

The Tourism Transformation of Traditional Retail: A Study on the Tourism Driving Mechanism in Pangdonglai Supermarket

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ABSTRACT

The proliferation of social media and digital information dissemination has catalyzed the emergence of numerous Instagram-worthy destinations. In this context, Pangdonglai Supermarket has emerged as a remarkable case, achieving viral status through its distinctive corporate values, premium product offerings, authentic service delivery, and stellar reputation. This transformation from a conventional retail establishment to a nationally recognized tourist destination represents a significant phenomenon in the retail-tourism convergence. The supermarket's evolution into a top-rated commercial space and viral tourist attraction, driven by organic social media engagement and spontaneous tourist behavior, warrants systematic examination. This study investigates the underlying mechanisms propelling Pangdonglai's tourism development, employing theoretical analysis and framework construction to elucidate its transformative journey. Our findings reveal a tripartite evolutionary progression: the exploration phase (1988-2013), characterized by foundational development; the involvement phase (2014-2021), marked by gradual tourism integration; and the current development phase (2022-present), distinguished by full-fledged tourism transformation. The study identifies four primary drivers of this transformation: product innovation, market dynamics, media influence, and environmental support. Building upon these insights, the study proposes strategic recommendations to facilitate Pangdonglai's continued tourism transformation and ensure its sustainable development as a hybrid retail-tourism destination. These findings contribute to both theoretical implications and practical applications in the evolving landscape of retail-based tourism development.

KEYWORDS

Pangdonglai; tourism driving mechanism; content analysis; retail industry; tourism transformation

1 Introduction

The convergence of urban commerce and tourism has transformed certain consumption spaces into viral tourist destinations, significantly contributing to regional tourism development and economic growth (Fan & Zhang, 2022). A notable example is Pangdonglai Supermarket, a regional retail chain with 13 branches across Henan Province, which has gained national prominence through its exceptional product quality and authentic customer service. The supermarket's remarkable popularity was particularly evident during the 2024 Spring Festival, when its three flagship stores in Xuchang city attracted over 1.16 million visitors within a three-day period. This visitor volume rivaled that of Henan's top-rated scenic attractions, earning Pangdonglai the unofficial title of "6A-level Scenic Spot" among netizens. The trend continued during the 2024 May Day Holiday, with these three branches maintaining an average daily visitor count of 310,000, of which more than 85% were non-local tourists (Du, 2024; Wang, 2024). The supermarket's digital footprint further underscores its popularity, with Douyin (China's TikTok) accumulating over 5 billion views for Pangdonglai-related content as of 2024. Notably, service experience-related videos constitute 62% of this content, highlighting the brand's emphasis on customer service as a key differentiator (Douyin Big Data, 2024).

Pangdonglai Supermarket has emerged as a paradigm-shifting case in the tourism industry, successfully transitioning from a conventional retail space to a viral tourist destination. This transformation has redefined consumer behavior, converting routine shoppers into destination tourists while generating significant cross-regional appeal. The supermarket's innovative approach provides valuable insights and practical implications for the tourism-oriented transformation of the retail sector. Consequently, examining the tourism-driven mechanisms behind Pangdonglai's success holds substantial academic and practical significance, particularly in understanding the evolving role of retail spaces in the new era of consumer experience and destination tourism.

Previous studies applied several theories to investigate the driving mechanism of tourism development. Push-pull theory has been utilized to explain motivations underlying tourist behaviors (Klenosky, 2002). Dann (1977) identified the concept of "push" and "pull" factors in tourism, regarding "pull" factors as objects attracting tourists to a destination (eg. sunshine, sea, etc.), and "push" factors as inner demands impelling tourists to travel (eg. escape, self-esteem, etc.). Kim et al. (2003) examined the factors motivating tourists to visit National Parks in Korea based on the push-pull framework, and concluded four push factor domains and three pull factor domains. Media pilgrimage, proposed by Couldry (2007), refers to the journey to destinations which become well-known under the influence of media, such as the sites of a filming or a celebrity. Couldry (2000) believes that media pilgrimage is tourists' trans-spatial movement between the real world and media world. Zhao and Kong (2024) used the media pilgrimage theory to explore the

formation mechanism of internet celebrity tourist destinations.

This study aims to explore the driving mechanism of tourism development in Pangdonglai Supermarket based on the push-pull theory and media pilgrimage theory. Through the analysis of web-based content, it generated the tourism development path and driving mechanism of Pangdonglai, and put forward theoretical and practical implications.

