingfeng Lighting Co., Ltd. as a case study to analyze and investigate the company's development strategy, implementation plan, and supporting measures. The goal is to offer valuable and meaningful insights for the company's strategic development and implementation.

## **CHAPTER 2: ANALYSIS OF THE STATE AND EFFECTIVENESS OF EXPORT-ORIENTED ENTERPRISES.**

### **2.1. External environment analysis of mingfeng lighting co., ltd.**

The macro environment refers to the overarching forces that impact all industries and businesses. PEST analysis is a classic model for macro-environmental analysis, examining political, economic, social, and technological factors to assess the conditions faced by ADC Lighting Company. This analysis provides a foundation for identifying trends, opportunities, and challenges, aiding in the formulation of strategic decisions.

On the international front, the U.S. imposed a 25% tariff on \$200 billion worth of Chinese goods in 2018, covering most lighting-related products except for incandescent light sources and certain LED replacement light sources. Recently, U.S. President Joe Biden signed an executive order imposing sanctions on three high-tech sectors in China—quantum computing, the semiconductor industry, and artificial intelligence. This move restricts U.S. investment in these fields, aiming to hinder the development of China's high-tech industries and escalating Sino-U.S. trade tensions. The trade war, coupled with currency depreciation in emerging markets, has significantly impacted the export operations of Chinese lighting manufacturers, particularly in North American and other emerging markets. Many international brands have reduced their outsourcing orders to Chinese factories, with some relocating production from China to Southeast Asia. Consequently, Chinese application manufacturers, including LED packaging and downstream lighting companies, have been affected to varying degrees. Domestically, the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China approved the Proposals for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035. This plan emphasizes accelerating the establishment of a new development model that prioritizes domestic circulation while promoting mutual reinforcement between domestic and international circulations. This strategy aims to enhance China's intelligent manufacturing

competitiveness in the global market and expand domestic market opportunities. Intelligent manufacturing is set to play a pivotal role in China's economic and social development. Additionally, the Belt and Road Initiative, the signing of the China-EU Comprehensive Agreement on Investment, and the enactment and implementation of the Regional Comprehensive Economic Partnership (RCEP) have created more opportunities for Chinese enterprises to expand into ASEAN, Middle Eastern, and European markets. Furthermore, the 20th National Congress of the Communist Party underscored the need to "steadily expand institutional opening-up in areas such as rules, regulations, management, and standards," providing institutional support for stabilizing and improving the quality of foreign trade.

Over the years, the continuous development of the lighting industry in China has resulted in the establishment of five major lighting industrial regions: the Pearl River Delta, the Yangtze River Delta, the Bohai Rim, the Fujian-Jiangxi region, and the Central-Western region. These five regions account for over 90% of LED enterprises nationwide, encompassing the entire LED industry chain, from upstream chip production to midstream packaging and downstream applications. This has fostered a relatively comprehensive LED industrial system, with each region developing distinct industrial clusters. Mingfeng Lighting Co., Ltd. is located in Guzhen Town, renowned as the "Lighting Capital of China." Over the past 30 years, Guzhen has cultivated a lighting industrial cluster centered in Guzhen and extending to multiple towns and districts in three surrounding cities. Currently, this cluster comprises over 38,000 lighting and accessory enterprises, with an annual industrial output exceeding 100 billion RMB. Amid the triple pressures of shrinking demand, supply shocks, and weakening expectations, China's lighting industry experienced a downturn in 2022. The total market size of China's lighting industry in 2022 was approximately 643.5 billion RMB, representing a year-on-year decline of 5.4%. The lighting export sector, facing challenges such as reduced demand in foreign markets, deteriorating trade conditions, pandemic-induced supply chain disruptions, and intensified external competition, recorded a total export value of \$62.7 billion, a year-on-year decrease of 4.3%. Meanwhile, domestic lighting sales, influenced by repeated pandemic outbreaks,

a sluggish real estate sector, pressure on employment and income, weakened consumer confidence, and widened income disparities, reached approximately 225 billion RMB, marking a year-on-year decline of 13.5%. Nevertheless, there are positive aspects amidst these challenges. Despite the global economic downturn over the past three years due to the COVID-19 pandemic and the subsequent slowing of China's economic growth, overall economic growth has remained stable. In 2022, China's GDP reached 121 trillion RMB, reflecting a year-on-year increase of 3%. Guangdong Province, with the largest economic output in the country, achieved a regional GDP of 12.9 trillion RMB in 2022, with an average annual growth rate of 5% over the past five years, maintaining its position as the top-performing province for 34 consecutive years. Zhongshan City, where Guzhen Town is located, reported a GDP of 363.13 billion RMB in 2022, growing 0.5% year-on-year. Additionally, the lifting of pandemic restrictions and the optimization of control measures, coupled with a series of economic stabilization policies, are expected to boost consumer confidence and accelerate the recovery of the lighting industry.

Mingfeng Lighting Co., Ltd. has traditionally focused on export-driven growth. Consequently, the company has been significantly impacted by changes in the international environment, leading to declining sales and profits, posing a critical survival challenge. However, the domestic economy's relatively stable development and the support provided to foreign trade enterprises present opportunities for Mingfeng Lighting Co., Ltd. At the same time, the domestic market remains a highly competitive "red ocean," saturated with established domestic lighting companies and foreign trade enterprises shifting focus to the domestic market. How Mingfeng Lighting Co., Ltd. differentiates itself and captures market share amidst intense competition will determine its ability to achieve sustainable long-term development.

China's seventh national population census in 2021 revealed significant demographic shifts compared to the sixth census in 2010. The proportion of the population aged 0-14 increased by 1.35 percentage points, while the share of those aged 15-59 decreased by 6.79 percentage points. Additionally, the proportion of individuals aged 60 and above rose by 5.44 percentage points, with those aged 65 and

above increasing by 4.63 percentage points. These figures indicate a rapidly aging population, with the proportion of elderly individuals growing more significantly than that of children. The deepening aging trend, combined with younger generations' pursuit of more leisurely lifestyles—such as prioritizing personal interests over income—has resulted in labor shortages and challenges in employee retention and stability for many businesses. Moreover, individuals born after the 1990s and 2000s exhibit unique characteristics of the new era, posing additional challenges to corporate operations. Concurrently, the consumer demographic is becoming younger, with heightened expectations for quality of life. These consumers value psychological and emotional satisfaction during shopping, favoring minimalist interior design over the previously widespread European styles. This shift drives diverse consumer demands, compelling enterprises to invest more in product design and after-sales services.

The reliance on online shopping platforms has also grown significantly, a trend further emphasized by the COVID-19 pandemic. In 2022, China's online retail sales of goods reached RMB 13.79 trillion, a 4% year-over-year increase. Among these, physical goods accounted for RMB 11.96 trillion, growing by 6.2% and representing 27.2% of total retail sales. This steady rise in online shopping demand highlights substantial opportunities for enterprises to complement their physical stores with robust e-commerce strategies. From a macro-technical perspective, as of 2022, China accounted for 30% of global electricity generation, with lighting consumption representing 12% of the nation's electricity production and approximately 16% of global electricity usage. As the world's second-largest economy and a prominent manufacturing hub, China also leads in carbon emissions, contributing 31% of global emissions and consuming over 50% of global coal annually. These realities underscore the formidable challenge of achieving China's dual-carbon goals. Against this backdrop, the lighting industry is increasingly focusing on developing smart, low-carbon lighting systems that provide comfortable and sustainable environments, adding significant value to the sector. The fourth industrial revolution, characterized by disruptive advancements in production technologies and business models, along with

emerging fields such as 5G, artificial intelligence, and big data, is driving enterprises to transition toward digitalization, intelligence, and energy efficiency. Moreover, the globalization of the economy and the widespread adoption of "Internet Plus" have amplified cross-border e-commerce demand, encouraging businesses to embrace diverse and multi-modal sales strategies.

In lighting design, recent years have seen the rise of "non-primary lighting" as a popular benchmark within the industry. This trend, exemplified by magnetic track lights and linear fixtures, reflects changing consumer preferences. Future design trends in the lighting industry are expected to emphasize three key areas: simplicity, higher-quality lighting, and intelligent lighting controls. Minimalist designs, which align with the evolving aesthetic preferences of consumers, are becoming increasingly popular as consumers seek to decorate spaces with the simplest and smallest fixtures. Concurrently, there is a growing demand for lighting that integrates harmoniously with interior elements to achieve cohesive visual effects. Intelligent lighting controls, such as voice activation, light sensors, and app-based adjustments for brightness and color temperature, are also gaining traction, enabling the creation of personalized lighting scenarios that cater to diverse lifestyles. For Mingfeng Lighting Co., Ltd., these technological advancements and trends provide both opportunities and challenges, pushing the company to innovate and adapt to meet evolving consumer expectations.

The industry environment represents the most direct and influential external factor impacting enterprises. By applying the Five Forces Model, this study conducts an in-depth analysis of the internal and external environment of the lighting industry. This approach aims to assist Mingfeng Lighting Co., Ltd. in understanding the current state, trends, and competitive landscape of the industry, providing foundational information and support for strategic planning and decision-making.

As major global economies, China, the European Union, the United States, Japan, and Australia exhibit strong consumer purchasing power and robust market demand. Emerging economies, such as those in Southeast Asia, Latin America, the Middle East, and Africa, present high-growth potential markets characterized by macroeconomic advantages and numerous industry opportunities. According to the 2020 Annual

Update of Global LED Lighting Market report by Frost & Sullivan, the Asia-Pacific region accounted for 47.9% of the global LED lighting market in 2019, followed by Europe at 26% and North America at 20.2%, with the combined share of these three major markets reaching 94.1%.

China's primary export markets for lighting products are North America and Europe. In Europe, specific countries demonstrate unique import preferences: Germany imports significant quantities of tube lights, light strips, automotive and marine lighting, and stage lighting; the Netherlands primarily imports tube lights, spotlights, and stage lighting; Italy focuses on light strips and interior decorative lighting; while the United Kingdom and France favor spotlights and interior decorative lighting. Additionally, European markets impose higher standards on lighting products, emphasizing lighting effects and ambiance. Entry into the EU market requires LED lighting products to meet certifications such as CE-LVD, CE-EMC, CE-ROHS, CE-ERP, and GS. However, challenges emerged in 2022 due to factors such as the Russia-Ukraine conflict, monetary tightening, high inflation, and the lingering effects of the pandemic, which further weakened the already sluggish European and North American markets. In the second half of 2022, China's lighting product exports to North America and Europe declined significantly, with a year-on-year decrease of 17.2% and 25.5%, respectively. This downturn resulted in China's lighting exports to North America amounting to \$17.5 billion, a 10.7% year-on-year decrease, while exports to Europe totaled \$15.3 billion, a 16.4% decline. These regions' shares of China's overall export market dropped by 2 and 3.5 percentage points, respectively.

In stark contrast, the implementation of the Regional Comprehensive Economic Partnership (RCEP) agreement in early 2022 yielded immediate positive effects. China's exports to the 14 RCEP member states, including the 10 ASEAN countries, Japan, South Korea, Australia, and New Zealand, grew by 9.7% against the overall downward trend, increasing their share of China's total export market by 2.6 percentage points. Notably, one-third of ASEAN's imported lighting products originated from China, with China's LED lighting exports to ASEAN markets achieving an impressive year-on-year growth rate of 359.28%, far surpassing the

overall export growth of Chinese LED products. This growth reflects the accelerating shift of certain lighting industry supply chains to Southeast Asia. Malaysia emerged as China's largest LED lighting export market within ASEAN and ranked as the fifth-largest globally, following the United States, Germany, the United Kingdom, and Japan. In the ASEAN market, consumers prioritize product attributes such as energy efficiency, cost-effectiveness, and durability, presenting opportunities for Mingfeng Lighting Co., Ltd. to cater to these preferences.

The COVID-19 pandemic over the past three years has had significant adverse impacts on prices, debt, and profits. However, in recent years, China has vigorously promoted urbanization, with fixed asset investment continuing to grow and infrastructure construction further expanding. Related industries, such as railways, highways, ports, and airports, have experienced rapid development, bringing new growth opportunities to the lighting industry. In 2021, the domestic market size for the lighting fixtures and devices industry reached 117.033 billion RMB.

