

How to attract customers and develop online shop's marketing? Case: Baby Care

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Abstract			
<p>The main purpose of this study was to find out suitable marketing strategy for our online shop which is named Baby Care selling baby products mainly. As 'E-Commerce' calls growing rapidly in China, online shops pattern is slowly recognized and accepted by consumers. Baby products' marketing also becomes more and more popular and competitive. Today our online shop with traditional retailers is not only to partake in network counterparts, but also, it occupies a place to implement. Thus we need to find out the more efficient and impeccable marketing strategies so that we can survive and develop in the intense competition.</p> <p>The theoretical framework briefly introduces the online stores: their background, concepts and types. It discusses current online stores concerning their management in detail. We will also deal with online marketing communication which includes some detailed information such as the comparison between the traditional marketing and online marketing, the strengths and issues of online shopping, and online consumer behavior as well. The case study connects theoretical knowledge with analyzing what is online shops' position in business orientation and discusses different marketing strategies for current online stores based on 4P's. For the empirical part, a questionnaire survey and a personal interview were used as the marketing research tools to find out online customers' characteristics and their interests on baby products.</p> <p>According to the research, some findings and results were provided. We can have more knowledge concerning online stores' marketing strategies in order to reduce the risks, and to analyze how to attract and satisfy more customers in developing and extending our online shop's marketing and business. For online shops, it is really necessary to have a special care on establishing good relationships with their customers.</p>			
Keywords Online shop, online marketing, strategy, customer behavior, baby product.			

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1 INTRODUCTION

In the introduction part, some information about background study of the research motive and used methods will be introduced, and also including the expected findings and the significance of the findings.

Background of this thesis

Recently, with the increasingly development of China's dairy products and the infant food industry, China's child products marketing is growing rapidly and has a high-end market to maintain double-digit sales growth rate in China. It is expected to overtake Japan to become the world second infant formula market after the United States. Therefore, China would be the largest potential market in the development of baby products. (baby.cn 2015)

According to statistics, nowadays, China is in the baby boom population, the annual increase in newborn babies is around 17 million RMB; China is now the world of second largest infant formula consumption country after United States. Along with the financial crisis, the rapid development of the internet and impact of the new economy mode make the world get into the e-commerce age. Thus, it is hard to expand traditional business in the limited domestic markets in China, to explore a more international method, for instance, corporate with neighbor country that has richer resource in order to satisfy our needs. (babycity 2014)

With the rapid development of modern transportation these years, the business between China and outside world has made great progress and the commercial barriers have declined. Thus, the transporting cost for export and import will drop by 50 percentages to 70 percentages respectively, which makes the consumption of infant formula more and more depend on imports. Moreover, the problems of domestic infant formula often arise. To keep their child healthy, Chinese parents prefer to spend more money on buying import products. (babycity 2014)

In this inevitable trend, Baby Care was established by the authors in 2013, which was an online store on Taobao trading platform and focused on selling infant formula and service for Maternity & Baby. As a form of electronic commerce, the shop gains more and more online customers and orders who are from the medium- and higher income groups with the development of last year. In fact, Baby Care has already a stable customer base and good reputation. It would provide more accurate information and data to support the thesis research. The product range of the case company is business oriented formal infant food that mainly includes baby milk, accessory food, pacifiers, feeding bottles, and health care products for pregnant women. Comparing the traditional marketing method with our online shop process characteristics development is to create a suitable marketing strategy. So this research is carried out the successful experiences of the online shop and to find a new business opportunity to develop Baby Care's marketing in China. (Online shopping marketing development report 2015)

By the reason of the suitable marketing strategy and power financial support by Taobao.com, Baby Care was like a dark house in Chinese e-Commerce market. The total gross merchandise volume of infants C2C (consumer to consumer) e-Commerce reached 10 billion Yuan/RMB, over twenty percentages, there is no doubt that Baby Care infants online shop became the one of the biggest C2C e-Commerce platform in TaoBao.com. (Online shopping marketing development report 2015)

Research Objective and Research Implementation

Since the online shopping is a new business concept in recent years, and it has so rapid development as a popular and common way to consumers that more and more people prefer to choose purchasing online, especially in China. Moreover, the market of baby products is full of opportunities and challenges, which is characterized by multiple brands, varieties of products and a lot of potential customers depending on this market situation, it is very necessary to raise a study for Baby Care, which was founded in 2013, as a new and high-risking business in this huge and competitive market.

The major objective of this study is to investigate and analyze online marketing situation of crisis and opportunities to find out the suitable marketing strategy and create a new business opportunity for our online shop, Baby Care. With customers' needs improving continually, we have to make some changes in our sales ways in order to find out the potential customers. In this thesis, the research problem of "How to attract more customers and develop our online shop?" will be answered by analysis of online marketing; online consumer behavior and online marketing strategy based 4P's as well as SWOT analysis at the end of the thesis. According to analyzing these, we hope we could learn how to meet our online customers' expanding demands, and also get better understanding from the results of this thesis.

