Research on Marketing Strategy of B2C E-Commerce Platform Based On Marketing Strategy Triangle Model

Xixi Xu¹*, Zhizhen Bu², Zhigang Fan³

¹,²,³School of Alibaba Business, Hangzhou Normal University, Hangzhou, Zhejiang 310000, China

*Corresponding author. Email: xixistudy0616@163.com

Keywords: new consumption, B2C e-commerce platform, the triangle model

ABSTRACT. Based on environmental needs and technical support, in recent years, B2C e-commerce platform has developed rapidly, and the competition among platforms is increasingly intensified. At the same time, due to the emergence and overlapping application of new information technology, China's consumer market has undergone new changes. Changes in the consumer market make B2C e-commerce platforms face new challenges. Therefore, this paper analyzes the challenges faced by B2C e-commerce platforms in the new consumption environment, and based on the triangle model of marketing strategy, puts forward suggestions on marketing strategies of B2C e-commerce platforms in the new consumption context, hoping to provide ideas for the sustainable development of B2C e-commerce platforms.

1. INTRODUCTION

According to the global e-commerce data report 2019, retail transactions in China totaled $1309.5 billion in 2018, accounting for 44% of online retail transactions in 28 major countries and regions. According to the data statistics of 2018, the mobile phone ownership rate in China was up to 96%, 6 percent higher than the global average, with 829 million Internet users and 73.6% of online shoppers. The huge Chinese consumer market provides many opportunities for the development of B2C e-commerce platforms. By May 2019, there were 23 B2C e-commerce platforms among the 54 listed e-commerce platforms in China, with 10 new listed companies in one year compared with the same period in 2018. B2C e-commerce platforms continued to emerge in China. In addition, with the rise of B2C e-commerce platforms abroad, some platform enterprises with a keen sense of smell, such as Amazon, have begun to lay out in the Chinese retail market with cross-border e-commerce as the entry point, and the competition among e-commerce platforms is increasingly intensified.

At the same time, with the proposed concept of "New Retailing", scene innovation and consumer experience have received attention from all sectors of the society. Its core content is to reconstruct the consumer shopping scene by means of "online and offline + logistics"[1]. The industry and academia have also begun to rethink the structural relationship of "people, goods and scene" in the retail system. Due to the emergence and overlapping applications of new information technologies (such as Internet, big data, cloud computing and artificial intelligence), the common changes of people, goods and scenes construct the "New Consumption" environment[2]. In this environment, new consumption is leading to a deeper revolution, and marketing strategy innovation is the key for B2C e-commerce platforms to gain competitive advantages in the new environment.

2. BACKGROUND

World marketing masters Philip Kotler and Hermawan Kartajaya (2000)[3] proposed that in the face of uncertain business environment, in order to become a sustainable enterprise, decision makers can formulate marketing strategies from three aspects: corporate strategy, corporate tactics and corporate value. In terms of corporate strategy, market segmentation, target market, market positioning and other means to capture consumers' "Mind-share", its core element is positioning; In terms of company tactics, differentiation, marketing mix, selling and other ways to obtain "market share", the core element of which is differentiation; In terms of the company value, the core element is the brand to win consumers' "loyalty share" through the construction of brand, service and...
process. Based on these three dimensions, Philip Kotler and Hermawan Kartajaya proposed a strategic business architecture (as shown in Figure 1). This model aims to help enterprises find problems in their development process in time, formulate or adjust their marketing strategies according to the resources they have at the current stage, improve their core competitiveness and achieve sustainable development\textsuperscript{[4]}.  

Figure 1 The strategic business architecture

The research on marketing strategy based on the theoretical perspective of marketing strategy triangle model has been relatively mature. Some scholars have applied marketing strategy triangle model to the research on marketing strategy in the field of e-commerce. Shaonan Shan (2017)\textsuperscript{[5]} elaborated on the development status of B2C cross-border e-commerce platforms, and proposed marketing strategies from three aspects of corporate strategy, corporate tactics and corporate value by using the triangle model of marketing strategy. Fei Sun (2018)\textsuperscript{[6]} analyzed the situation of cross-border e-commerce in China under the background of "The Belt and Road Initiative" by using the triangle model of marketing strategy, and proposed marketing strategy Suggestions. This paper is devoted to studying how B2C e-commerce platforms deal with the challenges brought by the new consumption environment. Based on the triangular model of marketing strategy, it proposes marketing strategies suitable for B2C e-commerce platforms under the new consumption environment, so as to achieve sustainable development of B2C e-commerce platforms.