Looking ahead, domestic demand for lighting products is expected to continue its upward trajectory. In terms of infrastructure, ongoing improvements in highways, airports, ports, and railways are expected to support the positive development of the lighting industry. For urban illumination projects, the steady progress of urbanization in China has created significant demand for lighting in squares, parks, roads, and buildings. In the commercial lighting sector, the relaxation of COVID-19 restrictions and the recovery of consumer activity have driven demand for lighting in stores, hotels, supermarkets, stages, and commercial real estate, accelerating the recovery of the commercial lighting industry.

In addition to these growth areas, emerging products such as "smart lighting," "health lighting," and "smart light poles" present opportunities in the post-pandemic era. The agricultural lighting sector is also undergoing rapid development. Furthermore, the rise of new energy vehicles has spurred accelerated growth in automotive lighting.

Overall, alongside China's rapid economic development and accelerated urbanization, urban lighting demand is evolving toward greater diversity, personalization, and intelligence. The lighting industry has gradually transformed into

a comprehensive sector that integrates cultural creativity, technological innovation, and economic value creation. It is deeply intertwined with new technologies, industries, business formats, and models. The domestic lighting market thus continues to exhibit substantial demand and growth potential, presenting promising opportunities for Mingfeng Lighting Co., Ltd. to innovate and expand its market presence.

Mingfeng Lighting Co., Ltd.'s suppliers primarily consist of companies providing adhesives, packaging materials, electrical cables, electronic components, and lighting accessories. In Guzhen Town, Zhongshan, a fully integrated lighting industry chain encompassing production, supply, and sales has been established, enabling lighting manufacturers to easily find suppliers. However, in the current competitive market, lighting manufacturers in Guzhen face intense pressure from numerous and formidable competitors. To support the company's survival and development, it is essential for enterprises and suppliers to build mutually beneficial and cooperative relationships.

Given the wide range of supplier options available, Mingfeng Lighting Co., Ltd. has adopted strategies such as centralized bulk procurement for commonly used materials. The company also maintains a strong position with its suppliers by ensuring stable orders and timely payments over the long term. Furthermore, Mingfeng Lighting Co., Ltd. has signed long-term cooperation agreements with its suppliers to guarantee stability in pricing and material supply, thus enhancing its control over supplier relationships.

The customers of Mingfeng Lighting Co., Ltd. are primarily foreign brand owners or importers. Due to the company's limited capabilities in research and development and innovation, its products are highly homogeneous and easily substitutable. Additionally, Mingfeng Lighting Co., Ltd. lacks its own sales channels, networks, and marketing team. Instead, the company relies on third-party intermediaries to connect with foreign clients, leaving it in a passive position to receive and accept orders.

The company's customers have significant bargaining power, as they can choose from multiple suppliers for similar products. These customers control key aspects such as branding, technology development, and market sales channels, enabling them to manage suppliers through factors like product pricing, production capacity, and quality

standards. As a result, Mingfeng Lighting Co., Ltd. has limited bargaining power when dealing with its customers.

The overexpansion of lighting production capacity in the domestic market has resulted in low industry concentration and severe homogenization, leading to intense market competition. Internationally renowned brands such as Philips, GE, Panasonic, LG, and Samsung, which have been deeply rooted in the Chinese market for years, dominate the high-end and mid-range markets due to their superior product quality, brand influence, and customer satisfaction. However, these brands face challenges in channel penetration within lower-tier cities (third-tier and below) in China and are relatively weaker in product promotion compared to local competitors.

Traditional domestic lighting enterprises such as NVC, Oppl, Sunlight, and Foshan Lighting have captured a significant market share by leveraging their brand recognition and established market channels. However, these companies lack competitiveness in areas such as product R&D, technological innovation, quality control, and brand influence compared to their international counterparts. Emerging domestic LED lighting companies like MLS, Unilumin, Kingsun, Refond, and Henderson have shown rapid growth by seizing opportunities in the fast-developing industry, particularly in technology and sales promotion. Nonetheless, they face limitations in brand recognition among general consumers and market channel development compared to traditional lighting brands.

Export-oriented enterprises such as Self Electronics and FSL, which possess mass production capacity and certain product innovation capabilities, have accumulated substantial overseas customer resources. However, they are underdeveloped in domestic sales channels and miss significant opportunities in the domestic market.

Mingfeng Lighting Co., Ltd. faces competition primarily from numerous small and medium-sized LED lighting manufacturers. These competitors often suffer from limitations in product technology, quality stability, branding, and channels, leading them to focus on low-end markets and engage in price competition.

As the global economy continues to develop, Mingfeng Lighting Co., Ltd.'s competitors increasingly include firms from Southeast Asian countries, which benefit from lower labor costs and tariff advantages when exporting to the U.S. Additionally, as consumer demand evolves toward higher-end products, there is increasing demand for commercial and industrial lighting applications, particularly for hotels, shopping malls, and large public facilities. This has spurred the rise of specialized lighting companies in these sectors. Traditional lighting enterprises have also entered these markets through mergers and acquisitions, intensifying market competition.

Mingfeng Lighting Co., Ltd.'s product portfolio mainly comprises mature traditional lighting products. The industry's production capacity largely meets market demand. Factors such as the pandemic, declining orders, rising costs, and overcapacity pose significant challenges to new entrants. Additionally, the average gross profit margin in the lighting industry is approximately 25%, with diminishing profitability, further discouraging new entrants. With over a decade of development, Mingfeng Lighting Co., Ltd. benefits from economies of scale and stable customer resources, as well as a mature supplier network. These factors give the company a competitive advantage over potential entrants in traditional lighting. As such, the threat of new entrants to Mingfeng Lighting Co., Ltd. in this sector is relatively low. However, as consumer preferences shift toward simplicity, energy efficiency, and smart lighting, new entrants utilizing advanced technologies and processes to produce innovative products aligned with current market demands may pose significant threats. Specific niche markets, such as LED filament lamps and applications in agriculture or exhibitions, remain highly competitive and present challenges to Mingfeng Lighting Co., Ltd.'s growth.

The lighting market has largely transitioned from incandescent to LED lighting. Among emerging technologies, OLED poses the greatest potential as a substitute for mainstream LED products. OLED technology offers more vivid colors and significantly higher contrast than LED. However, OLED has drawbacks such as higher energy consumption, lower safety, shorter lifespan, and significantly higher prices. Consequently, LED lighting products remain the preferred choice in the short term,

with limited threat from substitutes. Mingfeng Lighting Co., Ltd.'s reliance on OEM production has resulted in weak brand power and limited technological reserves, contributing to operational challenges during the pandemic. However, the company maintains competitive advantages in its established production lines, experienced technical workforce, and effective quality control. Its product range, primarily LED lighting such as stage lights and household lighting fixtures, meets widespread consumer needs. Based on its technology pathway and product types, Mingfeng Lighting Co., Ltd. faces minimal threat from substitutes.

In the current lighting industry landscape, there are numerous small and medium-sized brands in the domestic market, resulting in a fragmented competitive structure. The industry can be broadly divided into three tiers. The first tier includes leading companies such as Philips, Opple Lighting, and Sunlight Lighting. While these companies are all part of the top tier, there remains a significant gap in revenue scale, indicating a highly fragmented market. The second tier consists of enterprises with notable brand recognition, such as Kingsun. The third tier comprises smaller, lesser-known lighting companies, which are numerous and face intense competition due to their low brand recognition. Based on key factors such as product type, customer market, geographical location, and future development directions that influence company growth, the following key competitors have been selected for comparative analysis.

Founded in 1996, Opple Lighting has evolved from a startup into a globally recognized integrated lighting company, encompassing production, sales, and R&D. The company operates several production plants overseas, including in Iran and the Zhongshan Industrial Park in China, with products spanning lighting fixtures, electrical appliances, and integrated ceiling lights. Opple also boasts a professional marketing team and, after years of deepening its sales network both domestically and internationally, its products are sold in over 50 countries and regions, with its own brand accounting for over 70% of its overseas business. Currently, the company operates 36 branch offices in China and has established a strong marketing network that covers 95% of county-level and higher cities, with more than 3,000 exclusive

stores and over 5,000 sales outlets. Oppl Lighting has secured a significant position in the traditional lighting industry, and its product offerings overlap extensively with those of Mingfeng Lighting Co., Ltd. Oppl's brand recognition, diverse product range, and comprehensive marketing network present considerable competitive pressure on Mingfeng Lighting's development.

Founded in 1984, Guangzhou Yajiang Optoelectronic Equipment Co., Ltd. has gained considerable industry recognition over more than two decades. The company currently employs over 600 people, with 30% of them engaged in technical R&D. Its production facilities span 30 acres, with a 20,000-square-meter modern standard factory and cutting-edge areas such as a 1,000-square-meter high-tech LED product exhibition hall, a 3,000-square-meter dust-free workshop, and a leading optical testing laboratory. The company's products have passed ISO9001 certification, national export certification, CE, GS, ETL certifications, and meet international advanced standards. Its products cover the domestic market and are exported to more than 100 countries, including the US, Germany, France, and Australia. Guangzhou Yajiang's product offerings overlap significantly with those of Mingfeng Lighting in international markets. Additionally, Yajiang has built substantial brand recognition in the niche market of stage lighting, which presents a significant competitive threat to Mingfeng Lighting's development in this segment.

Founded in 1997, Mulinsen Co., Ltd. is a comprehensive optoelectronic technology enterprise in China that integrates LED packaging and LED application products. The company represents an advanced example of electric light source technology in the 21st century. In October 2011, Zhongshan Mulinsen Lighting Technology Co., Ltd., a wholly owned subsidiary of Mulinsen Co., Ltd., was established in the Xiaolan Town of Zhongshan City. The company's product range includes LCD, display products, electronic products, LED lighting products, LED drivers, control systems, streetlights, electric light sources, and integrated ceiling lights. As a representative of the emerging lighting industry, Zhongshan Mulinsen Lighting Technology Co., Ltd. is well-known for its energy-saving and environmental protection products. Its geographical proximity to Mingfeng Lighting gives it an

advantage, posing a significant threat to Mingfeng's potential transition towards energy-efficient lighting solutions.

*Table 2.1*

**Analysis Of Competitors Of Mingfeng Lighting Company**

<b>Company Name</b>	<b>Main Products</b>	<b>Main Markets</b>	<b>Sales Channels</b>	<b>Advantages Compared to ADC Lighting Company</b>
<b>Opple Lighting Co., Ltd.</b> (Shanghai, Suzhou, Wujiang, Zhongshan, Guangdong)	Home lighting, commercial lighting, light sources, lighting control, etc.	Asia Pacific, Europe, Middle East, South Africa, and over 70 countries and regions	Distributor channels, real estate procurement channels, e-commerce channels, retail channels, etc.	Strong financial resources, high market share, high brand recognition, diverse sales channels
<b>Guangzhou Yajing Optoelectronics Co., Ltd.</b> (Guangzhou)	Two well-known brands: SILVER STAR and ARCTIK, covering cultural performance, theater, film and television lighting, architectural landscape products	Primarily domestic market, with exports to over 100 countries including the US, Germany, France, Australia, etc.	E-commerce channels, retail channels, etc.	High recognition in niche product areas, owns independent brands
<b>Zhongshan Mulinsen Lighting Technology Co., Ltd.</b> (Zhongshan, Guangdong)	LED materials, LED optoelectronic components, LED lighting applications, etc.	Global sales network	Distributor channels, e-commerce channels, retail channels, etc.	Strong financial resources, high recognition in the emerging LED energy-saving lighting sector
<b>ADC Lighting Company</b> (Zhongshan, Guangdong)	Home lighting, commercial lighting, etc.	Europe, North America, Russia, etc.	Third-party channels	-

*Data Source: Compiled by the author based on research materials.*

In summary, based on the comparative analysis of Oppl Lighting Co., Ltd., Guangzhou Yajiang Optoelectronic Equipment Co., Ltd., and Mulinsen Co., Ltd., the following conclusions can be drawn: Oppl Lighting Co., Ltd. has rapidly captured the domestic market primarily through a well-established offline distribution network; Guangzhou Yajiang Optoelectronic Equipment Co., Ltd. has focused on niche product markets, securing a position in specialized product segments; and Mulinsen Co., Ltd. has established a foothold in the emerging energy-efficient lighting industry. In comparison to its competitors, Mingfeng Lighting Co., Ltd. faces significant competitive pressure due to disparities in areas such as capital, customers, products, and market coverage.