Desk research is the main research method in this thesis by collecting internal and external online marketing information from secondary data sources such as industrial reports, literature, surveys, magazines, newspapers and other sources, and the internet as well. Using secondary data is a very useful and quick way to collect information for many questions and purposes that is a big saving in resources, time and money. Furthermore, because of the data collection methods such data may be better-quality data than could be obtained by collecting the primary data. (Saunders 2000, 188-209)

Case study about Baby Care will be the main secondary data, the questionnaire survey with several questions will be used to collect data, and gather information of customers' interests and behavior. An interview has been done to gather necessary information with the marketing manager from Beebuy.com, which is also a famous shopping website, to know the operation process and marketing strategies they used and summarize why it is so successful. Comparing to Baby Care's website, it includes more information such as product list, payment term, delivery term and security, which will connect with customer purchasing decision making process to analyze the BeeBuy.com website. Some useful information about positioning and operation process of online shops will be obtained from some internet reports and articles. It will be helpful for readers to have a clear understanding about the research objective more easily.

The Structure of the Thesis

The first part of the thesis is generally introduction concerning the background of this thesis, in the research process, which kind of problems would usually arise, and the reason that we choose this thesis topic and an ultimate goal of the thesis.

The second part introduces the characteristics development of online shops, combine with the whole e-commerce environment and the infant formula development in China recently. One successful e-commerce store was chosen according to the comprehensive analysis their sales marketing, different types of online shop such as department stores, vertical stores, and the others.

The third part represents the status of online shop in China, the main problems of online stores' operation, for instance: the newborn population question, transportation safety issues, platform of the online store, and the cognition of E-payment and delivery problems. In this part, we analyze target consumer groups concentrate on the online marketing and online consumer behavioral analysis as well.

In the fourth part, it primarily focuses on the marketing strategy analysis of online shops and comparison of the traditional marketing methods and the modern marketing means, through analyzing the impact of the traditional shop and innovation that in the whole marketing area, the affection of traditional mediation and the appreciation on intangible assets of commercial brand. Various positioning of online stores such as customer, product, service, price, and quotient field would analyze in this part. In the end, some marketing strategies of online shop operation in terms of attracting customer, trust building, making sales and emotion investment strategy are provided.

The fifth part is the most important part because using Baby Care as a small case study to support the theoretical analysis. It will include analyzing the marketing strategy based on 4P's and make the SWOT analysis of Baby Care. The qualitative and quantitative research methods will be used to support the data collection analysis in research process of the thesis.

The last part of the thesis is conclusion part with summary of the study and some recommendations of marketing strategy for Baby Care will also be provided. Some useful references used in this thesis will be added at the end of the thesis as well as the Internet information sourced used in this thesis.

2 DEVELOPMENT OF ONLINE SHOPS

In this chapter, the information of online shops development including its characteristics and different types and models will be provided as the theoretical framework of the thesis. Each type of shop following with a famous online shop in China as examples will be introduced as well.

What is an online shop?

Online shop, as a form of electronic commerce, is a kind of website that allows people be browsing and make actual purchasing behavior at the same time, then through a variety of online payment methods to pay to complete the whole process of trading. In China, most transactions online are completed through some big online trading platforms like Taobao, eBay, Paipai and JD. The Figure below shows the process of buying products online from online shops. People first visit the websites and select products they want to buy into the shopping cart, and then they need to check out the goods which are selected and make payments by using e-banking or other payment methods. After this step, next is something for sellers when they receive orders and payments of products, sellers need to pack and ship products to customers without any problems. (Baike.com 2015)

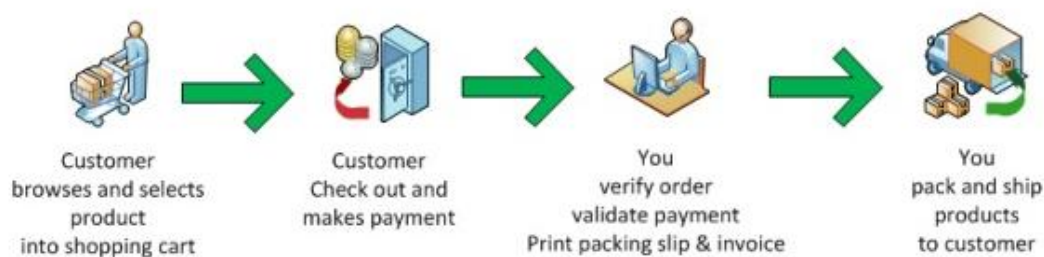


FIGURE1. The common way for shopping online (eStore solution 2015)

2.1 Characteristics of Online Shop

As a more advanced commercial model, online shops came from the single online showpieces production at first, and then evolved into a website which not only can display products but also allows viewers to purchase. It can be define five features when describing online shops:

1) Shortcut and Conveniences

As most people know, online shop is very convenient. There is no need for it to go through the process of purchasing and decorating that the ordinary shops must be. Just playing the keyboard and clicking the mouse can open a shop. (Baike.com 2015)

2) Quick Transactions

Sellers and buyers can finish the payment transactions immediately after they reach to the intention, then sending products into the hands of buyers in the form of logistics or express. And it will not give rise to the high volume of overstock. You can have no physical store, but only to open a network of shops, because they cannot require overstock, which is an attractive feature of online shops. (Baike.com 2015)