2 Methodology

Analysis of web-based content is a widely-used method in tourism studies, contributing to the understanding of tourists' experiences and destinations' development (Akherwaray & Spocter, 2024). This study collected data from statistics of Tourism Bureau, news, official websites, social media (eg., Douyin, Red, etc.) and previous literature, and utilized the data to analyze the tourism development of Pangdonglai Supermarket and generate the tourism driving mechanism. It also applied qualitative analysis of the tourism area life cycle (TALC) model to evaluate the tourism development process of Pangdonglai, and the model has been used in many previous studies to understand the sustainable tourism development (Kruczek et al., 2018; Rodrigo et al., 2023).

3 Tourism area life cycle (TALC) of Pangdonglai

The Tourism Area Life Cycle (TALC) model, initially proposed by Butler (1980), provides a comprehensive framework for understanding the evolution of tourist destinations. The refined model of Butler (2006) delineates six distinct stages in a destination's lifecycle, corresponding to increasing tourist numbers: exploration, involvement, development, consolidation, stagnation, and ultimately rejuvenation or decline. During the exploration stage, destinations attract a limited number of visitors, primarily comprising adventurous explorers and culturally-motivated tourists (Haraldsson & Ólafsdóttir, 2018). At this stage, basic tourism infrastructure and services, including accommodation, dining, and transportation, remain underdeveloped. The subsequent involvement stage witnesses gradual tourist growth, marked by the initiation of organized tourism marketing efforts and significant improvements in tourism infrastructure (Widz & Brzezińska-Wójcik, 2020). The development stage is characterized by exponential tourist growth, the establishment of well-defined source markets, substantial enhancement of tourism facilities, and significant economic growth driven by tourism activities (Yu, 1997).

Pangdonglai Supermarket's transformation from a traditional retail establishment to a recognized tourist attraction exemplifies this evolutionary model. Through sustained reputation building and strategic social media engagement, the supermarket has progressed through the exploration, involvement, and development stages of the TALC model, as illustrated in Figure 1.

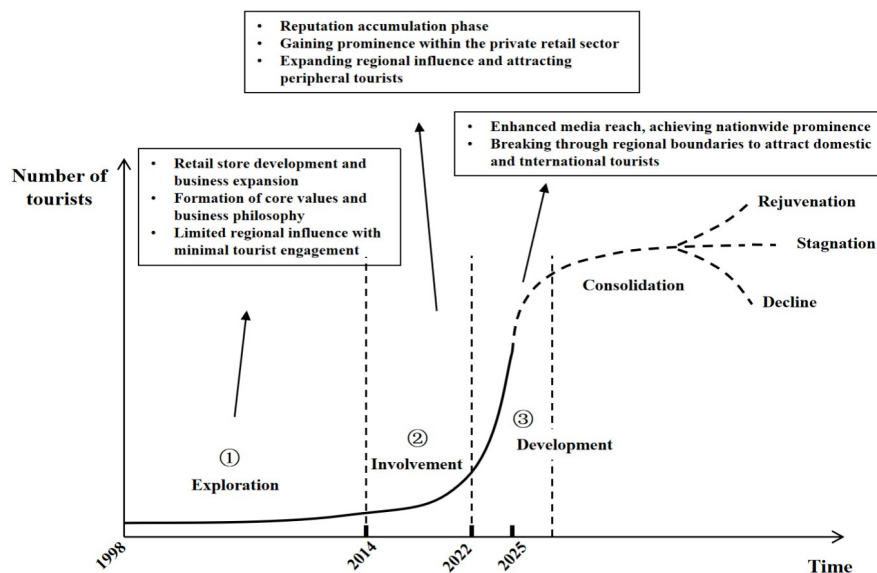


Figure 1 TALC of Pangdonglai

3.1 Exploration stage

The first stage (from 1998 to 2013) was a period of exploration and expansion of Pangdonglai Supermarket. Pangdonglai experienced significant expansion during this period, growing from a single store in 1998 to nine branches

by 2013. The company diversified its retail offerings beyond its initial tobacco and alcohol products to include a comprehensive range of merchandise, encompassing clothing, bakeries, electrical appliances, catering services, pharmaceuticals, and jewelry. During this exploratory phase, Pangdonglai developed a distinctive business philosophy and corporate values, notably introducing its customer-centric pledge: “Genuine products for sincere service, with guaranteed returns for customer dissatisfaction.” The company established “World-class brands, messengers of civilization” as its corporate vision.