The key weaknesses of Mingfeng Lighting Co., Ltd. when compared to its competitors include: (1) insufficient capital accumulation; (2) limited domestic market coverage; (3) lack of a proprietary brand; and (4) severe product homogeneity. Therefore, Mingfeng Lighting Co., Ltd. must actively address these deficiencies in order to narrow the gap with its competitors and enhance its competitive position.

By summarizing and evaluating the external environmental factors affecting Mingfeng Lighting Co., Ltd., this section identifies the key factors influencing the company's future development from the perspectives of opportunities and threats. The findings provide a basis for the formulation of the company's development strategy.

In terms of economic stabilization, the central government, along with regional authorities, has implemented various measures to support the development of small and medium-sized enterprises (SMEs). Notably, in 2023, the State Council introduced 33 measures to stabilize the economy and 19 follow-up measures, which have proven to be highly effective in alleviating the difficulties faced by businesses, particularly small and micro-enterprises, thus stabilizing market entities. For instance, the full refund of both existing and incremental tax credits has been extended to more industries, with over 140 billion yuan in additional tax rebates, totaling 2.64 trillion yuan in rebates for the year. Additionally, three social security fee policies have been extended through the end of the year, including deferrals for SMEs, individual businesses, and five hardship sectors, amounting to a deferral of 320 billion yuan in

social security fees. These policies have eased the challenges faced by SMEs, providing solid support for their stable development.

Regarding foreign trade, a key priority outlined in the 20th National Congress report is to promote high-level opening-up and accelerate the construction of a strong trading nation. In 2022, the State Council issued guidelines to stabilize and improve foreign trade, and supportive measures from local and relevant departments have been rolled out intensively, signaling a strong commitment to stabilizing foreign trade. Guangdong's new foreign trade formats and models have developed rapidly in the wake of the pandemic. In 2024, Guangdong will implement a trade new business model project that focuses on system and business innovation, as well as development clusters. This effort will help many foreign trade enterprises diversify away from reliance on single cross-border platforms, and instead, expand their presence on multiple platforms such as Amazon, eBay, and AliExpress. As a result, cross-border e-commerce has become an effective tool for enterprises to secure orders and expand markets. Guangdong's cross-border e-commerce import and export scale is projected to reach 331 billion yuan in 2024.

In terms of the domestic economic environment, the 2024 "Blue Book of the Economy" predicts a 4.3% growth in China's economy in 2023. Price levels are expected to rise moderately in 2024, with the Consumer Price Index (CPI) expected to increase by 2.8%, while the Producer Price Index (PPI) will rise by 1.2%. The domestic economic outlook is generally positive, and as the pandemic control measures are fully lifted and urbanization continues to deepen, demand for lighting fixtures in industries such as real estate, hospitality, and exhibitions will continue to drive significant demand.

In the international economic environment, data from China Customs indicates that the total export value of lighting fixtures, lighting devices, and their parts reached 307.35 billion yuan in 2023, a decrease of 3% year-on-year. However, monthly export figures have remained relatively stable, averaging around 25 billion yuan. While the total export value for 2023 decreased slightly compared to 2022, it represented an 18.1% increase from 2021, showing resilience despite the challenges posed by the pandemic,

Sino-US trade tensions, and the Russia-Ukraine war. According to a report by the Institute of Scientific Research, the total import and export value for China in 2024 is projected to reach approximately 6.38 trillion USD, an increase of 0.71%, with exports estimated at 3.62 trillion USD, a growth of 0.24%. Additionally, with the exploration of emerging markets in Southeast Asia, including Vietnam, Singapore, Malaysia, Indonesia, the Philippines, and Thailand, the future prospects for the lighting market are promising, and the international market for lighting exports remains relatively expansive.

When discussing China's largest economy province and its gateway to international markets, Guangdong stands out. Guangdong is not only an important window for showcasing China's achievements in reform and opening-up but also a key observation point for the international community on China's progress in these areas. As the southern gateway of China, Guangdong boasts both land and sea advantages. The province benefits significantly from the construction of the "Dual Zones" and two cooperation zones, connecting both international and domestic markets while integrating global and local resources. This unique geographical and strategic position provides Guangdong with the capacity and conditions to contribute to the reform of the global economic governance system.

Mingfeng Lighting Co., Ltd. is located in Guzhen, Zhongshan City, known as the "Lighting Capital of China" in Guangdong Province. The local lighting industry has developed a clear competitive advantage with a complete industry chain that spans from raw materials to production, manufacturing, and sales. Due to its geographic location and strategic positioning, the company finds it easier to source suppliers, expand its market, and recruit top talent in management, technology, research and development, and sales. Moreover, Guangdong's strong policy support, as well as its innovative approach, can effectively reduce operational costs for the company.

The Regional Comprehensive Economic Partnership (RCEP) is an agreement initiated by ASEAN in 2012 and involves 15 economies, including China, Japan, South Korea, Thailand, Vietnam, and others. This agreement encompasses over 3.5 billion people and accounts for approximately 30% of the global economy, making it the

largest free trade area in the world. The signing of this agreement has opened up a broader market for Mingfeng Lighting Co., Ltd. This market presents enormous trade potential, a vast customer base, and a promising future, making it an attractive opportunity for expansion.

By the end of 2024, China's urban resident population is expected to reach 910 million, with an urbanization rate of 64.7%. This is notably lower than the urbanization levels of OECD member countries and high-income nations, as well as significantly below that of other upper-middle-income countries. This suggests that there is substantial room for growth in China's urbanization rate in the future. The deepening urbanization process will facilitate the full integration of migrant populations into cities, raising the income levels of workers and, in turn, unleashing significant demand for housing, durable consumer goods, and mid-to-high-end services.

The lighting industry is facing intense competition due to low entry barriers and high product substitutability, which makes it easy for new companies with strong innovation capabilities to enter the market. Despite a decline in the number of large-scale enterprises in China's lighting industry since 2015, Guangdong Province remains the leader with approximately 91,400 smart lighting-related companies in 2022. Other provinces like Jiangsu and Sichuan also hold significant shares, with around 75,000 and 64,850 companies, respectively. Mingfeng Lighting Co., Ltd. is confronted with fierce competition, marked by product homogenization and increasing profitability pressures, which make it difficult to differentiate in the crowded market.

The broader macroeconomic environment presents additional challenges for the industry. With slower economic growth, tighter real estate policies, and a constrained financing environment, market demand is sluggish, further exacerbated by rising costs in raw materials, labor, land, and logistics. These factors, combined with the transition of the LED lighting industry into a more mature and stable phase, have contributed to the industry's inability to maintain the high-growth pace seen in its earlier years. Lighting exports also face significant difficulties, impacted by shrinking demand due to global economic slowdowns, Europe's energy crisis, and supply chain bottlenecks. Geopolitical events, such as Sino-U.S. trade tensions and the Russia-Ukraine conflict,

have escalated concerns over supply chain security, prompting Western countries to restructure global industrial chains through diversification, localization, and nearshoring. For China's lighting industry, which is deeply embedded in global supply chains, this creates substantial challenges.

Consumer market shifts have also brought about risks for the industry. The younger consumer demographic, now the primary market force, increasingly favors lighting products that are personalized, energy-efficient, and aesthetically appealing. Modern and minimalist lighting styles have gained popularity, driven by changing home décor trends and evolving consumer preferences. As a result, many lighting companies have shifted toward modern designs. However, for traditional lighting manufacturers, the market has become intensely competitive, with issues like overcapacity and price wars. Without innovation and adaptation, companies risk being left behind in a rapidly changing market.

Moreover, external factors like Sino-U.S. trade frictions and exchange rate volatility have compounded the pressure on the lighting industry. The introduction of tariffs has made it harder for Mingfeng Lighting Co., Ltd. to compete in international markets, while fluctuations in the exchange rate have added instability and increased operational costs. These external challenges pose significant risks to the company's long-term sustainability. Additionally, the rise of new consumer trends focused on customization and digital engagement is reshaping the industry. These evolving demands represent both opportunities and challenges, requiring companies to adapt to new consumption patterns that prioritize aesthetics and innovation over traditional functionality and durability. The shift toward digitalization and the demand for reshaping business-consumer relationships are key drivers that will influence the future direction of the lighting industry.

The External Factors Evaluation (EFE) Matrix is a quantitative tool used for assessing the external environment. The process for creating the EFE Matrix is as follows: First, based on the preceding analysis, the opportunities and threats facing Mingfeng Lighting Co., Ltd. are identified, along with the weight of each key external factor. The weight assigned to each factor reflects its importance, with the sum of all

weights equaling 1.0. Second, the author interviewed five senior executives at Mingfeng Lighting Co., Ltd., inviting them to rate the company's response to key external factors using a four-point scale: 4 points for a good response, 3 points for an above-average response, 2 points for an average response, and 1 point for a poor response. Third, based on the weights and scores for each factor, a weighted total score is calculated to evaluate the impact of external opportunities and threats on the company. The overall assessment of Mingfeng Lighting Co., Ltd.'s external environment is presented in Table 2.2.

*Table 2.2.*

**External Factor Evaluation Matrix (EFE Matrix)**

<b>Key External Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>
<b>Opportunities (O)</b>			
O1: Policy support for development	0.1	3	0.3
O2: Optimistic consumer market	0.1	3.3	0.33
O3: Geographic location advantage	0.1	3.1	0.31
O4: Demand from Southeast Asian and other foreign markets due to RCEP agreement	0.05	2.9	0.145
O5: Deepening urbanization expanding domestic demand	0.15	3.4	0.51
<b>Subtotal (Opportunities)</b>	<b>0.5</b>		<b>1.595</b>
<b>Threats (T)</b>			
T1: Low entry barriers and intense industry competition	0.15	2.5	0.375
T2: Continued pressure on industry growth and exports	0.1	2.2	0.22
T3: Transformation in the consumer market leading to development crisis	0.05	1.8	0.09
T4: Impact of Sino-US trade tensions and severe exchange rate fluctuations	0.1	2	0.2
T5: Development crisis caused by new consumer market demand	0.1	2	0.2
<b>Subtotal (Threats)</b>	<b>0.5</b>		<b>1.085</b>
<b>Total</b>	<b>1</b>		<b>2.68</b>

From the EFE Matrix, it can be seen that the average score of external factors for Mingfeng Lighting Co., Ltd. is 2.68, which is 0.18 points higher than the industry average of 2.5. This indicates that the external opportunities for the company outweigh the threats, and Mingfeng Lighting Co., Ltd. is capable of effectively responding to external opportunities and threats. The company can adopt the correct approach to actively capitalize on external opportunities and avoid potential threats. However, there are areas for improvement. As a traditional lighting manufacturing company, Mingfeng Lighting Co., Ltd. faces challenges such as the macroeconomic downturn and Sino-U.S. trade tensions. To seize new opportunities in emerging markets, the company must focus on specialization and segmentation, catering to market demands while actively exploring new sales channels.

Through the analysis of Mingfeng Lighting Co., Ltd.'s external environment, it is clear that the political, economic, social, cultural, and technological environments are undergoing significant changes. With the full reopening of the economy and various government policies aimed at stabilizing growth, the development environment for Mingfeng Lighting Co., Ltd. is expected to improve. However, the company also faces threats from existing competitors and new entrants. Overall, external opportunities outweigh the external threats. To achieve growth in this highly competitive market, the company must actively seize new markets, adjust its production processes, and align with market demands.

## **2.2 Internal environment analysis of mingfeng lighting co., ltd.**

Mingfeng Lighting Co., Ltd. was established in 2004 and is located in Guzhen Town, Zhongshan City, Guangdong Province, renowned as the "Lighting Capital of China." The company integrates lighting research and development, design, production, and import-export sales. It boasts modern standard factory buildings, as well as supporting design and development centers, quality control centers, and professional lighting testing laboratories. The company specializes in the production of various LED wall lamps, chandeliers, ceiling lights, table lamps, and floor lamps, with its products

mainly sold to Europe, North America, Russia, and other countries. The company has obtained ISO 9001 certification, as well as BSCI, ICS, GS, CE/CB, UL, ETL, SAA, and EAC certifications. Currently, Mingfeng Lighting employs over 150 staff, including more than 20 engineering technicians and managers. Its main departments include the office, human resources, finance, R&D, business, warehouse, quality control, and production departments. The company's annual revenue is approximately 70 million yuan.