3) Convenient products Managements

It means you don't need to hire a clerk to take care of your shop and then run all ways to exhibit products or put up shelves. Everything is conducted online. You can restock easily with just clicking mouse after seeing your products get off the shelves. (Baike.com 2015)

4) Various Forms

It can find the right form whatever you want to sell. You can choose a commonly used program to set up online shop if you own a relatively large fund. But you can also choose a better online shop ISP (Internet Service Provider) to register and then finish your transactions. (Baike.com 2015)

5) Safe and Confidences

Reputation is the most important issue for each online shop. Transactions online cannot provide a real experience, it leads to the most buyers always prefer to do business with those merchants which they trust more. So if the first transaction is satisfying to customers, then the rate of second glance is much higher. In other words, it is necessary for online shops to offer more and more opportunities for buyers to experience confidence. (Baike.com 2015)

Nowadays, operating on the network has tens of thousands of shops, and every day there are new shops to join continuously. To set certain barriers to competition for the newcomers, the high-level stores often choose to take the amount of low-cost strategy, because on the Internet trading platform, customers have too many opportunities of options. Who has a lower price than you, who has the advantage? This means that customer's loyalty is very badly grasped. Many network operators which have a sense of urgency have begun to plan for their future way out, while the solution is surprisingly consistent: the establishment of an independent shop, and realize the operation for the network shops and independent shops at the same time. Comparing with setting up an independent online shop in the past, that needed a lot of financial and technical support, the independent online shop today becomes much easier, convenient, the cost is much cheaper. And it's also an inevitable trend of the future development of network operators. (Baike.com 2015)

2.2 Types and Operation Models of Online Shops

The online shop is a process of buying, selling, transferring, or exchanging products, services, and information via computer networks, including the Internet. (Turban 2008, 4) On the other hand, the online shop operation process is the revolution of commerce. As a modern shopping type is more accurate than e-business, and it is the subset of latter.

Comprehensive shopping mall

The comprehensive shopping mall is as same as the traditional commerce type, it provides a full sales support, not only it owns the most complete and stable internet platform and customer groups, but also the payment and credit security system, that SMEs (small-sized and medium-sized enterprises) increasing play as the big sellers on online shopping mall. (Turban 2008, 16)

Usually, comprehensive shopping mall particularly those of online shopping consist of several areas, each of areas has own characteristics and functions. As a case Taobao.com online shop, in the period of purchasing online, it has independent structure and systems, for instance; Taobao.com is a big successful comprehensive shopping mall in China, which cooperated with ICBC (Industrial & Commercial Bank of China), CBC (Construction Bank of China), ABC (Agriculture Bank of China) and CMBA (China Merchants Bank of China) launched on a third-party payment tool - ZhiFuBao. As a particular operation of online shop functions, ZhiFuBao provides an operation platform to the end users of TaoBao.com, and the actual payment is done by the cooperated banks. In the payment of ZhiFuBao process, up to the endest step of users chosen a bankcard payment, the ZhiFuBao and TaoBao all cannot see the buys' bankcard information, thus, the online bank payment system can completely ensure the safety of payment process (Lu 2013, 25)

All along, TaoBao.com has gradually improved its online shopping trade system, by considering of making the online shopping mall more convenient and perfection, development of its advantage such as the low cost and 24 hours open time, all of those that embody the comprehensive shopping mall as an important online shopping type in the business. (Lu 2013, 25)

Department stores

Comparing with the comprehensive shopping mall, the most common difference is the owners; in the department stores usually there is only one seller. Nevertheless, the pursuit mission of the shopping mall is entirely different. The department store always has its warehouse, and it will stock products, arrange logistics, to prepare for a faster delivery to satisfy its needs,

some online department stores even expand its unique brand products as branch to develop. (Chinaz.com)

With the rapid development of online department stores in China, there are many successful examples, Watsons as one of department shop in Hong Kong, leading health and beauty retailer, currently operating over 220 stores in Hong Kong and Macau, and making itself as the No.1 Pharmacy Network platform in Hong Kong. The Watsons department store not only has a professional team of pharmacists, dieticians, Chinese medicine practitioner, health & fitness advisors, beauty consultants, an experienced mother, baby advisor and nurse, but also that are devoted to serving customers, and offer the longest Pharmacy operating hours in Hong Kong. All of these are in order to help buyers to easily find a trustable online seller. (aswatson.com 2015)

Vertical stores

Vertical e-commerce refers to a particular sectors or market segment e-commerce model operations. It is a model used by websites that sell products from a particular industry or products with a similar theme. The model differs from that used by most large e-commerce sites, like Taobao.com, which offers a range of products. Vertical e-commerce websites are often shops that offer professional services to attract visitors, and they also engage in business-to-consumer or business-to-business activity. For example, Jumei.com is a vertical e-commerce website that focuses on cosmetics. Customers find it easy to find a specific product they want on such websites, but these sites would become extinct without unique or professional services. (economy.caixin.com 2015)

Compound brand shop

In recent years, a new business model which causes a heat wave in the Asian region as the center and birthplace of Hong Kong in mainland China, and that's the complex multiple brand stores spread rapidly in the country. One representative example is the traditional clothing brand, Giordano, which was founded in 1981 in Hong Kong, and then went into the market of mainland China in 1992, creating a precedent for China's casual clothing retail chain.

