The Development Modes and Strategic Advice of Cross-Boarder E-Commerce in China

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Abstract: As the rapid development of information technology nowadays, cross-boarder e-commerce has gradually become an important part in people’s daily life. To energetically promote the cross-boarder e-commerce can stimulate the fast growth in national economy and guarantee the comprehensive strengthening on social economic development. As one of the important service industries in modern times, cross-boarder e-commerce belongs to the sunrise industry and green industry with characteristics of high human capital, high technology, and high value-added, which helps to spring up of new technology, new modes, and new commercial formats and has great importance on the economic growth. Within the fast development of cross-boarder e-commerce and the increasing competition, there are more and more diversified choices for customers. The service quality of e-commerce can directly influence the shopping demands. In fact, many e-commerce enterprises have started to emphasize marketing currently.

As the approach of cross-boarder e-commerce, traditional retail industry has to be the first one to stand in the breach, because cross-boarder e-commerce has changed the life style of human people and come up with the higher requirements for the marketing management of traditional retail companies. Affected by the transfer of consumption habits, more and more customers get used to shopping online. Along with the gradual maturity of payment system used by cross-boarder e-commerce and the improvement efficiency in express industry, there is no obvious difference in shopping experience between online and physical stores. The development of cross-boarder e-commerce has great advantages, especially because of the more product quantity and the larger range of choice. However, there are still many problems which cannot be solved and have serious impact on the development of cross-boarder e-commerce. In order to ensure its fast development, many suppliers start to pay attention to marketing concepts and the real needs of customers, and offer the proper service, so as to achieve profitable exchange. The essence of marketing management is to lay focus on customer needs. Only the improvement of customer care can ensure the successful development of each link in the following. Therefore, in the marketing process, suppliers must strengthen the complete service planning and offer a personalized and specialized service experience to customers.

1. The current development of cross-boarder e-commerce and marketing management in China

According to the statistics released by Ministry of Commerce, the cross-boarder e-commerce platforms in China has experienced fast development many years and gradually improved its eco-service system. To establish the production of cross-boarder e-commerce has gradually entered into the fast line. During the period from 2012 to 2016, the number of online shopping customers in China has approximately doubled from 242 million to 467 million, and the volume of transaction has grown from 8.1 trillion to 26.1 trillion yuan, average annual growth 30%. The volume of transaction in e-retailing has grown over 40%, which contributes more than 30% in the growth of social consumption retailing volume. The development of cross-boarder e-commerce has directly or indirectly driven the corresponding employee 15million person-times, up to 37 million person-times now. Thus it can be seen that the cross-boarder e-commerce in China has realized large-scale and industrialized development.
In the fast development of cross-boarder e-commerce, small and medium-sized enterprises in foreign trade in e-commerce field has achieved 30% average annual growth, promoted the businesses such as one-stop promotion, platformization operation, and online shopping, motivate the deep development of cross-boarder e-commerce. As the whole society recognition, the development speed of cross-boarder e-commerce will certainly get obvious enhancement.

In the fast development of cross-boarder e-commerce, it leads to the growth of other service industries, such as logistics industry, financial industry and IT industry. Financial industry, including the third-party payment platform, electronic authentication, network information management, network insurance, etc, not only promotes the development quality of network financial industry in China, but also contributes to the social economic growth. During the rapid development of express industry in cross-boarder e-commerce, the supply chain and logistics continues to perfect and improve the efficiency of logistic distribution system, and strengthen the quality and level of logistic management.

Ymatou is a third-party payment platform of cross-boarder e-commerce facing Chinese customers. The sellers in this platform can be classified into two categories: one is personal buyers with the mode of C to C, the other is commercial stores with the mode of M to C. It helps to connect the foreign retail industry to Chinese customers, through direct selling to Chinese customers. For Chinese customers, it is direct-purchasing, and the middle logistic is direct mail.

Cross-boarder e-commerce develops rapidly at the same time the marketing management gets fast development as well. In those cross-boarder e-commerce enterprises, there are many foreign retail industry magnates in China market, which have brought giant challenges to traditional service industry in China. Taking Walmart, Carrefour, KFC and Mc Donald’s as examples, these industry magnates are very popular in customers relying on their advanced management concepts and complete marketing system. But China e-commerce enterprises lake of these fundamental quality, thus they must strengthen marketing service management and innovation in their development.