To operationalize these values, Pangdonglai implemented several innovative customer service initiatives, including the establishment of a dedicated Customer Complaint Service Center, the introduction of a service complaint reward system, and the implementation of standardized customer compensation protocols. These measures demonstrated the company’s commitment to customer feedback and satisfaction. In 2009, the company formalized its operational standards through the publication of the “Pangdonglai Guidance Manual”, providing comprehensive guidelines for employees’ professional development, personal growth, and continuous learning.

Concurrently, Pangdonglai actively engaged in corporate social responsibility initiatives. The company made substantial charitable contributions during national crises, including 8 million RMB during the 2003 SARS outbreak, 10 million RMB following the 2008 Wenchuan earthquake, and 1 million RMB for the 2010 Yushu earthquake relief efforts in Qinghai Province. Through these strategic measures, Pangdonglai successfully developed a unique corporate mission and value system. However, during this stage, its market influence remained primarily concentrated within Xuchang and Xinxiang cities in Henan Province, with its customer base predominantly comprising local residents and minimal non-local tourist engagement.

3.2 Involvement stage

The second period (2014–2021) is the involvement stage of tourism in Pangdonglai. Building upon the foundational values, principles, and regulatory frameworks established during its exploratory stage, Pangdonglai Supermarket consistently delivered high-quality products and services, thereby cultivating strong brand loyalty among both existing and new customer segments. A significant milestone occurred in 2015 when CCTV featured Pangdonglai, highlighting its “customer-first” service philosophy and exceptional customer trust, which substantially elevated its national profile. This media exposure coincided with consistent annual sales growth, culminating in approximately 7 billion RMB in revenue by 2021. The enhanced brand recognition positioned Pangdonglai as a prominent player in China’s retail sector. As its influence expanded, the supermarket began attracting not only local residents but also interregional tourists and corporate groups, who visited for both shopping and professional study tours, marking its transition into a retail-tourism hybrid destination.

3.3 Development stage

The third phase (2022–present) marks the developmental stage of tourism at Pangdonglai Supermarket. It rapidly gained popularity through social media exposure, emerging as a viral tourist destination in China and earning widespread acclaim. The influx of non-local visitors, drawn by its unique shopping experience, has expanded Pangdonglai Supermarket’s influence beyond its traditional customer base. This transformation has redefined the supermarket from a conventional retail space into a tourism hub, embodying the innovative concept of “retail + tourism”. According to official statistics from the Xuchang Tourism Bureau, the city welcomed 4.8 million visitors during the 2024 May Day holiday, representing a remarkable 115% year-on-year increase compared to the same period in 2023 (Xuchang Government, 2024).

The enhanced radiating effect of Pangdonglai has significantly boosted surrounding businesses, including catering, accommodation, and leisure facilities. This is evidenced by the 80% average daily occupancy rate recorded at 14 key hotels and B&Bs across Xuchang during the 2024 May Day period. Furthermore, Pangdonglai Supermarket has transformed into a distinctive urban tourism intellectual property (IP), contributing to the development of urban tourism brands and city image enhancement for Xuchang and Xinxiang, which are two cities traditionally not recognized as tourist destinations. This transformation has yielded significant results, with Xuchang ranking ninth among China’s top 20 most popular niche tourist cities during the 2024 May Day holiday, demonstrating a 137% year-on-year growth in tourism (CCTV News, 2024).

4 Tourism driving mechanism of Pangdonglai

The tourism-oriented transformation and development of Pangdonglai Supermarket represents a multifaceted phenomenon influenced by various driving forces. Grounded in the push-pull theory framework, this transformation

process can be attributed to market-driven push factors, complemented by three primary pull factors: product, media and the environment (Figure 2).