Now, Giordano has been set up in China, a huge trading network, with more than 1,000 points of sale, and the store network continues to grow rapidly. Enterprise products, which supported by consumer groups in domestic, are identified as the Chinese quality of corporate integrity by the State Quality and Technical Supervision. (giordano.hk 2015)

Giordano has its own directly stores and franchisees. When Grand-view Mall opened, Giordano entered. When online Taobao Mall opened, the on-line Giordano went in as well. And even if all the malls are drained, Giordano also has its own independent image of the store. At the same time, they made a daring operation at different prices, and its perfect storage allocation management through the sales network to better grasp operations of the cash flow and commodity circulation. (giordano.hk 2015)

Just like Belle, which is a flagship store for mainly selling different kinds of lady shoes, has nearly 8,000 off-line stores in China. According to the announcement, it made 16 billion RMB market in 2008. Currently entering into the network, it is a bold attempt. The on-line style or brand has a certain segment, but also a lot of production. Because if online cannot sell out, then the 8000 stores will be a very good outlet of cleaning up the inventory as long as the 200,000 double line, both online and offline, each store sells more than 20 pairs. (Liu 2010, 77)

Like these stores, along with e-commerce matures, there will be more and more traditional brands to join the battlefield of e-commerce in order to seize new markets, expand the new channels, and optimize the product and channel resources for the goal. This is a trend that will become more and much fiercer. (Liu 2010, 77)

Light brand shop

China is already a producing country, so many foundries, mature industry chain is sufficient to meet the production needs, while Chinese people making money are the profits belong to the premium product, rather than premium brand profits. In the ripening environment, doing some brands has no occasion to have their own factories, on the contrary, China has some

unnatural and extraordinary advantages that brand owners can focus more on providing personalized, more delicately to meet customers' demands for the product. In addition, based on brand positioning, they can strengthen product design through the application of information technology, in order to allow brand owners focus on doing things they are good at, but the other things are outsourcing with the best raw materials provider and the best manufacturer, to find effective marketing channels of high efficiency. By the powerful combination, you will get the advantages of the realization of perfection. Looking back, those world top brand manufacturers, they are also doing like this. (Liu 2010, 78)

Service-oriented online shop

This part is easy to understand. One online printing company could be taken as the example: when my older brother get married, he and his wife went to Europe for a honeymoon trip and took a lot of photos. Before they were back to China, both my family and his friends had got the photos already that were printed by one online printing company. Some photos were embedded in the bone china cup, some by their own willing with binding a beautiful frame, and now on the front of my parents' room. Purchasing to achieve rapid progress, purchased all over the world. Yes, you can go around the world to help you to buy the products you want, and to collect the right amount of service fee profit.

There are more and more service-oriented online shops, which are designed to meet the individual needs of different people, or even to help you line up to buy movie tickets, there are people who will deal, and looking forward to seeing more of service in the form of online shops. (Liu 2010, 80)

Shoppers' engine type

Taobao.Com is a very famous shopping guide website in China and the biggest e-commerce platform in Asia, and also commits to be the first choice of online shopping in the world in future. (TaoBao intro 2009) There are many people once said such a sentence: To shop, go to Taobao, to choose the products, go to Taobao. That means we have to admit one truth that those mass products on shopping websites, and a much lower price than another all

these make you give way to your temptation. However, even when you do not know what to buy, then how to do it?

Since Taobao website is an optional tool that has its coup certainly. For example, you want to buy a suitable cream for your dry skin, you can enter through Taobao cosmetics channel, and go through the left side of navigation and the right side of functional navigation to get selection of the results easily, you can even choose the filter criteria, such as Option: Filter too greasy, and what product matches out is always to meet your needs. (TaoBao intro 2009)

3 PRESENT SITUATION OF ONLINE SHOPS

Before discussing the marketing strategy of the case study, the online shop-Baby Care, it is necessary to analyze some status of online shop in China, combined with the issues of online shop operation, target customer groups and online customer behavior.