3. Challenges Faced by B2C E-Commerce Platforms in the New Consumer Environment

3.1 Emergence Of New Consumer Groups

Consumer groups are undergoing dramatic changes, with the post-90s and post-50s gradually becoming the new engines of consumption. On the one hand, with the continuous rise of online per capita consumption, the post-90s as an emerging force in online consumption, becoming an important driving force for consumption upgrading in the Internet era\textsuperscript{[7]}. As the aborigines of the Internet era, the consumption behavior of the post-90s is more "astute". Their shopping choices are generally rational, and the dependence and enthusiasm of big brands and luxury goods gradually decline. They pay more attention to their spiritual needs, and have more individual and diversified needs for the aesthetic sense of design and use experience of products, and pursue superior quality, good-looking and high cost performance\textsuperscript{[8]}[9]. On the other hand, the rise of silver-haired consumer group represented by the post-50s. According to the "data on the consumption upgrade of silver-haired people" released by alibaba in 2018, the number of silver-haired people on taobao Tmall has increased by 1.6 times in the past three years, while the number of mobile payment users has doubled, with the average online shopping spending power of people over 50 reaching 5,000 yuan per year. With the improvement of the overall material level of the society, the rich and free silver-haired people pay more attention to the pursuit of spiritual life and self-satisfaction in addition to the demand for health care, and their consumption needs turn to high-end and high-quality\textsuperscript{[10]}[11]. Different age groups pursue different consumer experience and consumption mode, and the consumer segmentation market continues to differentiate\textsuperscript{[12]}. Under the new
consumption environment, the "new blue ocean" emerging in the segment market puts forward a new test for the development of B2C e-commerce platform.

### 3.2 Innovation As A New Driver Of Development

Innovation has become a new driver for e-commerce platforms to achieve growth and to seize market share. Take Pinduoduo as an example, which founded in Shanghai in 2015, with a new e-commerce model of sinking market + social e-commerce + group purchase, it only took three years to break the traffic bottleneck and become the third largest e-commerce platform in China. However, at present, most B2C e-commerce platforms have their own lack of innovation, which is manifested in homogenization of product and business model. On the one hand, the homogeneity of products on the platform is prominent. A large number of businesses floor into the e-commerce industry every year. Most sellers have no awareness of brand building and imitate each other in functions, appearance design and even marketing methods, this homogenization of some hot products with large profit margin is especially serious. This phenomenon is one of the reasons for consumers' aesthetic fatigue and reduced interest in shopping, which indirectly reduces the conversion rate of platform traffic. On the other hand, in recent years, more and more B2C e-commerce platforms pursue the development of "large and complete" comprehensive mode, so that the differentiation advantages among platforms are not obvious, which leads to the low price war being repeatedly drawn to the focus. The new consumption environment puts forward new requirements for the business model of B2C e-commerce platform and product innovation on the platform.

### 3.3 More Diversified Consumption Scenarios

In the past decade, multi-channel retailing has been all the rage. However, with the in-depth development of mobile channels and the rise of mass media, multi-channel retailing is turning into omni-channel retailing, and the consumption scene is continuing to upgrade[13]. In the multi-channel retailing environment, consumers can choose offline physical stores, online shopping websites and other independent channels for shopping, and there are barriers between channels as well as between media and channels. In the omni-channel retailing environment, consumers can directly shop in offline physical stores, online shopping websites, mobile devices (such as tablet computers, smart phones), social media (such as weibo, WeChat, Tik Tok) and other points where they have direct contact. There is overlap between channels, and the boundary between channels and media is blurred. Omni-channel retailing is digging deeper into consumer demand and providing consumers with a more comprehensive consumption scenario. For example, on the platform of Tik Tok, while enjoying the video, consumers can purchase the products which they are interested in directly through the shopping link at the bottom left of the video. The consumption scene created by omni-channel retailing also indicates the trend of entertainment consumption. Under the new consumption environment, the consumption scene continues to expand and the consumption scene continues to diversify, bringing greater opportunities and challenges for the development of B2C e-commerce.