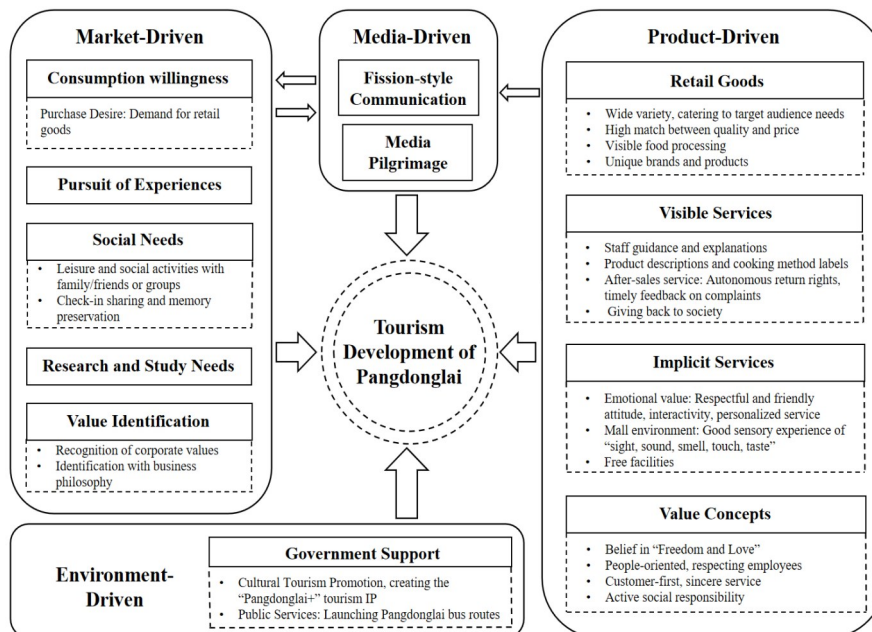


Figure 2 Tourism driving mechanism of Pangdonglai

4.1 Product-Driven

Pangdonglai Supermarket distinguishes itself through its unique product offerings and exceptional service delivery across four key dimensions. Firstly, the supermarket's product uniqueness and quality assurance form the foundation of its appeal. With an extensive product range that effectively caters to diverse consumer needs, Pangdonglai maintains an optimal price-quality ratio that ensures consumer rights protection and earns customer trust. The transparent food processing operations in its cooked food section enhance consumer confidence through visibility, while its private label products, particularly seasonal offerings like the viral mooncakes, have significantly boosted product competitiveness and customer loyalty.

Secondly, Pangdonglai's visible customer-centric services set it apart in the retail sector. The supermarket provides comprehensive shopping assistance through knowledgeable staff guidance, efficient checkout processes, and detailed product explanations. Its flexible after-sales policies emphasize customer autonomy in returns, complemented by responsive complaint resolution mechanisms with timely feedback. Notably, the supermarket's socially responsible practices, such as offering vegetables at cost-price during the pandemic, have further strengthened its reputation and customer relationships.

Thirdly, the supermarket excels in delivering implicit service excellence that enhances the overall customer experience. Through rigorous employee training programs that emphasize customer-first principles, Pangdonglai fosters emotional engagement with customers via respectful interactions and personalized service. The stores' aesthetic environments, characterized by clean layouts and pleasant ambiance, are complemented by thoughtful complimentary amenities. These include essential hygiene supplies like alcohol and disinfectants, convenient water stations, pet care facilities, and free product-tasting, all contributing to a superior shopping experience.

Finally, Pangdonglai's distinctive corporate values permeate every aspect of its operations. The supermarket's "Freedom and Love" philosophy is prominently displayed and consistently implemented throughout its stores. This value system extends to its exceptional employee treatment, with salaries 2-3 times higher than industry standards for all positions, including entry-level roles (Li et al., 2023). Furthermore, the company demonstrates strong corporate social responsibility through consistent charitable contributions, solidifying its reputation as a socially conscious enterprise.

4.2 Market-Driven

The fulfillment of tourists' diverse needs constitutes a significant driving force behind Pangdonglai's tourism development. This phenomenon manifests in several key dimensions. Firstly, Pangdonglai's customer base demonstrates substantial purchasing power and consumption willingness, exhibiting a strong preference for its product offerings and a readiness to pay premium prices. Secondly, the post-pandemic era has witnessed a surge in demand for leisure and

entertainment experiences, with tourists increasingly seeking novel and integrated shopping-tourism experiences that Pangdonglai effectively provides (Cao & Yan, 2023).

Thirdly, the supermarket caters to the growing social needs of modern tourists. Many visitors utilize Pangdonglai as a venue for strengthening familial and social bonds through group outings, while simultaneously fulfilling their desire for social media engagement by sharing unique travel experiences. This dual function addresses both relational and self-presentation needs (Qu, 2018; Yao & Jia, 2021).

Fourthly, Pangdonglai serves as a benchmark for industry learning, attracting enterprises from both the retail sector and other industries. As a leading supermarket and popular tourist destination, it fulfills the dual needs of professional research and experiential tourism for corporate visitors.