3.1 Issues of Online Shop Operations

Today, online stores become more competitive, all merchants have to try all means to attract more people into it. For each online shop, it will always encounter many operation problems in the business process, such as being featureless, and no price and credibility as advantages, this kind of online store will have no vitality any more. (eStore solution 2015)

Cognition of e-payment

In traditional transactions, the means of payment of personal shopping is mainly using cash which means that the two sides can communicate and complete the transaction in the business process face to face. Online store transactions are done online, the delivery and payment transaction in space and time is divided. Usually consumers must pay first when they are shopping, then it turns to delivery. You can use the online payment system to complete the online payment. Online payment system consists of four main parts: (1) e-wallet, (2) electronic channels, (3) electronic banking, (4) the certification institution. (Commercial Times 2010)

Online payment system is a systematic project, it needs mutual participation of banks, merchants, consumers and IT companies, and this system cannot run properly without any part. Because online stores are faced with hundreds to thousands of individual consumers, to incorporate these consumers into the electronic payment system is more difficult. On the one hand, it requires the individual consumer that must have a good credit, on the other hand, consumers have much concerns on the security privacy of online payment which is more prominent in China. According to the statistics of the largest e-commerce site in China, 8848 site, there are 58, 15 percentages of consumers who prefer to pay for products by using cash settled. We can see

it will be a relatively long process for Chinese consumers to have common awareness and acceptance of electronic payments. Therefore, the biggest problem that the electronic payment is facing so far is how to guide and educate Chinese consumers about awareness and recognition of the electronic payments. (Commercial Times 2015)

Safety in transaction

Buyers don't have to reveal their identity, this way can protect your privacy and there is a sense of security when you make a deal in the traditional shopping. With the popularization of the credit card and bank cards, consumers don't have to carry cash to buy, and just swiping their credit cards or bank cards. But when purchasing, cards and passwords are kept by themselves, consumers could also feel secure because they can control this business process. While shopping from the online shop, consumer's face a virtual store, what their cognition of the products can only be understood from the online introduction. During the transaction, consumers need to transmit their personal important information through the internet, such as credit card numbers, passwords and personal identification information. Because of the open nature of the internet, the possibility of stealing and using online information illegally exists all the time, as well as some security risks. Meanwhile, when consumers transfer their personal identification information to merchants in online purchasing, it is possible that merchants may use this information illegally. Therefore, there is a risk of online trading that personal privacy has been violated. (Commercial Times 2015)

With technology development and online trading norms, and now the introduction of a series of online transaction security specifications such as SET (Secure Electronic Transaction) protocol, which using encryption technology and personal digital signature technology to ensure the security of online information transaction process and make it legitimate, we can effectively prevent information from illegally being intercepted and used. (Commercial Times 2015)

Problems of products delivery

When consumers are purchasing in the traditional shops with cash spot, usually the delivery process is very simple and could be completed in one day, because consumers can take the products directly after payment. However, the buyers purchasing online could be those internet users that come from any place over the world, and at this time, the distribution and transportation of products would be a key problem. If it takes too long time for the transportation, it will make consumers lose their patience. For another, if the cost of transportation is too high, it would also offset the price preference that online shops have ever brought. Therefore, establishing the efficient and reliable distribution system is a prerequisite to ensure the development of online shops. (Commercial Times 2015)

Currently, the largest online stores selling products are information products and small items; it is because of information products such as software, music, and so on can be transmitted directly through the Internet, without transportation. But the small items are easy to transport because the risk of transportation injury is relatively low and easily accepted by consumers (China online shopping report 2013). Baby Care has been greatly restricted in this regard. And so far, the country still lacks systematic and professional national products distribution companies. The long-distance transportation of single items or postal huge costs and also the time delay, all of these are enough to make consumers to flinch, even the largest e-commerce site --- 8848 can only open 160 online stores in several cities, a very large gap with the more than 3,300 cities in whole China, not to mention the future of the rural market. Consequently, supporting and developing the professional distribution companies in China is very imminent. (China online shopping report 2013)

3.2 Online Marketing

It is possible to make decentralized and instantaneous global communication by the internet which is a global web with some 45,000 computer networks. Internet is established for facilitating research and scholarly exchange at the first, but now is available to a much broader audience with different functions for users, such as sending email, exchanging view, shopping for products, and accessing news, food recipes, art, and business information. However, the internet itself is free whether individual users need to pay a commercial service to be hooked up to it. (Kolter 2003, 731)

3.2.1 Online Marketing Introduction

Using internet is increasing becoming a necessary part of contemporary marketing communication as a way to communicate with specific audiences. The role of the Web site and the development of the promotional tools, on-line, now have to be considered as an integral part of an organization's overall community activity. (Fill 2002, 597) For online marketing, using internet as the media can complete the business activities more effectively between customers and companies, with the new methods, forms and concepts to execute such kinds of marketing campaigns. There are different names which could be called of online marketing with different meanings like cyber marketing, internet marketing, networking marketing or e-marketing. For example, internet marketing means the marketing campaigns which were expanded in internet and close to online marketing. But network marketing is a little different from online marketing that means the marketing campaigns were expanded to Internet and some other kinds of network. (NetMBA 2002)

Online marketing consists of a larger numbers of goods and services to satisfy customers' demand. The most popular products customers prefer to purchase are in computer hardware and software, music, books and air tickets. The online marketing is also increased in food, flowers, clothing and electronics, even including some online financial services like e-banking and insurance sale. (NetMBA 2002)

