

## *Research on Third-Party Business Platform Selection Strategies*

### *—Taking DY clothing enterprise as an example*

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**Abstract:** With the development of the Internet, more and more enterprises open their online shops, a third-party e-commerce platform selection model has been established to help the DY clothing company choose the most suitable third party platform and promote the enterprise to develop quickly. Firstly, many e-commerce platforms are selected by using SWOT method to help enterprise make the second screening. Finally, the weight of platform evaluation indexes is determined by utilizing AHP. In addition, this study also deals with some data that obtained in questionnaires, in the end, the most parties of the target enterprise are selected. Then, it discusses the advantages and disadvantages of e-commerce platform, in combination with the result that suitable e-commerce platform. Through a series of analysis, a selection model is put forward, which can not only contribute to the long-term development of enterprises, but also provide reference for other enterprises.

## 1. INTRODUCTION

After 23 years of development, the Internet has been integrated into all aspects of people's lives, especially, e-commerce has been rapidly development. As of June 2016, the amount of people in china going online shopping reached 460 million, accounting for 36% of the total population, online sales amounted to 975 billion, accounting for 14.8% of total retail sales, which is expected to reach 19.2% by 2018, the data show that Chinese e-commerce industry is developing constantly, so the enterprises should seize the opportunity to change their traditional marketing channels.

In recent years, the concept of "open platform" has been increasingly accepted by many online platforms, and their development strategy has changed from servicing themselves to servicing more enterprises. Up to now, at least 8 enterprises have opened their own platforms, including Jingdong mall, Dang-dang, No.1 store and so on. Enterprises will never choose only one platform, what the enterprises see is the benefits that the passenger flow and shop policy of platform can bring to themselves. Therefore, enterprises need to screen a large number of e-commerce platforms to choose the most suitable platform for their own development. This paper from the perspective of enterprise to choose suitable third party e-commerce platform, and considering the enterprises' characteristics to establish a scientific, systematic and dynamic selection model of the third party platform.

## 2. ANALYSIS OF TARGET ENTERPRISE

### 2.1 Development process of Enterprise

DY Clothing company was founded in 2005, which is a women's fashion brand with unique style, and the enterprise has a complete industrial chain. In 2005, the

company adopted advanced ERP management system to integrate the company resources and carry out scientific management. In 2006, the company brought in quality management system. In 2007, the company began to recognize the fact that the importance of brand, and then began to organize a strong team to promote brand recognition. In 2010, under the new strategic situation, the enterprise began capital operation and restructured industrial structure.

### 2.2 Development status of enterprise

The company is now mainly doing offline sales, and the equipment used in the office is advanced, nevertheless, there is no effective use of the Internet to change their sales channels and business philosophy. What's worse, DY Clothing company has good development only in its own province, the development in other provinces and cities is not ideal, the company urgently need to promote its own brand in the nationwide. and after 12 years of unremitting efforts, the company has a abundant accumulation of human resources, capital and technology.

## 3. CONSTRUCTION OF THIRD PARTY PLATFORM SELECTION MODEL

### 3.1 Screening platforms based on enterprise development status

The target enterprise is facing the following occasions: (1) The use of the Internet is not enough; (2) The brand awareness is not wide in the whole country; (3) There are abundant funds and human resources.

A large number of the well-known e-commerce platforms are screened according to the development of the target enterprise. It can be seen that Tmall, Jingdong Mall, Dangdang can enhance the sales of products and brand awareness.

### 3.2 Screening platform based on SWOT analysis

The advantages and disadvantages of the three platforms selected above combine with the analysis of DY enterprises by using SWOT carry out the second screening.

First of all, the SWOT analysis of DY clothing company. Advantages: rich accumulation of resources; advanced technology; sound channels under the line. Disadvantages: brand awareness is low; there is no effective use of the network; hardware investment is large. Opportunities: the Internet environment; increasing customer demands. Threat: the transformation of some enterprises in the same industry, so the pressure of competition is increasing; the requirements of customers is high, so it will be more difficult to carry on business.

In view of the above analyses, DY clothing enterprise should do the followings: the enterprise should accelerate the transformation; setting up online shops; getting rid of the labels of local enterprise, enhancing brand awareness in the nationwide; introducing more talents; creating their own style, and enhancing customer loyalty.