The company's major milestones include: In 2004, Mingfeng Lighting Co., Ltd. was founded in Guzhen, Zhongshan; in 2005, its products passed the national 3C certification, and the company moved from a 300-square-meter factory to a 1,200-square-meter standard factory; in 2009, it obtained ISO 9001 certification; in 2010, the company's self-built 6,500-square-meter standard factory was completed and put into use; in 2012, it was awarded the title of "Outstanding LED Application Brand of the Year"; and in 2014, its annual revenue exceeded 100 million yuan.

Mingfeng Lighting Co., Ltd. has implemented information management across its operations, technical research and development, production, sales, and financial management. This allows for information transmission between departments and quick retrieval of production and financial data, providing a certain level of information management foundation. However, due to the company's production scale and a lack of awareness regarding information technology support, it has not yet established a complete, standardized, and systematic unified process. The company has not developed a comprehensive and standardized information-sharing platform with operational functionality, nor has it implemented corresponding personnel training systems. As a result, data resource sharing between departments within the company remains low, and the level of information management is relatively underdeveloped.

In terms of revenue, since its establishment, Mingfeng Lighting has achieved a peak revenue of over 100 million yuan. However, in the past three years, the company's revenue has significantly declined due to factors such as the ongoing pandemic and rising raw material costs. In 2024, the revenue was 58.104 million yuan. Despite this, the company has accumulated some capital over more than a decade of operations. As

of 2024, the company's total assets were 32.11 million yuan, with 31.09 million yuan in current assets and 1.02 million yuan in non-current assets. Total liabilities amounted to 31.97 million yuan, all of which were current liabilities, and the owner's equity was 140,000 yuan. This indicates that, due to the market downturn, the company had a relatively high level of external liabilities in 2024. The following section provides a detailed analysis of Mingfeng Lighting's revenue situation.

*Table 2.3.*

**Revenue Table of Mingfeng Lighting Company**

<b>Year</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Operating Revenue (10,000 CNY)</b>	8530.4	8623.3	2650.2	2509.1	5810.4
<b>Operating Revenue Growth Rate (%)</b>	2.3	1.1	-69.3	-5.3	131.6
<b>Operating Profit (10,000 CNY)</b>	511.8	563.4	139.5	-76.6	356
<b>Operating Profit Growth Rate (%)</b>	13.2	10.1	-75.2	-154.9	564.8

The revenue status of Mingfeng Lighting in recent years is shown in Table 2.3. In terms of revenue growth, the company's revenue remained relatively stable in 2020 and 2021, with steady and fast growth in operating profit. In 2022 and 2023, affected by the pandemic, the company's revenue and operating profit declined sharply, experiencing negative growth. In 2024, under the influence of the normalized pandemic control policies, the company gradually resumed production and sales, turning its revenue and operating profit from negative to positive, achieving growth.

Mingfeng Lighting Co., Ltd. currently employs 150 people. The staff includes 3 people in the office, 2 in the human resources department, 4 in the finance department, 10 in the research and development department, 3 in the business department, 10 in the warehouse, 10 in the quality control department, and 108 in the production department. In terms of education, there are 20 employees with bachelor's degrees, 30 with associate degrees, 86 with high school or vocational school diplomas, and 14 with education below high school level. The management team remains generally stable, and the technical and professional staff can meet the company's technical and research and development needs. However, over the past three years of the pandemic, the

company's order volume has decreased, labor costs have risen, and several employees have resigned, resulting in some instability in staff retention.

The responsibilities of each department are as follows: The office is responsible for administrative management and daily affairs, ensuring standardized management across the company's operations. The human resources department manages compensation, performance, training, recruitment, benefits, and other personnel matters. The finance department is in charge of confirming customer revenue, verifying transportation costs with logistics suppliers, settling business commissions, and reconciling and collecting accounts receivable. The research and development department handles technical research, product design, and other related tasks. The business department tracks and responds to customer orders, ensuring timely order processing. The warehouse is responsible for daily inventory management and the management of incoming and outgoing goods. The quality control department enforces the company's various quality standards and conducts product quality inspections to ensure that product quality meets the required standards. Finally, the production department is responsible for the manufacturing of products.

Mingfeng Lighting Co., Ltd. has established a professional research and development (R&D) and production base, equipped with advanced intelligent production equipment and 20 automated production lines. The company boasts a production capacity of 100,000 lighting sets per month, enabling it to fulfill large-volume customer orders as well as smaller, customized orders. In addition, the company has a dedicated R&D team and a comprehensive product testing center, capable of conducting safety compliance tests, environmental adaptability tests, light distribution tests, lifespan tests, IP waterproof and dustproof tests, and ROHS environmental compliance tests. These capabilities ensure that the newly developed and produced products possess excellent reliability and environmental adaptability.

In terms of product offerings, Mingfeng Lighting Co., Ltd. primarily focuses on the research, development, and production of non-standard engineered lighting fixtures. The product range includes crystal chandeliers, lobby lights, guest room lights, marble lights, copper lights, European-style lights, modern lights, and glass art lamps. The

main product categories are modern minimalist and light luxury-style lighting fixtures, with mid-to-high-end pricing. The company's products are widely applicable in various settings such as residential homes, hotels, office buildings, and shopping malls. With a broad product range and good quality, the products are capable of meeting the diverse needs of different scenarios, and the customer base remains relatively stable. However, the product designs have relatively low innovation, with a strong focus on specific styles, and there is a high degree of market homogenization, which results in lower brand differentiation.

Mingfeng Lighting Co., Ltd. has its own R&D and design department, with certain capabilities in research and design. However, as the company primarily focuses on contract manufacturing, the product designs and concepts are typically sourced from international clients. Most of the company's designers work based on client specifications or directly use client-provided drawings, with Mingfeng Lighting mainly responsible for production. As a result, the company has been engaged in low-tech, simple processing and assembly work for a long time. Due to the lack of professional training for the R&D personnel, the company can follow client requirements but lacks motivation for product innovation and expansion. This has led to a lack of significant changes in the product range, and the company has made limited breakthroughs in product quality and functionality.

Mingfeng Lighting Co., Ltd. is capable of delivering products that meet client requirements in a timely and quality-assured manner. However, there are several challenges in terms of production efficiency and the management system. Most of the management staff lack awareness of the need for reform and are content with existing order volumes and production levels. There is insufficient communication and coordination between departments, leading to lower employee productivity and a lack of continuous improvement in production technologies. Despite the company's rich production experience and stable product quality, there is no clear quality control system or production management protocol in place, and the quality control measures remain insufficiently rigorous. The company has not established a formal employee training mechanism for enhancing production capacity, and there is a lack of training

in skills, communication, and production technology. Additionally, the company lacks an effective incentive system, making it difficult to attract and retain talent.

Mingfeng Lighting Co., Ltd. has a long-standing and stable customer base with increasing order volumes. However, the company shows limited enthusiasm for developing new markets and acquiring new customers. Communication with international clients is largely outsourced to third-party agencies, which further reflects the company's lack of marketing management capabilities.

(1) Single Sales Market: Mingfeng Lighting Co., Ltd. has extensive experience in lighting manufacturing and offers reliable product quality. Under the broader context of national and regional market opening, the company has focused on European, North American, and Russian markets, accumulating a certain client base with sufficient orders. The business department faces no significant sales pressure, and the company's leadership is not strongly motivated to expand its distribution channels, resulting in little push for new customer acquisition and market expansion. Moreover, the sales department mainly handles order communications and after-sales service with existing international clients, leading to a smaller sales team with limited size and capabilities.

(2) Single Sales Channel: Initially, Mingfeng Lighting Co., Ltd. focused on contract manufacturing and leveraged its strength in production. The company's production process is generally driven by customer demand, with no pressure to maintain product inventory. During the pandemic, the company attempted to sell products through online platforms, but the need for accurate sales forecasting and inventory management led to increased costs. Due to the operational pressures, the company quickly withdrew from e-commerce sales channels.

(3) Lack of Domestic Market Expansion: Influenced by the lighting sales environment in Guzhen, Zhongshan, Mingfeng Lighting Co., Ltd. has primarily concentrated on foreign markets. Most of its international orders are handled through third-party intermediaries, making the transaction process simpler as the company only needs to fulfill product delivery, without dealing with negotiations or payment collection. Consequently, Mingfeng Lighting has made limited attempts to develop the

domestic market, resulting in a very small market share. However, the domestic market's vast potential and resilience offer the company new growth opportunities.

The leadership of Mingfeng Lighting Co., Ltd. possesses rich manufacturing and production experience but lacks structured management expertise and has not fully recognized the importance of a well-defined organizational structure. The previous organizational framework is no longer suitable for the company's current scale. As the company has expanded, its activities have become more complex, the workforce has increased, and the division of labor has become more detailed. However, the company has not adjusted its department structure and staffing accordingly. The functional departments are still primarily production-oriented, with inadequate focus on brand management and marketing. The division of labor in production and assembly remains unclear, leading to ambiguous job responsibilities and instances of imprecise work execution. Furthermore, the company's information management system remains underdeveloped, resulting in insufficient information flow and the inability of managers to accurately and timely track the status of various processes, which ultimately leads to inefficient resource utilization. Mingfeng Lighting Co., Ltd. possesses several internal strengths that contribute to its competitive position in the market. One of the key advantages is its stable cash flow, which is primarily facilitated by its business model involving third-party intermediaries. The company receives prepayments from international clients through these intermediaries, ensuring that funds are received approximately 30 days after shipment. This system, coupled with a 60-day payment cycle with suppliers, guarantees consistent cash flow. Additionally, the company has accumulated capital over the years, which has strengthened its financial stability.

In terms of production, Mingfeng Lighting benefits from a large-scale, modern facility covering 10 acres, housing 20 production lines that integrate traditional manufacturing methods with automation, which accounts for 40% of production capacity. The company's annual output reaches 500,000 units, and its efficient production management, coupled with a strict quality control system, ensures that products meet customer demands. The company follows a business model that supports

both high-volume mass production and high-end custom orders, enabling it to cater to a diverse range of client needs. Furthermore, the company's product offerings are of high quality and are well-regarded in the market. With a well-equipped research and development center and a dedicated lighting testing laboratory, Mingfeng Lighting ensures that its products meet stringent quality standards. The product range includes a variety of lighting solutions such as crystal lights, lobby lights, guestroom lights, and modern European-style lights, which are widely used in hotels, office buildings, shopping malls, and residential settings. These products are backed by several certifications, including ISO 9001, BSCI, and UL, which allow the company to meet the diverse needs of its global clientele. Mingfeng Lighting also benefits from a stable customer base, with an established sales network primarily focused on Europe, Spain, Poland, and Russia. The company has built strong relationships with six key clients, securing an annual order volume averaging 50 million yuan. This customer loyalty is reinforced by the company's reputation for delivering high-quality products and maintaining excellent service standards. Lastly, the company's leadership demonstrates a strong willingness for organizational change and growth. The management has shown proactive steps by exploring direct sales through cross-border e-commerce platforms and expanding into Southeast Asian markets. This willingness to adapt and explore new opportunities positions Mingfeng Lighting for continued growth and expansion in an increasingly competitive market.

Mingfeng Lighting Co., Ltd. faces several challenges that hinder its ability to maintain a competitive edge in the market. One of the primary issues is the high level of product homogenization. The company's products, in comparison to its competitors, lack distinctive differentiation and fail to offer a competitive advantage. As a result, customers have considerable flexibility in choosing suppliers, which reduces the company's bargaining power. This reliance on securing large orders to generate profits limits the company's ability to attract consumer attention and loyalty. Moreover, in a rapidly changing market where consumer preferences and target demographics are evolving, Mingfeng Lighting's products remain largely traditional, without a distinctive brand identity or proactive market positioning.

Another challenge is the limited distribution channels available to the company. Mingfeng Lighting's marketing strategy lacks long-term planning, and the company is primarily focused on international markets, particularly Europe. This focus on foreign markets has made the company vulnerable to external disruptions, such as the COVID-19 pandemic, which exposed the risks of a single-market dependency. The company's distribution channels are few, and its profitability remains low, constraining its ability to invest in higher-level market expansion. Additionally, Mingfeng Lighting's presence in cities outside Guangdong province is limited, leading to low brand recognition in other regions, which further exacerbates its reliance on export orders, particularly from Europe.