Furthermore, the supermarket's value proposition resonates with certain tourist segments, fostering value identification among visitors who align with its corporate philosophy. This alignment, as Jin (2006) suggests, generates tourism motivation and spending willingness, creating a unique value-driven tourism model.

4.3 Media-Driven

Media influence has emerged as a crucial driving force behind Pangdonglai Supermarket's viral popularity and its transformation into a top-tier destination, serving as a vital intermediary between market demand and product offerings. This media-driven phenomenon operates through two primary mechanisms.

Firstly, the viral dissemination of media hotspots has significantly amplified Pangdonglai's visibility and public discourse. In the current digital era where every individual can function as a content creator, consumer-generated content and feedback rapidly proliferate across networks. Pangdonglai has captured substantial online attention and discussion through its distinctive practices, including its renowned employee compensation packages ("high salary for employees"), impeccable reputation ("zero bad reviews"), innovative "employee grievance award" system, and exceptional quality control and after-sales services. These features have consistently propelled the supermarket to trending status on social platforms. Enhanced by big data algorithms, the increased frequency of Pangdonglai-related content on users' social media interfaces has further stimulated public curiosity and exploration desire.

Secondly, applying the two-stage "media representation-embodied practice" model of Couldry (2003) from media pilgrimage theory, tourists' behavior follows a distinct pattern. Initially influenced by media, individuals are driven by curiosity, desire for verification, and herd mentality to personally experience the destination. This leads to on-site tourism consumption at Pangdonglai, followed by subsequent social media sharing and online reviews of their experiences. These user-generated contents then fuel further information dissemination, creating a self-reinforcing cycle of publicity.

Notable examples of this phenomenon include a viral Douyin video posted by tourist @Travel Xiaozhang, showcasing "Pangdonglai employees assisting customers with car repairs", which garnered 2 million likes and became a benchmark for emotional service. Similarly, Xiaohongshu user @Gray Brother Diary's "Immersive Experience at Pangdonglai" video stimulated significant exploration desire among viewers, evidenced by 29,000 likes and extensive engagement in the comment section, demonstrating the powerful secondary dissemination effect of tourist-generated content.

4.4 Environment-Driven

The successful development of tourist destinations is inherently dependent on supportive environmental conditions. Following Pangdonglai Supermarket's remarkable rise to prominence, the municipal governments of Xuchang and Xinxiang have implemented strategic initiatives to foster cultural tourism growth. These measures include official tourism promotion through government-affiliated media channels and the establishment of dedicated Pangdonglai bus routes by municipal transportation authorities. Such proactive government support has significantly contributed to Pangdonglai's development trajectory, enhancing the destination's regional influence and expanding its tourism appeal. This collaborative environment has facilitated the emergence of a comprehensive "Pangdonglai+" tourism IP, establishing a solid foundation for sustainable long-term development.

5 Conclusion and suggestions

5.1 Theoretical Contributions

This study makes significant theoretical advancements by proposing a novel "Four-Dimensional Driving Model for Retail Tourism Transformation", developed through the analysis of Pangdonglai's case. The model systematically examines the driving mechanisms of tourism development through four critical dimensions: product innovation, market dynamics, media influence, and environmental support. This framework provides a robust theoretical foundation for understanding and facilitating the tourism transformation of retail enterprises. Furthermore, the study applies the

Tourism Area Life Cycle (TALC) model to delineate Pangdonglai's evolutionary path, offering valuable insights into the stages and characteristics of retail-to-tourism transformation.

5.2 Practical Implications

To address the potential risk of diminishing appeal in Pangdonglai's viral tourist destination status, this study proposes several strategic recommendations based on theoretical analysis. Firstly, Pangdonglai should implement differentiated strategies to develop unique tourism products beyond its conventional retail offerings. Potential initiatives include designing specialized corporate visit routes for educational and research tours, implementing AR technology to create immersive shopping experiences, and developing themed tourism products aligned with local cultural elements.

Secondly, the municipal governments of Xuchang and Xinxiang should enhance their support through increased promotional efforts for Pangdonglai tourism and expansion of the Pangdonglai IP influence. This should be accompanied by the integration of local intangible cultural heritage into tourism products and the incorporation of Pangdonglai into the city's comprehensive cultural tourism development plan.

Thirdly, to address operational challenges during peak periods, Pangdonglai should implement visitor experience management strategies. These include establishing reservation systems for holiday and peak-hour access, developing customer flow control mechanisms, implementing strategic visitor distribution across different store locations, and enhancing crowd management protocols.

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