### 4. Marketing Strategy of B2C E-Commerce Platform in the New Consumption Environment

According to the above analysis, the new consumption has profoundly reconstructed people, goods and field, and driven the unprecedented business digital transformation. Under the "new consumption" environment, more opportunities have emerged, but at the same time, B2C e-commerce platforms face a more unpredictable and uncertain consumer market. Combined with the triangular model of marketing strategy, this paper build the B2C e-commerce platform marketing strategy model (as shown in Figure 2), and puts forward countermeasures and suggestions from the three aspects of strategy, tactics and value.
4.1 Strategic: Building Focus Through Customer Data

To determine the focus of B2C e-commerce platforms, there are three steps: market segmentation, target market selection and market positioning. First, surveying the market segment, which is very important for enterprises to determine the direction of marketing activities. B2C e-commerce platforms naturally have the advantage of customer data resources, which can be classified and integrated according to certain standards (such as geography, basic consumer information, consumer behavior and psychology, etc.) through big data technology to form a number of market segments. For example, in the new consumption environment, according to the age structure of consumers and the differences in online shopping consumption behavior, the consumer market is divided into the new generation market represented by the post-90s and post-00s, the middle class market represented by the post-70s and post-80s, and the silver market represented by the post-50s and post-60s. Secondly, it matches the target market. According to different segmentation criteria, several segments of the consumer market can be formed, while enterprises are not competitive in all fields. Therefore, we believe that B2C e-commerce platforms can evaluate market segments based on their own resources and data analysis results, and select the target market that is most beneficial to the development of the platform. Finally, the market positioning is clarified, which determines the position of the platform in the hearts of consumers. B2C e-commerce platforms can analyze and identify potential competitive advantages of their competitors through the TOWS analysis method, and then combined with the current situation of the target market to analyze and shape the market positioning with obvious differences from competitors, so as to quickly capture the "mind-share" of consumers.

4.2 Tactical: Strengthen Competitiveness With Differentiation As The Core

On the basis of clear strategy, if B2C e-commerce platform wants to expand its market share, it must strengthen its competitiveness through differentiation, which requires the coordination of marketing mix and sales. First of all, build differentiation. The differentiated development of B2C e-commerce platform is bound to return to the nature of retail. Focus on the core elements of "people and goods market" and build differentiation from three aspects: consumers, product categories and consumption scenes. Secondly, Create a marketing mix. Under the new consumption environment, media and channel, channel and channel will cross and integrate with each other. B2C e-commerce platforms can innovate multiple marketing combinations with the help of different new media platforms and channels. For example, the marketing model combining new media and channels such as Tik Tok + taobao; "Offline experience, online marketing" and other marketing mode of channel and channel combination. Finally, implement the capture tactic -- sales, design different sales plans for different groups. For example, for the price-sensitive consumer groups, we can adopt the profit-based sales plan and recommend the products with higher functions by means of price reduction and preferential treatment. For the price-insensitive consumer group, the sensory stimulation sales plan can be adopted to recommend products with strong five senses experience by optimizing service and creating content.
4.3 Value: Optimize Brand And Expand Influence