Nowadays, most of the Chinese cross-boarder e-commerce enterprises exist many defects, such as small scale, lack of capital, and high operation costs, the marketing management of which are still in the primary stage, resulting in the lower actual tolerance capacity. During the marketing process, copy blindly also happens, leading to affected influence in the end. There are still many challenges in the marketing innovation. For example, foreign companies can fully apply modern high technology to innovate the whole marketing management. Innovation in marketing organization and in service brand will result in giant impact on the development of cross-boarder e-commerce in China. In the marketing process, employee quality will also influence the marketing quality obviously. The quality of majority of service employees will directly influence the whole quality of marketing management. If the service quality cannot meet the actual demands of customers, it will easily cause unsatisfied results in marketing management.

2. The impact of cross-boarder e-commerce on marketing management

Service, as one of the important parts in marketing management, can produce some kinds of profits or satisfaction. Marketing management refers that enterprises must define clearly of customers’ real needs, and actively provide the products they need to them.

As the rapid development of cross-boarder e-commerce, the enterprises in this field start to pay attention to do demand analysis of customers. Especially in the background of upgrade consumption, users’ purchasing demands are not limited in low price or cost performance but in pursuing high-quality life. In the future development of cross-boarder e-commerce, new retailing must influence the whole industry unconsciously.

The new retailing so called is to lay focus in customers’ consumption experience, utilize the support of big data to get through the consumption channels online and offline, and invigorate traditional retail industry. Cross-boarder e-commerce enterprises are not able to attract customers relying on cost performance, while they must offer better quality products and more professional service. Under the impact of cross-boarder e-commerce, marketing management must focus the following perspectives. In the process of marketing management, in order to improve the whole
efficiency and promote the competition among companies, they must combine their own service characteristics to achieve service diversification. There are majority of service demanders in any one of the service markets. For different groups, the demand purpose are also different. In the marketing process, they must define clearly of the demands’ personality and diversification. Any one enterprise should try its best to diversify the service market in order to offer the products they need. Every enterprise should segment service market and service object when doing marketing management, strengthen management efficiency, and plan to do niche-targeting marketing, by which to gain better service profit. When doing marketing, they must pay more attention on diversification, which requires enterprises to develop service content and channels, highlight service image and improve marketing quality, so as to stand out in the fierce market competition. In order to improve the service diversification, the most important is to do a deep investigation in the market, know better of competitors’ disadvantages and their own advantages, exploit pointedly and innovatively to the service program, for meeting the users real needs.

The mode, “Proprietary trading plus attract investment”, equals to exert the most inner advantages, and attract investments to remedy self-defects in the weakness. Suning Corporation chooses this mode to combine the self-condition with its inner advantages of logistics and capital chain in traditional e-commerce aspect, at the same time through attracting investment all over the world to strengthen its weakness in the international commercial resources. Suning Corporation is another strong competitor following Tmall, and Amazon in cross-boarder e-commerce industry. China E-business Research Center enters into Suning Commerce Group and aggregates its latest news in cross-boarder e-commerce.

3. The problems and solutions in the marketing of Suning Commerce Group

There are still many problems have to be settled urgently in the marketing of Suning Commerce Group. For example, most of the marketing employees only have communications with customers in sale while developing marketing management, which results in lacking of correct understanding for employees themselves- only keep good attitude in sale but ignore after-sales service. This kind of thought is very easily to cause exaggerate the product function or even misrepresent after-sales language but lack of tracking after-sale service only in the purpose of increasing their sales. This will result in obvious contradiction between sellers and after-sale employees. This kind of marketing service splits the whole marketing linkages, and easily causes the good experience in pre-sales but extreme difficulty in after-sale services. The root cause lays in the performance measurement system in Suning Commerce Group, which ignores of the measurement of employee service and results in the phenomenon where emphasizing outcomes rather than service. The division of labor in many departments is too systematic and clarified, and the definition of service scope is too narrow, resulting in the lack of responsibility of many marketers. In the process of service, despite the establishment of an unified service standard, many employees have not been able to perform in depth, resulting in inconsistent service behavior with overall requirements. In the marketing process of Suning Tesco, the most important thing is to optimize the organizational structure design, perform performance appraisal on employees, and ensure that the service level of employees is strengthened. In the employee service assessment, managers should strengthen the supervision management to promote effective communication between various departments. Organize cross-department knowledge assessment projects to enable employees to conduct in-depth analysis of the work content and working methods of other departments, and enhance the effectiveness of work management. At present, the departments of Suning Corporation include chain development management department, service logistics management department, marketing management department, financial information management department and administrative personnel management department. Different departments are divided into different business groups and business units. Different organizational structures will inevitably produce obvious contradictions. In organizing and coordinating of Suning Commercial Group, it is necessary to do a good job of tracking the service system. If someone finds a problem with the product, he only needs to find a special person in charge to properly handle it. It will reduce the pressure on each
department, and also ensure each department performs its own functions. A clear responsibility management system should be established. In doing system management, they must also avoid the problem of prevarication between each other after problem happens. The channel strategy refers to the marketing channels of Suning Tesco, which have been actively transformed from the traditional retail industry to the modern new retail industry. In the construction of service channels, to ensure that service coverage is significantly enhanced. With the continuous deepening of the service network of Suning Tesco, the service coverage even covers more than 90% of the country's regions, and many township markets also have been covered. The promotion strategy is to promote the key assessment and training for sales personnel, regularly arrange special personnel to each service channel to train personnel sales so that the sales personnel can always maintain a good service attitude when facing customers, and introduce product information from the professional perspective so as to realize each transaction. With the modern development of information, Suning Tesco has also increased the promotion of online marketing in the training process of sales personnel. Many marketers use social software such as WeChat and Weibo to transmit relevant promotional products and help to deliver an in-depth understanding of Suning Tesco's promotional activities. In the promotion, the use of advertising, business promotion and other methods to strengthen preferential degree can attract a wide audience. For example, during the hot broadcast of The Voice in China, Suning Tesco invited members of China The Voice to produce promotional videos and advertisements, and posted posters in major cities across the country, improving Suning's exposure and allowing more consumers to understand Suning Tesco's service concept. In the process of Suning Tesco's business promotion, the promotion activities such as giving for free under certain amount, distributing discount coupons and lottery tickets, and live performances to attract the participation of consumers will also enable consumers to obtain the real profit.