The company also suffers from inadequate profitability. External factors, including the China-U.S. trade tensions and the impact of the COVID-19 pandemic, have led to a decline in orders from major customers in Europe and North America. In particular, the company experienced months without any orders in early 2022. The lighting industry, characterized by relatively low profit margins, faces rising costs due to increases in raw materials, labor, and logistics. The company, which traditionally relies on a low-price strategy to secure orders, has been significantly impacted by these rising costs, resulting in lower profits and reduced revenue. Moreover, Mingfeng Lighting's ability to invest in operational expenses is limited. The company has been constrained by its initial focus on export development, which has led to underinvestment in both product development and market operations. The financial challenges faced during the pandemic and the trade tensions have further highlighted the company's insufficient capacity to invest in its operations. Moving forward, the company must reassess its allocation of operational resources and consider strategic adjustments to capitalize on new opportunities and changing market conditions. The company also struggles with a shortage of high-end talent. As a labor-intensive business, Mingfeng Lighting faces difficulties in recruiting and retaining production workers, many of whom have low educational qualifications and experience high turnover rates. The company lacks a strong pool of e-commerce, marketing, and research and development (R&D) professionals. The overall level of technical

expertise and R&D capabilities is relatively low, which limits the company's capacity to innovate and improve its products and services. This talent gap highlights the need for a more comprehensive human resource strategy, particularly to enhance the technical and managerial capabilities of the workforce. Furthermore, the company faces significant employee turnover, particularly among production workers. The lighting industry is well-established, and the technical barriers to entry are relatively low, leading to high labor mobility and a lack of worker engagement. Salary levels are generally low, and employee enthusiasm remains underdeveloped, contributing to the high turnover rate among factory workers. Lastly, Mingfeng Lighting is heavily reliant on exports. The company has capitalized on China's robust export growth, adapting to an export-oriented, OEM manufacturing model. However, this model has created a dependency on foreign orders, particularly in the European market. To reduce this reliance, the company must explore new development pathways and devise a strategy that reduces its dependence on exports, allowing for more sustainable and diversified growth.

The Internal Factor Evaluation (IFE) Matrix, hereinafter referred to as the IFE Matrix, is constructed using the same evaluation methodology as the External Factor Evaluation (EFE) Matrix described earlier. Therefore, a detailed explanation is omitted here. Based on an analysis of the internal strengths and weaknesses of Mingfeng Lighting Co., Ltd., key factors were selected and scored to develop the company's IFE Matrix.

*Table 2.4*

**Mingfeng Lighting Company Internal Factor Evaluation Matrix  
(IFE Matrix)**

<b>Key Internal Factors</b>	<b>Weight</b>	<b>Score</b>	<b>Weighted Score</b>
<b>Strengths (S)</b>			
S1 Stable Cash Flow	0.05	2.9	0.15
S2 Production Advantage	0.08	3.1	0.25
S3 Product Advantage	0.1	3.2	0.32

S4 Customer Advantage	0.08	2.6	0.21
S5 Strong Willingness for Business Reform	0.06	3.1	0.19
<b>Subtotal (Strengths)</b>	0.37		1.11
<b>Weaknesses (W)</b>			
W1 Severe Product Homogenization	0.1	2.1	0.21
W2 Limited Distribution Channels	0.12	1.8	0.22
W3 Insufficient Profitability	0.07	2.1	0.15
W4 Inadequate Operational Expense Investment	0.09	2.3	0.21
W5 Lack of High-end Talent	0.1	2.5	0.25
W6 High Employee Turnover Rate	0.06	2.2	0.13
W7 High Dependency on Exports	0.09	2.1	0.19
<b>Subtotal (Weaknesses)</b>	0.63		1.35
<b>Total</b>	1		2.46

The analysis reveals that Mingfeng Lighting's weighted average score is 2.46, which is below the industry average of 2.5. This result indicates that the company's internal weaknesses outweigh its strengths, highlighting significant internal issues that require attention. Given that customers in Europe and North America are heavily influenced by the U.S. amidst the backdrop of China-U.S. trade tensions, the company should strategically shift its focus to expanding into Southeast Asian and domestic markets. Additionally, Mingfeng Lighting must undergo a transformation in its management approach, particularly by strengthening its R&D and marketing teams. By enhancing these capabilities, the company can improve its competitive advantage and address its internal challenges effectively.

### 2.3 SWOT matrix analysis

Based on the previous analysis of the macro environment and industry competitive landscape for Mingfeng Lighting Co., Ltd., the external opportunities and threats the company faces have been identified. The company is positioned to benefit from opportunities such as the accelerated recovery of the macro economy post-

pandemic, the vast potential of markets in Southeast Asia and other overseas regions, as well as the domestic market. However, it also faces significant threats, including intense industry competition and challenges arising from changes in consumer behavior and the market environment.

Through an examination of Mingfeng Lighting's internal resources and capabilities, the company's internal strengths and weaknesses are evident. The key internal strengths include high product quality, sufficient production capacity, and stable customer resources. On the other hand, the company's weaknesses include a limited sales channel, heavy reliance on foreign clients, insufficient management capabilities, and lack of innovation.

Using the SWOT matrix, a comprehensive analysis of Mingfeng Lighting's strengths, weaknesses, opportunities, and threats is presented. This analysis serves as the foundational basis for developing strategic choices for the company's growth, providing essential insights for selecting an appropriate development strategy. The detailed SWOT matrix is shown in Table 3.5.

*Table 3.5.*

**SWOT of Mingfeng Lighting Co., Ltd. the analysis matrix**

<b>Internal</b>	<b>Advantages S</b>	<b>Disadvantages W</b>
	<ol style="list-style-type: none"> <li>1. Stable cash flow</li> <li>2. Production advantage</li> <li>3. Product advantage</li> <li>4. Customer advantage</li> <li>5. Strong willingness for corporate transformation</li> </ol>	<ol style="list-style-type: none"> <li>1. Serious product homogenization</li> <li>2. Limited distribution channels</li> <li>3. Insufficient profitability</li> <li>4. Inadequate investment in operational expenses</li> <li>5. Lack of high-end talent</li> <li>6. High turnover rate for ordinary workers</li> <li>7. Heavy reliance on exports.</li> </ol>
<b>External</b>		

<p style="text-align: center;"><b>Opportunities O</b></p> <ol style="list-style-type: none"> <li>1. Policy support for development</li> <li>2. Optimistic consumer market</li> <li>3. Geographical location advantage</li> <li>4. The implementation of the RCEP agreement has stimulated demand in Southeast Asian and other foreign markets</li> <li>5. Deepening urbanization expands domestic demand.</li> </ol>	<p style="text-align: center;"><b>SO Strategy</b></p> <ol style="list-style-type: none"> <li>1. Establish an employee incentive and training system, and actively introduce sales and management talents</li> <li>2. Improve the level of information management to achieve information sharing and centralized management of production, procurement and finance</li> <li>3. Develop differentiated markets, actively expand distribution channels, and establish complete marketing channels</li> </ol>	<p style="text-align: center;"><b>WO Strategy</b></p> <ol style="list-style-type: none"> <li>1. Enhance R&amp;D and design capabilities, develop its own brand and quickly enhance its visibility and recognition through new marketing channels</li> <li>2. Grasp the opportunity of domestic economic recovery and expand domestic demand policies, and quickly enter the domestic market</li> <li>3. Optimize foreign markets and enter the Southeast Asian market</li> <li>4. Actively expand distribution channels and expand the scale of the company</li> </ol>
<p style="text-align: center;"><b>Threat T</b></p> <ol style="list-style-type: none"> <li>1. The entry threshold is low and the industry is fiercely competitive</li> <li>2. The pressure on industry growth and exports is still large, 3. The transformation of the consumer market has brought about a development crisis, 4. The impact of Sino-US trade frictions and sharp fluctuations in exchange rates</li> <li>5. The demand of the new consumer market brings about a development crisis</li> </ol>	<p style="text-align: center;"><b>ST Strategy</b></p> <ol style="list-style-type: none"> <li>1. Implement a differentiation strategy to enhance the competitiveness of a product or segment</li> <li>2. Actively accelerate product transformation and avoid passive elimination</li> <li>3. Adjust the organizational structure and set it up</li> </ol> <p style="text-align: center;">Good management system</p>	<p style="text-align: center;"><b>WT Strategy</b></p> <ol style="list-style-type: none"> <li>1. Take the initiative to upgrade equipment and optimize after-sales service</li> <li>2. Improve risk management capabilities, strengthen financial management, and improve financing capabilities.</li> <li>3. Actively expand the domestic market</li> </ol>

The SO strategy requires a company to effectively integrate its internal strengths with external opportunities in order to accelerate growth. Mingfeng Lighting Co., Ltd. currently faces several challenges, including limited distribution channels, low employee education levels, high turnover, and insufficient management capabilities. However, the company also benefits from external opportunities such as its geographic advantages, policy support, and the ongoing urbanization process. To capitalize on these opportunities, Mingfeng Lighting could adopt a growth strategy by leveraging its internal strengths. This could involve establishing employee incentive and training systems, actively recruiting skilled sales and management talent, and enhancing its information management capabilities. By promoting information-sharing and centralized management in production, procurement, and finance, the company could improve efficiency and coordination. Additionally, Mingfeng Lighting can take advantage of external opportunities to develop differentiated markets, expand its distribution channels, and build a comprehensive marketing network, which would help scale up its operations.

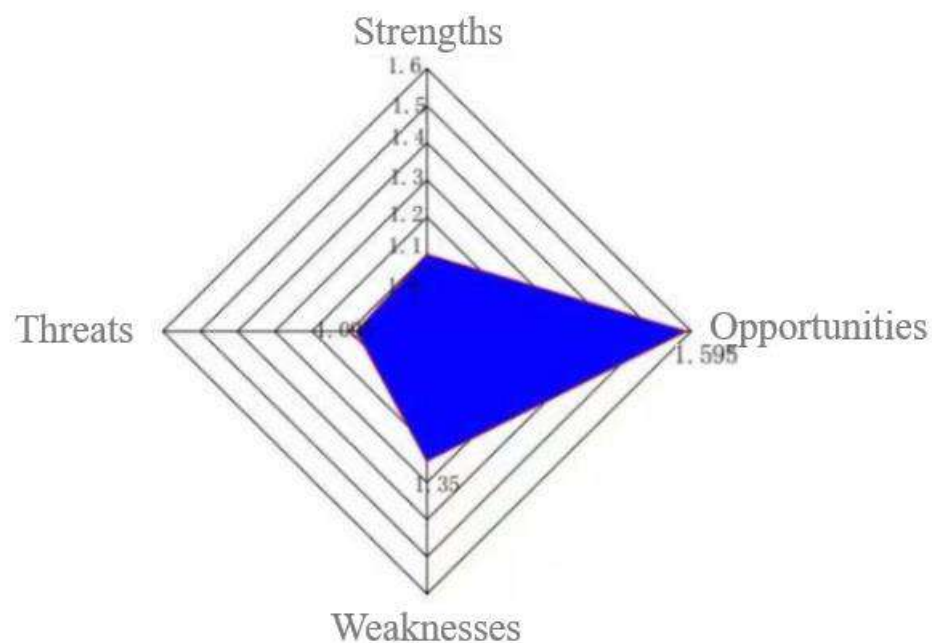
In response to the external pressures of product homogeneity, intense competition, and changes in consumer behavior, Mingfeng Lighting must focus on adapting its product offerings. The company can accelerate its product transformation by targeting post-pandemic demand, infrastructure, and commercial lighting needs. By diversifying its product range, Mingfeng Lighting can implement product differentiation strategies and enhance the competitiveness of specific products or niche segments, thereby positioning itself more strongly in the market and avoiding the risk of becoming obsolete.

At the same time, Mingfeng Lighting must address its internal weaknesses, such as outdated organizational structures, insufficient talent reserves, and management methods that no longer meet current market demands. To tackle these challenges, the company should restructure its organizational framework and focus on adapting its management approach. In parallel, it should leverage its production capacity to seize the vast potential of Southeast Asian and domestic markets. The company can shift away from its low-end operations model, enhance its R&D and design capabilities, and

develop its own brand. Furthermore, it should actively explore new marketing channels, such as Douyin, Xiaohongshu, and various home improvement apps, to increase its brand recognition and visibility. Expanding into Southeast Asia and the domestic market, while also broadening its distribution channels, would provide a significant opportunity for business growth.