Then, the advantages and disadvantages of e-commerce platform are analyzed. The advantages of Tmall: large passenger flow; perfect website construction; complete security and credit supervision; relying on Alibaba; abundant resources; constructing payment platform themselves. Disadvantages: there are more enterprises, so competition in Tmall is more fierce; there are a lot of fakes, so its reputation is damaged; information leakage.

The advantages of Jingdong Mall:there are no fake, so its quality is assured by consumers; the construction of platform is perfect; high customer satisfaction. Disadvantages: the cost of renting platform is high; the utilization rate of online payment platform is low, the transaction rate of goods that are not electronics is low.

The advantages of Dangdang: the platform has a large share of the book market; perfect website construction; goods are of high quality. Disadvantages: it dose not have payment platform; it relies on third party logistics; sales of goods that are ont book are limited.

According to the above analyses, we can see that Tmall and the Jingdong mall can be better platforms to

promote DY enterprises to use the Internet to transform marketing channels, increase sales and enhance brand Reputation. Because Tmall with the traits of high popularity, high sales and perfect payment system, what is more, Jingdong mall also has some merits such as high-quality reputation and self-logistics.

### 3.3 Filter the platforms based on website properties

#### 3.3.1 Establish an evaluation index system

Through consulting relevant literature, we can know that there are many researches on website evaluation index in academic circles. This paper obtains a set of evaluation index system for website evaluation by consulting literature. Fu et al. made a more comprehensive analysis for websites evaluation indexes, Which mainly includes authority, activity, stability and security of the website(Deyu Fu,2017). Yang et al.used four evaluation indexes such as service, customer satisfaction to analyze the Website completely(Yingying Yang,2017). Jing Lu made a comprehensive evaluation for the website from the aspects of page layout, resource building, content organization, search function and user-friendly(Jing Lu,2016).Wenfeng Dai in a report in 2017 made a evaluation indexes system includes content, performance, efficiency and security that are able to analyze website specifcly (Wenfeng Dai,2015).Zhao et al. in 2017 found that the website can be evaluated well by using the indexes such as website scale, effect and content(Yuxiang Zhao,2017).

In this paper, the above indicators are analyzed and summarized, the website evaluation indexes includes website construction and website operation to construct a selection model, and then the indexes system are divided into 11 small categories. Index that involving in the process of constructing E-commerce platform selection model as shown in Figure 1. these indicators for the selection model is very important, which involves all aspects of the website construction, moreover, it includes background operations and front-end interface. More importantly, the model is built in a comprehensive and specific way.

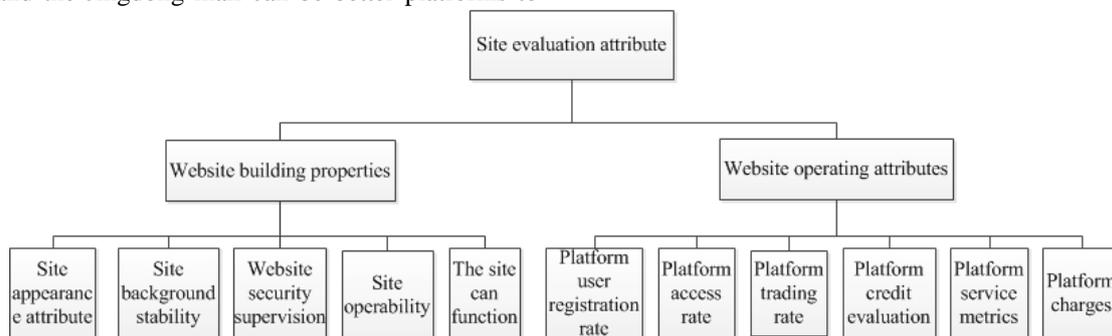


Figure 1 Website evaluation index system

#### 3.3.2 Determining weights by AHP

The weights of indexes that determine the merits of the website by using AHP. The relative importance of each indexes is determined by referring to the opinions

of the professional teachers and graduate students. Then converting relative importance to scores. The former and the later are equally important as 1, the former slightly more important than the latter as 3, the former is significantly more important than the latter as 5, the

former is strongly important than the latter as 7, the former is extremely more important than the latter as 9, and 2, 4, 6, 8 is the intermediate value of the above

judgment. And then establishing a judgment matrix that reflects the importance of indexes, finally, the weight of the evaluation indexes as shown in Table1.