3.2.2 Online Marketing in China

Online marketing was developed late in China. Chinese companies started to try to adopt online marketing in 1996. The period from year 1997 to 2000 of Chinese online marketing is original and e-commerce developed quickly, more and more Chinese firms began to pay attention on the online marketing. In 2000, Chinese online marketing went into the stage of application and development. Online marketing services market preliminary forming, companies' websites creating developed rapidly, online advertising gradually innovated, and marketing means constantly sprang up and developed. There are approximately 253 million internet users in China by the end of June 2008, which was the first in the world. The number of people shopping online was 63.29 million. By the end of 2009, the Chinese internet users were almost 400 billion. And there were 485 billion internet users until the end of June 2011, Internet popularizing rate reached to 36.2 percentages, which increased 1.9 percentages than 2010. (CNNIC 2011)

The online marketing market capital scale could reach to 23.9 billion based on IResearch's prediction in 2010, and this data would increase 34 percentages than in 2009 which was 17.8 billion. The rapid growth of online marketing market indicates that more and more people had begun to realize the importance of online marketing; it will lead to a different influence than traditional marketing for Chinese firms.

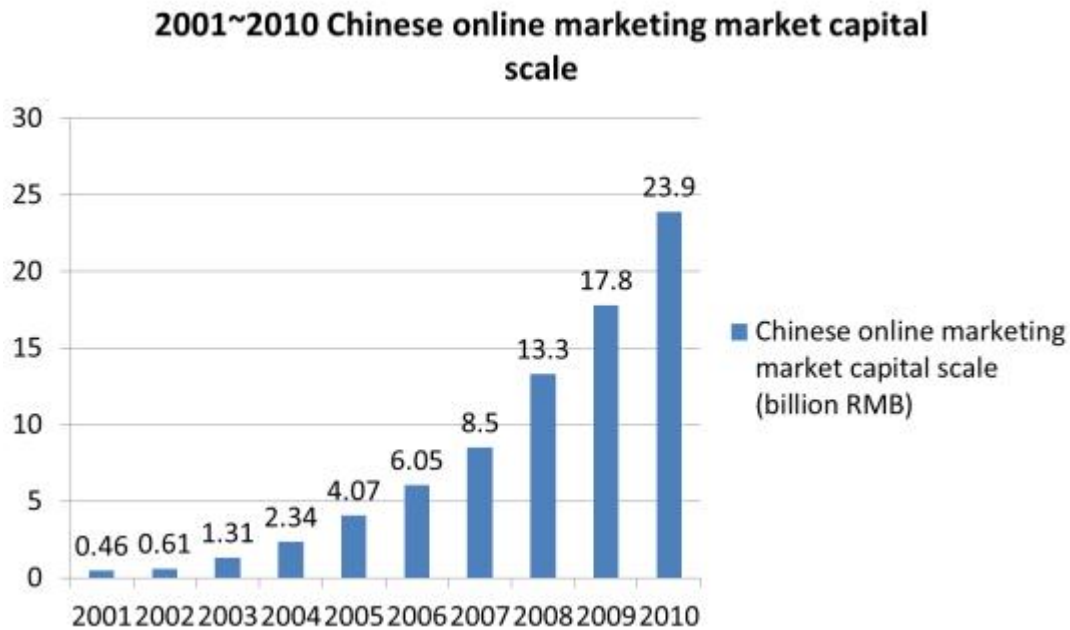


FIGURE 2. Chinese online marketing market capital scale from 2001 to 2010 (IRResearch 2007)

The revenue of Chinese online marketing market scale consists of the online advertising and the search engine, among the rest, online advertising income consists of online media, E-mail, network software, computer games, digital magazines, and other types of media advertising revenue. (IRResearch 2007)

Strength of Online Marketing

A web site includes a home page and a lot of linked pages and any internet user can create it. There are different forms of publicity material that the pages can implement - advertising, product class, introduction, pricing, special offers and news releases. All of these forms can connect with older pages in order to order directly for some potential customers, or to request for more information and feedback. It could be easy to monitor customers' preference and activities, also to allow for the market research timely and quick feedback as well as adapting strategies. (Gong 2008, 8-10)

The final objective of marketing is to obtain the market share. One outstanding feature of the internet is exceeding time and space limitation, it gives customers or companies with more time and more space for marketing. 24 hours a day, 7 days a week, or it can provide global marketing services to

the customers at any time. The Internet is open all the time so that customers can search, order, ask for some further information or to provide feedback on any time they like. (Gong 2008, 8-10)

Using internet can pass a message; transmit different information like images, text, audio and others as a means of the media. Forms of exchanging information can be diversified. For customers, searching for information about products is a very handy way to help them to know the product. For instance, customers can get both the basic information and some further information like images, price, even the comments from other consumers about this kind of product when they are searching for the product information online. (Gong 2008, 8-10)

The size of all online shops is equal since the concept of freedom and openness are the spirit of the network. Network goes everywhere; it is even more convenient and directly than anyone can freely buy in the traditional supermarkets. Therefore, every online store can have its own Web site, you can get permission on commercial websites to post their own product information at any time, even between storekeepers and users to establish a long-term relationship of mutual trust, which everything needed, is extremely low costs, and it won't need a very long time. Every online shops gain the equal rights to participate in the competition. It is by far the best marketing tool and its effect is the most desirable. (Zhang 2005)