Given the intense competition, declining orders, and weak market demand, Mingfeng Lighting must adopt a defensive strategy. In this challenging environment, the company should focus on expanding its domestic market presence, upgrading its equipment, and promoting product transformation. It should also improve its after-sales services to enhance customer satisfaction. To further mitigate risks, Mingfeng Lighting needs to strengthen its risk management capabilities, improve financial management, and enhance its financing ability to ensure long-term stability and safeguard against external threats.

Based on the weighted scores of the internal and external factors in the IFE and EFE matrices, a SWOT four-quadrant coordinate system for Mingfeng Lighting Co., Ltd. can be constructed, as shown in Figure 2.1.



**Figure 2.1 SWOT four-half-dimensional plane coordinate system of Mingfeng Lighting Co., Ltd.**

From Figure 2.1, it is evident that the center of gravity of the company's position lies in the fourth quadrant, indicating that Mingfeng Lighting exhibits significant internal weaknesses alongside external opportunities. This suggests that the WO (Weakness-Opportunity) strategy, as indicated in Figure 2.1, is the most optimal strategic combination. Currently, the company faces substantial challenges due to changes in export environments, such as tariffs, and the impact of the pandemic, which has led to a reduction in orders and a rapid decline in profits. Additionally, the rapid growth of the outsourcing market in Southeast Asia, India, and other developing countries has diverted a considerable share of production orders, a trend that is unlikely to improve in the short term and may continue to expand. During the period of export-driven growth, Mingfeng Lighting accumulated capital and resources in production and R&D. The company also boasts a competitive advantage in design, particularly in the mid-to-high-end market, allowing it to connect with international clients for outsourcing. Compared to some domestic lighting companies, Mingfeng Lighting has certain advantages in R&D, manufacturing, and quality control. However, the company remains primarily engaged in OEM manufacturing, placing it at the mid-to-lower end of the industry value chain. Therefore, with the government's policies aimed at expanding domestic demand, the growing lighting demand in Southeast Asia, and the need for long-term business development, Mingfeng Lighting should seize these opportunities. The company should adopt a turnaround strategy, implement comprehensive reforms, and move away from its reliance on OEM manufacturing and single-market sales. This strategic shift would enable the company to address its current unfavorable position, achieve transformation, and upgrade its operations.

## **CHAPTER 3: DIRECTIONS FOR IMPROVEMENT AND PROSPECTS FOR THE DEVELOPMENT OF EXPORT-ORIENTED ENTERPRISES**

### **3.1 Development strategy selection and implementation measures for mingfeng lighting co., ltd.**

Mingfeng Lighting Co., Ltd. is committed to advancing along the path of China's development, aiming to provide safe, durable, aesthetically pleasing, and artistically designed lighting products not only for China but also for the global market. The company aspires to transform from a Chinese lighting brand to a globally recognized name, reshaping the world's perception of Chinese lighting. Its vision is to become the most trusted smart lighting brand manufacturer in China, while its mission is to dedicate itself to providing professional, non-standard engineering lighting in bulk as well as customized services for individuals, fulfilling the pursuit of safety, intelligence, and elegance in every home. To achieve this, Mingfeng Lighting must overcome its current challenges in the highly competitive industry, accelerate its transformation and upgrading, enhance its innovation and R&D capabilities, and rapidly expand its market presence. The company's development goals for the next five years include focusing on strategic planning, prioritizing technological innovation, expanding its design business, and developing smart high-end lighting products, with innovation being the driving force for growth. At the same time, the company aims to strengthen resource integration, build its brand, and expand both domestic and international markets. The goal is to achieve continuous revenue growth within five years, enhancing the company's operating income and profitability.

Mingfeng Lighting Co., Ltd. needs to select its development strategy in alignment with its mission, vision, and development objectives. The chosen strategy must correspond to the company's requirements for growth, or else the implementation process may lead to a deviation from the original mission and vision. Additionally, the strategy must take into account both internal and external conditions, as well as the company's resource availability. Mingfeng Lighting's mission is to provide

professional, non-standard engineering lighting in bulk and customized services, while its vision is to deliver comfortable, intelligent, energy-efficient lighting solutions that enhance safety and elegance. Therefore, in selecting a development strategy, the company should focus on transforming its production model, shifting from contract manufacturing to brand development and energy-efficient production.

Due to the relative scarcity of resources, businesses must adhere to the principle of concentration when choosing their business areas and allocating resources. The concentration principle requires companies to focus on developing competitive advantages through strategic decisions. In Mingfeng Lighting's case, the company should aim to enhance its core competencies and avoid product homogenization and low-end positioning in order to stand out in a fiercely competitive industry. The concentration principle emphasizes the importance of both overall and specific focus to create competitive advantages in particular areas.

Moreover, a market-oriented approach is essential for the company's development. Without a market orientation, the company risks becoming obsolete. Therefore, the company must align its strategy with market demands, which are continuously influenced by social environment changes, national policies, and global trends. Mingfeng Lighting needs to stay informed about market dynamics, anticipate market trends, and adjust its development strategy accordingly. This includes correctly positioning the company's growth strategy and continuously refining it to adapt to changing market conditions.

Based on the analysis of Mingfeng Lighting's EFE and IFE matrices, it is evident that the company faces greater external opportunities than threats, but internal weaknesses outweigh its strengths. A SWOT matrix analysis and SWOT quadrant analysis further confirm that the company should adopt a WO (turnaround) strategy. This strategy involves shifting the company's business model from contract manufacturing to brand manufacturing. In line with the company's vision, mission, and goals, Mingfeng Lighting should capitalize on its strengths, such as advanced design capabilities and quality control resources. By optimizing its existing export markets and focusing on the development of distinctive product lines, the company can

gradually establish its own brand, moving away from the low-end manufacturing model.

Furthermore, the company should integrate internal resources by establishing employee motivation and training systems and actively recruiting sales and management talent. Enhancing information management systems to enable the shared management of production, procurement, and financial information will help mitigate internal weaknesses. On the external front, the company should leverage favorable conditions such as the Belt and Road Initiative, the China-Europe Bilateral Investment Agreement, and the RCEP agreement. With the help of advanced information and communication platforms, Mingfeng Lighting can boost its brand recognition through online marketing, expand its distribution channels, and gradually enter domestic and ASEAN markets. Ultimately, the goal is to achieve high-quality transformation. The turnaround strategy is the result of empirical analysis based on the company's operational realities and is closely aligned with the company's long-term goals and China's broader development vision. It enables both personal and corporate growth in harmony with societal progress.

### **3.2 Development strategy planning and implementation for mingfeng lighting co., ltd.**

In the context of a gradually recovering domestic market and escalating China-U.S. trade tensions, Mingfeng Lighting Co., Ltd. must shift its production methods and sales markets to expand both production and sales scales, striving to become a well-known lighting brand manufacturer. Based on the company's current development situation, along with its future market, production scale, and business objectives, Mingfeng Lighting has formulated a strategic development plan. The plan will be implemented in phases, with a core focus on brand enhancement. This will involve adjusting production methods, marketing channels, and operational management models, as well as building its own brand to penetrate the market and improve its core competitiveness through a turnaround development strategy.

The first phase of the strategy focuses on transitioning from a contract manufacturer to a design and manufacturing company. Currently, Mingfeng Lighting's core competitive advantage lies in its low-cost model. However, the company must upgrade its production processes and enhance its design capabilities and technical expertise in order to shift from contract manufacturing to design and manufacturing. Over the next two years, the company plans to optimize its existing customer orders, upgrade its production processes, increase investment in product research and development (R&D), and enhance product value-added features. This will facilitate the company's transition from a contract manufacturer to a design-driven manufacturer.

To support this transition, Mingfeng Lighting must first improve its organizational structure. As a small-to-medium-sized manufacturing enterprise, the company has not yet established a standardized management framework, which has led to managerial gaps and low employee engagement. To grow and expand, the company must implement rigorous management practices, revise its organizational structure, and set up various departments, including technology, market operations, e-commerce operations, and brand management.

The next step is to optimize the current market. Mingfeng Lighting's current customer base is primarily in Europe and Russia. After analyzing the company's existing clients and order situations, the following market optimization measures are proposed: first, eliminate low-priced orders with minimal profits to free up production capacity, ensuring sufficient capacity for entering other markets. Second, enhance semi-automated production levels to improve product quality and production efficiency, and allocate more capacity to larger orders. Third, actively seek partnerships with large brands to secure higher-margin orders. Collaborating with well-established brands will help improve R&D capabilities, accumulate brand promotion experience, and lay the foundation for establishing the company's own brand. Fourth, pursue orders that require in-house R&D and design capabilities to gradually enhance the company's product development skills and competitiveness.

In addition to optimizing existing markets, Mingfeng Lighting must explore new markets. As the company's current customer base in Europe and Russia is experiencing

declining demand due to the China-U.S. trade war and the Russia-Ukraine conflict, market expansion is crucial for its survival and growth. First, the company plans to expand into the Southeast Asian market. By participating in government-hosted overseas market expansion events, overseas order acquisition missions, and production-sales matchmaking meetings, and leveraging third-party intermediaries, the company aims to secure orders from Southeast Asia. Second, the company will enter the domestic market by setting up offline stores in several regions of Zhongshan City, Guangdong, and begin product and brand promotion to increase brand awareness. Third, the company plans to enter the e-commerce market by partnering with major platforms such as Taobao, JD.com, and Tmall in China, as well as cross-border e-commerce platforms such as Amazon, HiBuy, and AliExpress, to expand its online sales channels.

To support these market expansion efforts, Mingfeng Lighting must enhance its R&D and design capabilities. The company already produces high-quality products, but in today's rapidly changing consumer market, it must strengthen its R&D capabilities to design more unique and functional products. These products should be increasingly personalized and feature advanced functionalities to meet consumer demand. First, the company will expand its R&D team by hiring two additional professionals with experience in R&D design, particularly those with experience in large enterprises. This will help guide the company's innovation path. Regular training sessions will be held for R&D staff to improve their expertise. The company will also develop proprietary molds to enhance product uniqueness and differentiation. Second, Mingfeng Lighting will upgrade its production lines, selecting one or two lines for technological transformation to accelerate the shift towards automation and increase production efficiency. Third, the company will enhance the functionality of its products, particularly as the younger generation (90s and 00s) becomes the primary consumer group for household products. As consumers' expectations for quality living continue to rise, Mingfeng Lighting will gradually improve product functionality while meeting both lighting and decorative needs, ensuring the products are more versatile and innovative, thus winning over more consumers.

In the second phase of its development, Mingfeng Lighting Co., Ltd. seeks to transition from being a design manufacturer to a brand manufacturer. Following the optimization of its production processes, the company has improved its production efficiency and developed a certain level of design and R&D capabilities, along with unique products. With enhanced technical capabilities gained through the upgrading of molds and the receipt of design orders, Mingfeng Lighting plans to focus on establishing its own brand over the next year. This will involve product R&D innovation, the creation of differentiated products, the addition of new product value, and the improvement of bargaining power. The company's competitiveness is now increasingly tied to its brand, as a strong brand is crucial for long-term sustainability. At this stage, Mingfeng Lighting aims to register its trademark, cultivate a strong corporate culture, and continually enrich the brand's value while fostering innovation. The company will further enhance its design and R&D capabilities by collaborating with local universities and vocational institutions and integrating advanced scientific techniques into its product design. Additionally, the company will increase investments in R&D, including funding, equipment, and personnel, while strengthening the integration of smart technologies such as IoT, digital, and internet technologies into its products to keep pace with market demands and maintain its competitive edge. To support these efforts, Mingfeng Lighting will build a brand team with strong international and domestic perspectives and experience in brand promotion and marketing. This team will be responsible for developing strategic marketing plans to establish and expand the brand's presence. In parallel, the company will enhance its brand publicity efforts by organizing promotional activities such as product launch events and leveraging various advertising channels to strengthen brand awareness. Furthermore, Mingfeng Lighting will improve its after-sales service system, ensuring customer satisfaction through prompt responses to inquiries and resolving issues quickly, thereby fostering greater brand loyalty and recognition.