B2C e-commerce platforms want to win the loyalty of consumers, depending on the value they create for consumers. The core element of value is brand building, and brands need to be supported by services and processes. First of all, brand construction. The construction of B2C e-commerce platform brand image needs to rely on the communication of platform brand culture and the optimization of platform merchants' quality. On the one hand, B2C e-commerce platforms have accumulated a certain amount of culture, but the cultural resource value of most of the platforms has not been fully developed. So we believe that B2C e-commerce platform can design virtual image spokesmen and reinforce the platform brand image in consumers' minds through the promotion and dissemination of platform culture. On the other hand, the quality of merchants on the platform has a certain impact on the brand image of the platform. Therefore, B2C e-commerce platform can increase the subsidy of high-quality merchants, improve the activity of high-quality merchants, and meet consumers' requirements for commodity quality, thus stimulating the bilateral effect of the platform. Secondly, high-quality service support will improve consumers' satisfaction with the platform, thus enhancing the brand value of the platform. B2C e-commerce platform can improve the brand image in consumers' mind by optimizing the platform service, such as improving the processing speed of after-sales service. Strengthen cooperation with third-party service providers such as logistics and payment to provide diversified service support for consumers. Finally, regard to the process, B2C e-commerce platform must focus on innovation. In order to ensure the continuous spread of platform culture and the continuous expansion of platform brand influence, B2C e-commerce platform must focus on the innovation of business model and guide the product innovation of merchants on the platform.

5.Conclusion

With the extensive and in-depth integration of the new generation of information technology, more market segments will emerge, the demand for innovation will be higher, and the consumption scene will be constantly reconstructed. In the future, B2C e-commerce platforms will inevitably face a more unpredictable consumer market. This paper holds that if B2C e-commerce platforms want to achieve sustainable development in the turbulent retail market, they must jointly formulate marketing strategies from three aspects: strategy, tactics and value. Strategy defines the focus of a company's marketing, which must be appropriately differentiated. Tactics to strengthen the company's market competitiveness, for the company's brand building to build the foundation. Value expands the company's influence, which in turn supports the company's market position.

Acknowledgments

This research was funded by the Humanities and Social Sciences of Zhejiang Province, with a project approval number of 2014GH007, its name is the Research on the construction of Cross-border E-commerce Laws and Regulations -- based on the perspective of international comparison.

References

[1] Xianqing Wang, Shaohui Lei. Research on the influence of artificial intelligence on consumption and shopping experience in the new retail environment -- based on the perspective of the reform of commercial retail and the reconstruction of human and freight yard system [J]. Research on business economy,2018(17):5-8.

[2] Jie Chen. The rise of new consumer brands [J]. Knowledge economy,2019(29):46-49.

[3] Philip Kotler & Hermawan Kartajaya. Repositioning Asia:Form bubble to Sustainable economy[M].Asia:John Wiley & Sons,2000.
[4] Jian Suo, Jing Zhang. Research on the marketing status and countermeasures of WeChat in small and medium-sized enterprises based on STV triangle model [J]. Exploration on economic issues, 2016(04):66-71.

[5] Shaonan Shan. Development status and marketing strategy of B2C cross-border e-commerce platform based on STV triangle model [J]. Modern marketing, 2017(05):82-83.

[6] Fei Sun. Strategy research of cross-border e-commerce based on STV triangle model under the background of "One Belt And One Road" [J]. Journal of jiamusi vocational college, 2018(05):445-446.

[7] CBNData. 2018 big data report on China's Internet consumption ecology [R]. Shanghai: CBNData center, 2018.

[8] Liyu Lin. Analysis of post-1990 consumption trend [J]. Modern marketing, 2019(06):120.

[9] Xin Guan. Study on consumption patterns and marketing strategies of the new generation of migrant workers born in the 1990s under the new normal [J]. Modern trade industry, 2019,40(36):95-96.

[10] Hongying Zeng, Xianwei Fan. Further stimulating the silver consumption market [J]. Macroeconomic management, 2019(10):33-38.

[11] Hongying Zeng, Xianwei Fan. Analysis and policy Suggestions on the direction of industrial upgrading from the perspective of consumption characteristics and scale of silver hair [J]. China economic & trade guide, 2019(20):52-54.

[12] Maojun Yu, Jin Dou, Zhang Shujuan. Opportunities, challenges and countermeasures of anhui in the new consumption trend [J]. Contemporary economy, 2019(03):58-60.

[13] Peter C. Verhoef, P.K. Kannan, J. Jeffrey Inman. From Multi-Channel Retailing to Omni-Channel Retailing [J]. Journal of Retailing, 2015, 91(2).