Online marketing has four elements: product, price, and service. For product aspect, merchants' products from the stage of location, design and production are able to fully absorb the user's requirements and ideas but also the user's experience through the network quickly which will be reflected in the positioning of the product, design, production. For price aspect, online marketing has obvious advantages. For channel aspect, it mainly demonstrates minimize the distance between manufacturers and users For services aspect, it reflected in its customer support and great improvement of the response rate to support the indefinite extension of time. (Zhang 2005)

Internet users are growing increasingly and quickly, the main customers groups are the young people, and most of them are highly educated. This kind

of customer group has very strong purchasing power and influence to the market. Thus, more and more individuals and companies start to create shops and sell products online with this great marketing potential. (Zhang 2005)

3.3 Online Customer Behavior

The Online Consumer

The main groups purchasing online are young people, which can afford to spend with high education and most of them are young women. Using internet is becoming diversified and much younger people are likely to shopping online with their own ways. They get information from the internet “search engines” which can help them to know products more conveniently, and they can search any information which they want. Recently, more and more young users tend to negatively reply of the messages which are only aimed at selling.

People define what kind of information they will receive and need, what kind of products they have interests, and what kind of prices they prefer to pay. (Kolter 2000, 664) “In many ways, this customers-initiated and customer-controlled marketing completely reverses time honored marketing practices.” (Gong 2008, 12)

Model of consumer behavior online

The purpose of a consumer behavior model is to help vendors understand how a consumer makes a purchasing decision. If a company understands the decision process, it may be able to influence the buyers’ decision, for example, through advertising or a special promotion. (Turban 2006, 140)

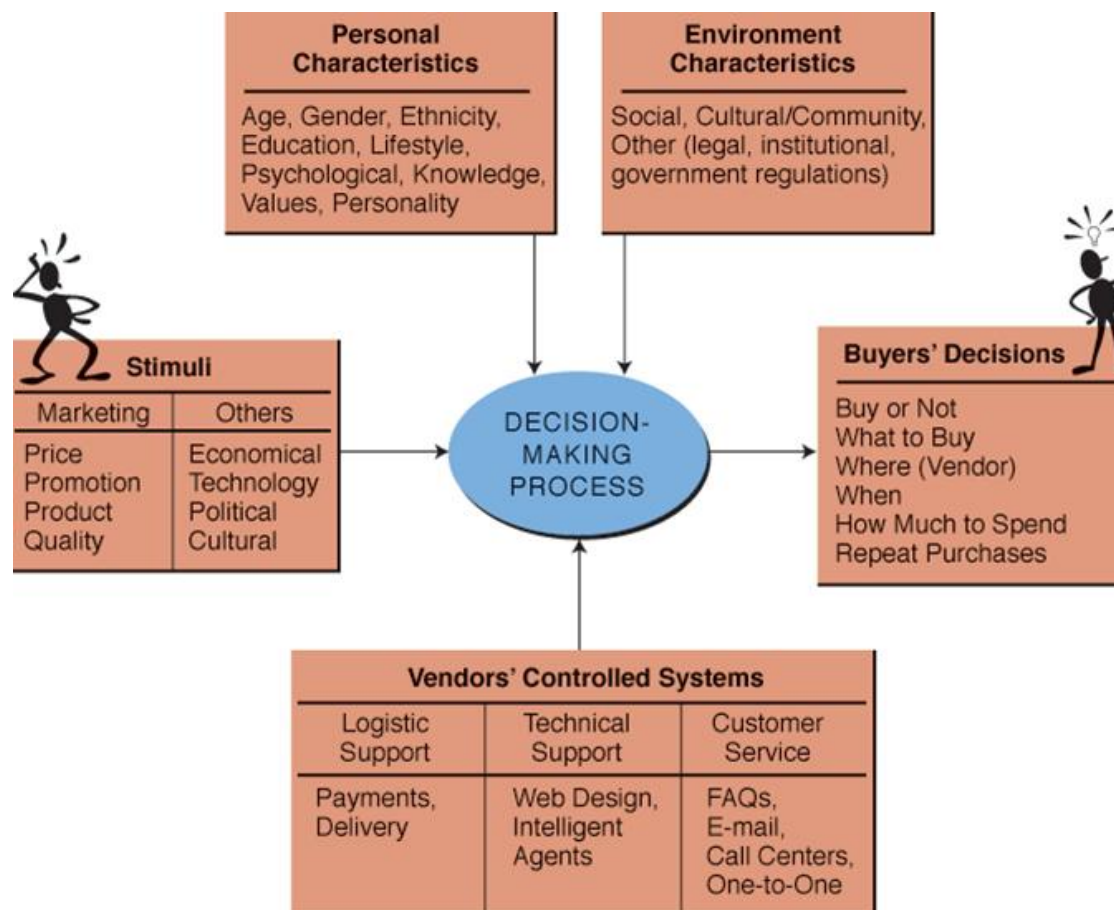


FIGURE 3. Online Consumer Behavior Model (Turban 2006, 141)