As part of its international expansion, Mingfeng Lighting will adapt its brand strategies to the unique characteristics of foreign markets. The company plans to focus its efforts on Southeast Asia, where the market holds significant growth potential due

to favorable policies. By localizing its promotional content, including websites, trademarks, and visual designs, Mingfeng Lighting will target countries such as Thailand, Indonesia, and Vietnam, using popular social media platforms like Facebook, Instagram, and YouTube to reach local consumers. Additionally, the company will adapt its pricing system to the region's lower disposable income levels, ensuring that its products are affordable and appealing to target customers. Mingfeng Lighting will also refine its product offerings based on local consumer preferences, continuously adjusting its products to meet the demands of the Southeast Asian market. Domestically, Mingfeng Lighting will deepen its presence by expanding its offline retail network, particularly in third- and fourth-tier cities in Western China, where the company plans to open new flagship stores to increase brand visibility and target rural markets. Moreover, the company will continue its collaboration with domestic e-commerce platforms and utilize emerging digital marketing channels such as Douyin, Kuaishou, and Xiaohongshu to promote its products and engage with consumers through influencer collaborations, videos, and storytelling. Celebrity endorsements will also be leveraged to appeal to younger audiences, further enhancing the brand's appeal and strengthening its position in the competitive market.

In the third phase of its development, Mingfeng Lighting Co., Ltd. aims for comprehensive expansion. Following the successful brand promotion efforts in the previous phase, the company has established a foothold in foreign markets and gained recognition in western regions of China. At this stage, the focus shifts to further expanding the domestic market. The company plans to adopt a more scientific and systematic approach to its market penetration. This will involve creating branded self-operated flagship stores in key provincial capitals and major cities, while rapidly expanding through franchise models in smaller cities and county-level areas. Once market saturation is reached, the company will then consider establishing outlets in economically developed rural areas.

Mingfeng Lighting will also build an efficient and streamlined big data logistics network. The company plans to set up a centralized big data logistics system at its headquarters, which will coordinate sales, inventory, and transportation logistics across

regions. By strategically placing logistics centers in various areas and distributing products from these centers to franchisees through self-operated stores, the company aims to manage the distribution process efficiently. The use of big data platforms will allow real-time monitoring of stock levels and demand, enabling rapid and scientifically guided distribution that minimizes inventory backlog, eliminates inefficiencies, and maximizes the effectiveness of modern transportation systems.

Furthermore, Mingfeng Lighting will diversify its product offerings and expand into more specialized markets. The company plans to extend its product lines beyond home and commercial lighting to include municipal infrastructure projects, such as lighting for roads, ports, airports, and public venues, as well as industrial, office, and landscape lighting. This strategic expansion will allow the company to cover a wider range of industries and deepen its penetration into various professional markets.

Additionally, Mingfeng Lighting will seek collaborations with major retail chains such as Walmart and Carrefour, as well as home improvement stores, to further expand its sales channels. These partnerships will help increase brand visibility and distribution reach, enabling the company to tap into new customer segments and strengthen its market presence. Through these comprehensive strategies, Mingfeng Lighting aims to solidify its position as a leader in the lighting industry and drive sustained growth in both domestic and international markets.

Mingfeng Lighting Co., Ltd. must transition from its current OEM-focused production model to establishing its own brand in order to enhance innovation capabilities and address the issue of low-value, highly substitutable products. This shift requires comprehensive market research to identify opportunities in various cities, ranging from first-tier to third-tier and less-developed areas, targeting diverse applications such as home decor, hotel furnishings, and office lighting. Based on this research, Mingfeng can leverage its strengths in design, mold production, and workforce skills to develop a product line characterized by a unique, simple, and modern style, catering to different market segments with tailored product standards for low-end, mid-range, and high-end categories. By continuously improving product

quality, the company can advance its brand development and ensure timely trademark registration and design patents, preventing potential legal conflicts.

In terms of market expansion, Mingfeng should build on its existing international market channels to strengthen its presence in regions such as Europe and the Americas, focusing on securing large-volume, high-profit orders while reducing reliance on OEM contracts that offer lower profit margins. It should aim to create a multi-dimensional and scalable sales system that not only maintains strong customer relationships but also optimizes its market strategies through partnerships in Southeast Asia and other countries along the Belt and Road, capitalizing on opportunities such as the RCEP agreement. This international expansion can be further accelerated by developing cross-border e-commerce operations, enabling Mingfeng to scale its global market presence rapidly.

Domestically, Mingfeng must reduce its dependence on foreign markets and focus more on tapping into the revitalized Chinese market. With the domestic economy recovering, the company should carefully analyze the consumption demands of both the commercial and residential lighting sectors, launching products that align with the preferences of Chinese consumers, such as energy-efficient and minimalist lighting. Moreover, exploring new sectors like medical, automotive, and engineering lighting could provide fresh growth opportunities. This approach will ensure that Mingfeng can better cater to domestic demands while complementing its international ventures.

To support this strategic shift, Mingfeng must address its organizational structure and management practices, which are currently ill-suited for modern industry needs. By enhancing its organizational framework, recruiting experienced management professionals, and integrating advanced information management software, the company can streamline operations and foster better coordination between production, procurement, and finance. Additionally, the implementation of an employee incentive system and training programs for management and R&D personnel will improve workforce motivation and stability.

In terms of sales, Mingfeng must reduce its reliance on third-party agencies and traditional offline channels, instead adopting e-commerce platforms as a key sales

strategy. By leveraging the "Internet Plus" model, the company can expand its presence on popular platforms like Taobao, JD.com, Tmall, Amazon, and AliExpress, reaching a wider customer base and building a strong online brand presence. This approach will help diversify its sales channels and reduce dependence on external intermediaries.

Lastly, Mingfeng should expand its regional operations beyond Zhongshan, using authorized dealerships and retail outlets to extend its market reach. This will allow the company to strengthen relationships with suppliers and ensure a resilient production chain. By broadening distribution networks across cities, counties, and rural areas, the company will be able to achieve nationwide coverage, making its products more accessible to a broader consumer base. This multi-regional expansion strategy will not only increase market share but also diversify Mingfeng's business model, ensuring long-term growth and profitability.

### **3.3 Guarantee measures for the implementation of development strategy at mingfeng lighting co., ltd.**

The organizational structure of a company serves as the fundamental basis for the operation of business processes, department setup, and functional planning. Its core function lies in division of labor and coordination, acting as a necessary tool to ensure the successful implementation of strategies. Given the significant changes in the business environment in which Mingfeng Lighting Co., Ltd. operates, the company has revised its development strategy. As a result, the current organizational structure is no longer aligned with the company's evolving needs. Therefore, a restructuring is required, which includes merging some departments and establishing new ones. This reorganization aims to expand the management and technical teams, thereby enhancing operational efficiency and creating a solid foundation for the company's transformation.

The restructuring has led to the establishment of new departments, such as the Technology Department, Market Operations Department, and E-commerce Operations Department. Additionally, the Office and Finance Departments, the Production and

Quality Control Departments, and the Warehouse have been merged. The revised organizational structure and responsibilities are as follows:

The Office is responsible for the company's administrative management and daily operations, assisting leadership in coordinating between departments, supervising and inspecting various tasks, and establishing and improving internal regulations. It also plays a role in financial management, strengthening financial supervision, standardizing expense behavior, and enhancing the effectiveness of financial resource utilization.

The Human Resources Department primarily manages compensation, performance, and training, as well as recruitment, employee benefits, and other personnel-related tasks.

The Production Department is tasked with managing workshop production, production statistics, and quality control. It is also responsible for the procurement of production materials, managing the storage of products, semi-finished goods, and materials, and providing safety education and training to workers to improve safety awareness and operational skills.

The Technology Department is in charge of the company's technical research and development, as well as product design, employing personnel such as R&D staff, technicians, and designers.

The Sales Department handles the recording, tracking, and responding to customer orders, confirming product details such as name, specifications, quantity, price, payment method, packaging requirements, and delivery dates. It also follows up on customer orders and ensures timely delivery, maintaining current order schedules and ensuring products are shipped according to customer requirements.

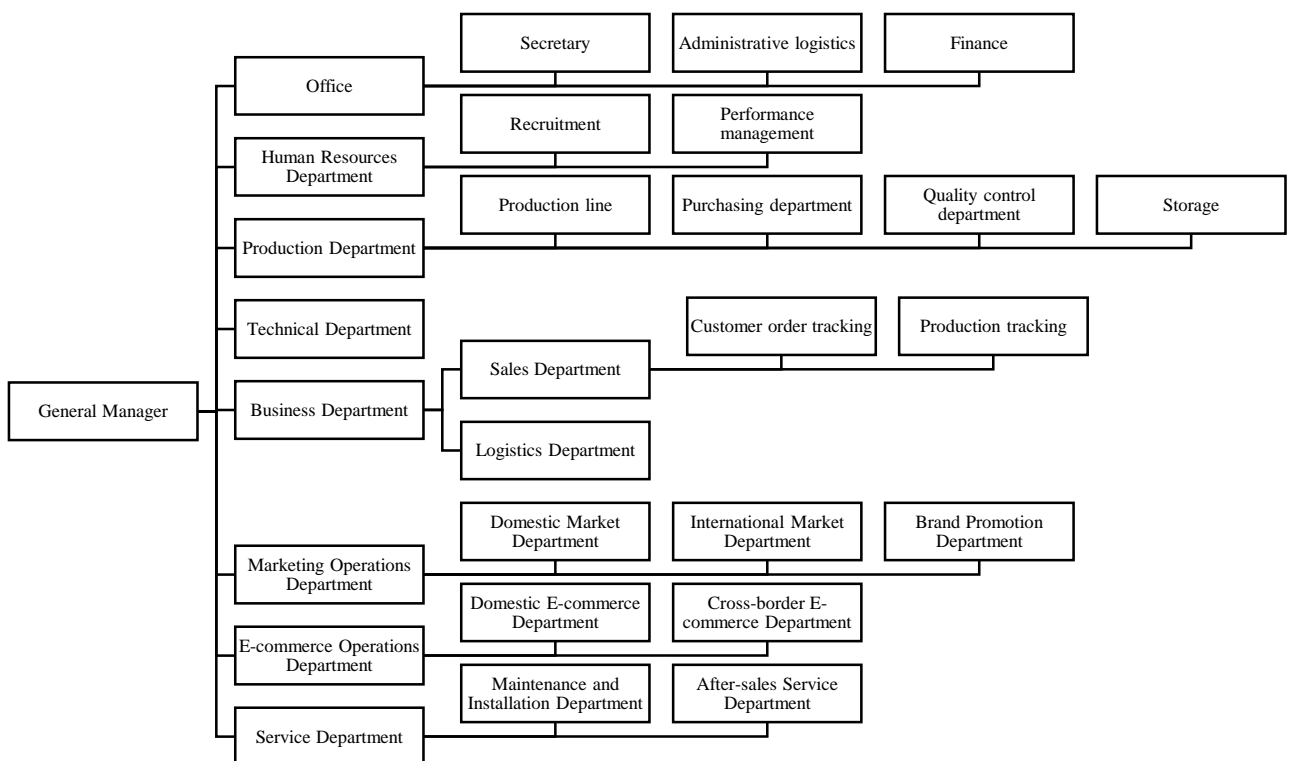
The Market Operations Department is responsible for researching and implementing domestic and international market development strategies, creating and promoting the brand, and managing the operation of national direct sales stores.

The E-commerce Operations Department focuses on promoting the company on domestic and international platforms, including managing the company's online

platforms, public accounts, and overseeing web design and network marketing activities.

The Customer Service Department handles product installation and repair services, addresses customer inquiries and complaints, manages product returns and damaged items, and analyzes customer feedback from after-sales service. The department periodically reviews product return rates and other data to provide insights that can help improve product quality.

This structural adjustment will enhance the overall efficiency of Mingfeng Lighting Co., Ltd., ensuring it is better equipped to meet both internal operational requirements and external market demands as it moves forward with its strategic development.



**Figure 3.1 Organizational structure planning diagram of Mingfeng Lighting Co., Ltd.**

Following the organizational restructuring, the company will strengthen its selection process, focusing on hiring individuals who are well-suited to the needs of each department. This includes prioritizing experienced professionals for management

roles, especially those with expertise in research and development, marketing, and other key areas that will support the company's strategic development. The company will also develop incentive policies and training programs to nurture future management and key personnel, ensuring that employees are effectively utilized and that their motivation is continually enhanced. In terms of retention, Mingfeng Lighting will optimize performance management and compensation policies, focusing on creating a supportive work environment where employees find their work meaningful, thus ensuring greater stability within the workforce.