The personnel strategy refers to the enterprise recruiting the corresponding talents according to the development direction of the overall strategy, and rationally optimizing the personnel recruitment training. The development of Suning Corporation always adheres to the people-oriented concept, boldly uses new people, allows more young people to have practical opportunities, enhances the mobility of the company's personnel, and reserves a large reserve force for the selection of middle and high-level cadres. In terms of personnel training, the method of recruiting training appointments and other methods offer opportunities for the majority of new employees in the first year of entering the enterprise to achieve the store rotation, outdoor development, unified training, and cultivate employees' passion and perseverance quality. Leading by the sophisticated employees and one-to-one teaching, newcomers will quickly understand the job responsibilities and clarity the value needs of the position.

In the process of tangible display, to provide customers the information about direct perception and service, such as hanging flyers, smile service, warranty period extension and other service strategies, so that every consumer can intuitively understand the overall service standards of Suning Commerce Group. A price list of warranty extension and an on-site repair form will be posted near the checkout counter to ensure that the user has a clearer understanding of subsequent repairs. In all the stores, the clerk wears uniforms and badges, and always smiles, allowing customers to experience professional services. If the customer encounters a problem, the service staff can take the initiative to consult and provide reasonable suggestions for the customer. Post the trademark of Suning Tesco on the its truck, ensure that the goods are delivered to the home, and allow the users to enjoy the product in the first time.

Strengthen the training of service personnel, hire appropriate employees, raise the recruitment threshold, and ensure the enhancement of overall quality of employees. It is necessary to formulate a scientific and reasonable training strategy for employees, and to integrate employees and training service strategies to ensure that the marketing concept is integrated into the daily work of employees. During the training period, the employee's basic salary should be guaranteed, so that the employees can learn practically and avoid leaving the company because of financial and other issues. During the training period, the activities can be expanded to ensure that employees can absorb knowledge, strengthen team cooperation ability, enhance the team's own cohesiveness,
actively retain personnel, improve remuneration packages, and build up corporate culture. Wages are closely related to the quality of employees’ lives. If the overall salary of employees is low, it is easy to cause an increase in employee turnover. Therefore, formulate a comprehensive reward and punishment system to ensure that the enthusiasm of employees is effectively activated, and the cultural construction of the company can be better attracted and retain employees. A perfect corporate culture can form a cohesive force within the enterprise, so that all employees have a unified value and contribute their own strength to the development of the enterprise.

4. Conclusion

This paper deeply analyzes the development of cross-border e-commerce and marketing management, introduces the development trend of cross-border e-commerce and marketing in China with the case of Suning Commerce Group, analyzes the impact of cross-border e-commerce on marketing management and the business mode and characteristics of Suning Commerce Group, and explains the existing problems in its operation. It can be used to strengthen the overall quality of Suning Commerce Group as well. In addition, this paper provides important reference to other new retailing enterprises and clarifies the development trend of cross-border e-commerce.

References