Table 1: Index weight

| First level index           | Second level index | Third level index    | Comprehensive weight |
|-----------------------------|--------------------|----------------------|----------------------|
| Site evaluation attribution | Website building   | Site appearance      | 0.28                 |
|                             |                    | Background stability | 0.14                 |
|                             |                    | Security supervision | 0.07                 |
|                             |                    | Operation function   | 0.04                 |
|                             |                    |                      | 0.18                 |
|                             | Website operating  | Registration rate    | 0.33                 |
|                             |                    | Access rate          | 0.45                 |
|                             |                    | Trading rate         | 0.74                 |
|                             |                    | Credit evaluation    | 0.16                 |
|                             |                    | service              | 0.1                  |
|                             |                    | charges              | 0.08                 |

### 3.3.3 Setting up model

In this model, the numerical indicators of each attribute were taken from the questionnaire survey, the samples of the stores are responsible for 90% of the total, and accordingly the experts account for 10%. This report got questionnaires that obtained by using the method of evaluating each platforms, summarized data form the questionnaires and gained the final result.

This paper sets the W as the value of the e-commerce platform, sets the f1 as the website appearance, sets f2 as the website background stability, sets f3 as the website security, sets f4 as operational attributes, sets f5 as functions, sets f6 as website registration rate, sets f7 as website access rate, sets f8 as the website transaction rate, sets f9 as the website credit evaluation attribute, sets f10 as the website service, and sets f11 as the charges of renting platform.

The final formula is that  $W=f1*0.28+f2*0.14+f3*0.07+f4*0.04+f5*0.18+f6*0.33+f7*0.45+f8*0.74+f9*0.16+f10*0.1+f11*0.08$

## 4. FILTERING THE BEST E-COMMERCE

Table 2: Tmall's total score

| Website attribute    | Total Score |
|----------------------|-------------|
| Site appearance      | 346         |
| Background stability | 388         |
| Security supervision | 320         |
| Operability          | 358         |
| function             | 362         |
| Registration rate    | 386         |
| Access rate          | 342         |
| Trading rate         | 386         |
| Credit evaluation    | 352         |
| service              | 340         |
| charges              | 252         |

### PLATFORM

Due to the particularity of the samples, I can not find a lot of online shop sellers. the questionnaire survey issued a total of 60 questionnaires, and it includes 54 questionnaires that are form online shops and 6 questionnaires that are form experts. the online shop owners are form those store that my classmates and I went shopping online, and experts are from my teachers. The recovery rate of this questionnaire was 75%, including 6 questionnaires filled by experts and 39 questionnaires filled by store owners. Because of the small number of samples, the final results may have some bias, but it can still reflect a scientific result, and it also can be a quantitative data support for the selection of third-party platforms.

Then we need to digitize the options that are from questionnaires, and to make options in A, B, C, D, E corresponds to 2, 4, 6, 8, 10 points.

Tmall's total scores of each indexes are shown in table 2.

Jingdong mall's scores of each indexes are shown in table 3.

Table 3: Jingdong mall's total score

| Website attribute    | Total Score |
|----------------------|-------------|
| Site appearance      | 318         |
| Background stability | 362         |
| Security supervision | 346         |
| Operability          | 352         |
| function             | 364         |
| Registration rate    | 370         |
| Access rate          | 346         |
| Trading rate         | 342         |
| Credit evaluation    | 366         |
| service              | 376         |
| charges              | 240         |

comprehensive index system.

The total scores of the platforms can be obtained by using the formula above. So, the score of Tmall was 930.48, and Jingdong mall's score was 889.78.

We can see the final results according to the above model that the score of Tmall is higher than Jingdong mall's, so if the DY clothing enterprises want to open their own online shops, Tmall will be a more appropriate choice, it not only can promote the enterprise to integrate into the Internet environment quickly, but also promote their own brand in the nationwide.

## 5. CONCLUSION AND PROSPECT

With the development of the Internet, it is imperative for enterprises to change marketing channels. However, it is very difficult to choose the most suitable one for the reason that there are many platforms. Based on the analyses of many platforms, an index system for evaluating platforms is presented in this paper, finally, a model that helps enterprise choose third-party platforms is put forward by using SWOT analysis and AHP.

However, this model is only suitable for DY clothing enterprise, for the other whether it has the same effect on other enterprises needs to be further verified. And the evaluation index system of the website needs to be more refined, we need to use Big Data technologies to analyze the data of the website, in order to obtain a more

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