To strengthen its technological capabilities, Mingfeng Lighting will focus on improving its information management system by implementing standardized management software such as ERP. This will allow the company to streamline its logistics, information, and financial management, enabling more efficient and scientific decision-making across human resources, finance, materials, and supply chains. Additionally, the company will invest in optimizing its production capacity through the upgrading of production equipment to improve both efficiency and product quality. By collaborating with universities, vocational institutions, and leading companies, Mingfeng Lighting will stay at the forefront of technological advancements, enhancing its product offerings and fostering greater innovation. The company will also increase its investment in research and development by setting up a dedicated fund to support technological improvements and innovation. This will include offering rewards for innovative ideas and encouraging the R&D team to explore new solutions. Furthermore, ongoing training will be provided to technical staff to continuously improve their skills.

In terms of financial support, Mingfeng Lighting recognizes that its transformation will require significant capital investment, including funds for upgrading equipment, hiring management personnel, and expanding into domestic and international markets. While the company currently generates approximately 80 million yuan in annual revenue and has accumulated some capital over its years of operation, it will need to secure external funding to implement its strategic development plan. Despite this, the company expects that the expansion of its customer

channels will result in increased profitability in the future. Based on its current financial position, the company believes the financial pressure associated with the transformation is manageable, and it will carefully control the scope of its strategic implementation to ensure that the costs align with its capacity for growth.

Corporate culture development is a crucial means of guiding a company's growth, shaping its image, and enhancing employee cohesion. It is essential for a company to create and develop its own corporate culture to achieve its mission and goals, increase brand awareness, and unite employees towards a common purpose. For Mingfeng Lighting Co., Ltd., the establishment of an innovative culture is imperative for achieving transformation and growth. This requires embedding innovation into the company's core values, fostering a culture of continuous improvement, and encouraging employees to embrace innovation. Regular training sessions, business workshops, and department-level meetings will be organized to communicate the importance of innovation to employees, thereby enhancing their value system. Competitions such as technical challenges will also be conducted to create a positive atmosphere for research and development, stimulating employees to innovate actively. Additionally, reward systems, such as financial incentives for research and development achievements, will be introduced to encourage employees to develop new technologies, platforms, and markets.

Furthermore, Mingfeng Lighting emphasizes the importance of a human-centered culture, placing customers and employees at the forefront of its operations. To ensure the successful implementation of development strategies, the company will instill a customer-first mindset in employees through its corporate culture and training programs. The focus will always be on customer interests, aiming to continuously enhance service quality and achieve customer satisfaction. The company will also prioritize employee welfare, improving work environments and compensation packages to increase employee satisfaction and loyalty. By offering humane working conditions and incentive systems, Mingfeng Lighting will unlock employees' potential and attract more talent through an appealing development platform.

Regarding risk management, Mingfeng Lighting will strengthen its attention to market demand, which is critical to the successful implementation of its development strategy. Although lighting products are essential consumer goods with stable demand, they are also subject to trends in aesthetics and technological advancements. Failure to adapt to changing consumer preferences may result in product homogenization and fierce market competition. Therefore, the company will closely monitor market trends, national policies, and emerging market hotspots to adjust marketing strategies promptly and enhance the effectiveness of its development initiatives.

Mingfeng Lighting will also improve business management by fostering stronger partnerships with logistics companies, supermarkets, and major markets to ensure stable relationships with suppliers and customers. The company will design operational processes and agreements that foster long-term, mutually beneficial partnerships. Additionally, to accelerate the expansion of physical stores, the company will explore a franchising model, refining the management of franchisees based on location and scale. This will help ensure the standardization of operations and increase sales engagement, loyalty, and brand recognition.

In terms of financial management, Mingfeng Lighting recognizes the importance of accurate financial accounting, capital flow, cost reduction, and minimizing operational risks. The company's current financial management is somewhat rudimentary, and thus, it will strengthen centralized and standardized financial oversight. This will include creating comprehensive financial procedures for account management, receivables, asset inventories, and fund management, along with implementing an integrated information system. A robust performance evaluation system will be introduced to improve efficiency and redirect financial staff's efforts toward better documentation and quality assurance.

Moreover, Mingfeng Lighting will establish effective exit mechanisms and strategies. While pursuing its development goals, the company will remain adaptable, recognizing that shifts in societal trends, market conditions, or the strategy's efficacy may require adjustments. Timely reevaluation and strategic pivots will ensure that the company avoids blind adherence to outdated or ineffective plans.

Lastly, the company will work to enhance employees' risk awareness through training that covers industry dynamics, company status, risk management, and corporate culture. This initiative will increase employees' sensitivity to risks and boost their sense of responsibility, honor, and belonging to the company. By cultivating a thoughtful and cautious approach to work, Mingfeng Lighting aims to improve employee quality and strengthen risk mitigation practices across the organization.

## CONCLUSIONS

This paper takes Mingfeng Lighting Co., Ltd. as the research object, applying relevant theories and research methods in corporate strategic management. Using tools such as PEST analysis, Porter's Five Forces model, EFE matrix, IFE matrix, and SWOT matrix, this study analyzes the external macro-environment and internal conditions faced by the company. The paper provides an in-depth examination of the company's strengths, weaknesses, opportunities, and threats. The conclusions drawn are as follows:

Firstly, the external opportunities facing Mingfeng Lighting outweigh the threats, while the internal weaknesses exceed its strengths. By using the EFE matrix to analyze the key external factors influencing Mingfeng Lighting's development, the analysis reveals that while the company faces both opportunities and threats, the opportunities outweigh the threats to its survival. Mingfeng Lighting is capable of responding effectively to external opportunities and threats and can take appropriate measures to avoid adverse threats. The IFE matrix analysis of the company's internal strengths and weaknesses shows that while both strengths and weaknesses exist, the unfavorable factors outweigh the favorable ones.

Secondly, Mingfeng Lighting should adopt a turnaround strategy. By utilizing the SWOT matrix, this study analyzes the four strategic options—SO, ST, WO, and WT—and through the SWOT quadrant analysis, it is concluded that Mingfeng Lighting should choose a turnaround strategy. The focus of this strategy is to change the company's development model from an OEM manufacturer to a brand manufacturer. The specific implementation steps are as follows: Firstly, from an OEM manufacturer to a design and manufacturing company, which involves improving the organizational structure, optimizing the European market and orders, expanding into Southeast Asia and other international markets, and enhancing technological innovation capabilities. Secondly, from a design and manufacturing company to a brand manufacturer, where Mingfeng Lighting will create its own brand, engage in product R&D and innovation, develop differentiated products, and increase product value, thereby improving

bargaining power. Finally, the comprehensive expansion phase focuses primarily on the domestic market, employing more reasonable and concentrated site planning, establishing a robust logistics system, and creating more segmented markets to increase domestic market share.

Thirdly, specific measures for implementing Mingfeng Lighting's strategy include: firstly, expanding into multiple markets, including Southeast Asia and other international markets as well as domestic markets; secondly, innovating the business model by adjusting the organizational structure, improving corporate management capabilities, and actively utilizing the internet for online sales while also engaging in cross-regional offline operations; thirdly, enhancing the company's innovation capabilities through talent acquisition, school-enterprise cooperation, equipment improvement, and order optimization, in order to strengthen technological innovation and establish an independent brand.

Fourthly, this paper suggests strengthening organizational support, reinforcing technical support, securing financial backing, bolstering cultural support, and strengthening risk prevention to ensure the successful implementation of the development strategy.

Combining theories of strategic management and marketing, this paper analyzes the practical situation of Mingfeng Lighting Co., Ltd. and provides development strategy options and implementation support. However, the paper also acknowledges limitations, such as the complexity of real-world situations compared to theoretical models, and the need for further practical exploration and adaptation at the operational level. Nonetheless, as long as the company maintains a sense of crisis, continuously improves its capabilities, and implements appropriate strategies, it can overcome its current bottlenecks and difficulties and successfully transform into a top-tier lighting company. It is hoped that this paper, as a positive theoretical and practical exploration, will help Mingfeng Lighting navigate the intense market competition and dynamic market environment, clarify its strategy, and guide its continued growth and stability, ultimately becoming a successful example and model of transformation for traditional lighting manufacturers in today's era.

The innovation of this research topic lies primarily in the innovation of the research content. The lighting industry, as a traditional manufacturing sector, has predominantly been studied from a macro perspective, with much of the research focusing on industry development and expansion through cluster effects. However, there are few case studies that examine the development strategies of specific companies in this field. Particularly under the current context of multiple overlapping policies such as the RCEP (Regional Comprehensive Economic Partnership), the full reopening after the pandemic, Sino-US trade tensions, and volatile international situations, coupled with domestic infrastructure improvements, accelerated consumption recovery, and the rapid restoration of exhibition-related industries, export-oriented lighting companies are facing both new threats and opportunities. In this backdrop, studying the development strategy of Mingfeng Lighting Co., Ltd. provides theoretical support for the company's long-term development under new opportunities and offers strategies and safeguards for the company's growth. This research also aims to offer valuable insights for domestic lighting manufacturers facing various production challenges at their current development stage.

Secondly, the innovation lies in the research methodology. Many studies on corporate development strategies typically use SWOT analysis combined with QSPM (Quantitative Strategic Planning Matrix) to analyze and select strategies. In contrast, this study employs both SWOT analysis and the SWOT quadrant coordinate analysis tool to conduct the strategic assessment, which adds a new dimension to the methodological approach.

Lastly, the innovation in the conclusions is evident. Unlike most companies that are suited for a growth strategy, this research finds, through detailed analysis, that the external opportunities for Mingfeng Lighting exceed the threats, but the internal weaknesses outweigh the strengths. As a result, the company is better suited to adopt a turnaround strategy, which offers a unique perspective and practical guidance for the company's strategic development.

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**APPENDIX A**

**SWOT STRATEGIC FACTORS RATING TABLE FOR MINGFENG  
LIGHTING CO., LTD.**

Dear Leaders,  
Greetings!

Based on the previous interviews and in conjunction with the current situation, I have outlined the key external opportunities and threats, as well as the internal strengths and weaknesses that may impact the development of Mingfeng Lighting Co., Ltd. I kindly request your feedback and ratings on these factors. The ratings will be conducted anonymously, and the information you provide will solely be used for academic purposes. It will not be used for any other purposes. Thank you for your support and cooperation!

The rating system is as follows: the score range is from 1 to 4, with the absolute value representing the company's effective response to each key factor according to its current strategy. Specifically, a score of 4 indicates a very good response from the company, 3 indicates a response that is above average, 2 indicates an average response, and 1 indicates a poor response.

Factors	Key indicators	Sub-factor metrics	Score	Note
External factors	Opportunity O	O1 Countries expand domestic demand, stabilize growth and other policies		
		O2 The continuous development of the national economy and the improvement of people's living standards have driven the demand for lighting products		
		O3 Geographical location advantages, local policies to support the development of the lighting industry		
		O4 The RCEP agreement came into effect, and the demand in foreign markets such as Southeast Asia was boosted		

		O5 The process of urbanization is developing in depth, and the development of real estate, hotels, exhibitions and other industries has played a driving role in the demand for lighting		
	Threat T	T1 The investment threshold of the lighting industry is relatively low, and the product substitution is high		
		T2 Macroeconomic growth has slowed down, real estate policies are strict, market demand is sluggish, and the lighting industry has entered maturity and stability period, there is no longer a rapid growth environment		
		T3 The cost of raw materials, labor, logistics and other costs has risen		
		T4 The impact of the trade friction between China and the United States and the sharp fluctuations in the exchange rate		
		T5 The transformation of the consumer market has brought about a development crisis		
Internal factors		Advantage S	S1 Stable cash flow	
	S2 There is a certain production and research and development capacity			
	S3 The product quality is good			
	S4 Stable customer resources			
	S5 Enterprises have a strong willingness to change			
	Weak W	W1 Homogenization of products or services		
		W2 There are fewer distribution channels		
		W3 Insufficient profitability		
		W4 Overall operating expenses are limited		
		W5 There is a shortage of high-end technical talents		
		W6 The flexibility of the position is low, and the mobility of general workers is large		
		W7 Orders are declining, and there is a heavy dependence on export orders		