At present, people shopping in online stores tend to stress personalized consumption and diversified consumption, everybody wants special products only for themselves, and nobody wants to see another person wearing the same cloth, customers take more initiative in consumption, and they would like to search information about the products before they place an order. More specifically, they may read through the description of the products and other customers' evaluations. Moreover, customers have higher requirements about purchase convenience. When they do online shopping, they can enjoy the convenience of e-commerce in the largest extend, they can do shopping at any time and choose anything they like, saving a lot of time and energy. (Online marketing 2013)

Last, customers still maintain sensitivity to product prices. The most important reason why customers choose online shopping is that they can get the same products online with lower prices. If customers can get low price products with

good quality, they would probably do continuous online shopping. On the contrary, if online stores do not have price advantage, customers may still prefer to go shopping in real stores. (Online marketing 2013)

A great characteristic of electronic commerce is online stores can provide timely and customer oriented services. In order to fulfill customers' personality consumption and diversified consumption, online stores need to provide diversified products and particular products. For example, handmade products are popular because they are unique and usually customized. (Online marketing 2013)

The interactivity of the internet allows customers to have easily access to the enterprise production process, online stores could post production processes pictures to attract customers. In the meantime, online stores need to pay attention to maintain their reputation by providing well after sale service, good reputation will definitely bring more future customers. As for the purchase convenience, on the one hand, online stores should reply to potential customers in time, on the other hand, they can ship orders according to customers' demand, providing express shipping or normal shipping. (Online marketing 2013)

Last but not least, online stores are more competitive than real stores lie in the prices. To reach this goal, online stores can do promotion from time to time based on low costs. In order to reduce costs, online stores can get their products from big factories with lower prices. It should also be noted that different factories may provide the same products with different qualities; the sellers need to also pay attention to the quality rather than the low prices. (Online marketing 2013)

A summary of purchasing process on Taobao.com is shown in Figure 4:



Figure 4: Online shopping process on Taobao.com (Lu 2013, 11)

4 MARKETING STRATEGY ANALYSIS OF ONLINE SHOP

In this part, theories relevant to the research topic will be discussed. This chapter begins with the comparison between traditional shops and online shops. The next two departments will present theories of positioning and marketing strategy of online shop.

4.1 Influence of Online Shop to Traditional Shop

The emergence of online shop impels many factors of traditional shop to make changes, and people call it a new retail revolution according to the following points because of the huge impact. (China online market report 2013)

Changing marketing concept

The ancillary services strategy that mentioned in traditional business has transformed to core services strategy. It means that the content of services will be covering the whole process of products sales in the future retail activities, and has become an important source of business value. Especially in the environment of similar product mix and fierce market competition, marketing services become the most important prerequisite and foundation of commodity exchange, and a decisive factor to meet customers' demands as well. Online store can pay attention to each customer, in addition to building relationships, as well as interactive information (often analyzed by clicking on the network and other acts of record), not only to inform the potential demand for business customers, ways that are taken for shopping, but also shows his (her) gender, age, occupation and purchased varieties, time and so on. With these understanding and cognition, the merchants can influence customer behavior more effectively, and more is to attract their attention. (China online market report 2013)

New sources of business profit

Some online business institutions in USA present one concept of "zero profit sales", which means traditional business is making a profit from the supply price and sale price, and online businesses reduce this price difference to zero, or even make the products sale price be lower than the production costs,

and their business profits are no longer available from the price difference in merchandise, but from some new channels such as advertising revenue, value-added new channels and services, sponsors, and other high-margin commodity, etc. This shows that the maintenance of customer service and customer relationships become the most important event in the retail industry. And at least, a part of the business profits are no longer comes from the "buy low and sell high", but to use web resources made from other channels. (China online market report 2013)

The affection of traditional mediation

With the popularity of e-commerce, the traditional commercial intermediaries, such as agents, wholesalers will be hit; at least their way of life will change. In particular, the development of online shopping, commodity infrastructure and supporting industries will deflect the focus. The problem in the United States began to take shape. Development of e-commerce makes all types of delivery systems, courier companies, transportation companies, payment companies, security, advertising, business software, information services, new logistics and intermediaries to accelerate their development. It should be said, in e-commerce, especially the impact of online stores, there is inevitability for the traditional business functions to be weakening. But this does not mean the role of commodity circulation has to undermine, this shows that the commodity circulation needs to integrate e-commerce technology, and find the new development ways. (China online market report 2013)

The appreciation on intangible assets of commercial brand

It is much necessary to focus on creating a brand in order to keep long term maintenance with customers in the internet world. Although the existing retail stores in this area compared to the emerging online stores have a greater advantage, many new commercial websites put a lot of manpower and financial resources in this areas, to create their own brand, and have achieved remarkable results. For example, Amazon online bookstore in USA, 8828 Everest online store and 263 Capital online store in China, and a number of new online stores, all of them rise rapidly in a not long time, been known to the public, became frequented object. This shows the importance of the brand,

but also reveals the fact to people that it is much more quickly creating a brand online than traditional shops, due to the unique openness of the Internet. The emergence of online store will undoubtedly limit the development space of physical stores, and also bring more intense market competition for retail industry. Therefore, it doesn't exclude the possibility that a part of physical stores will shrink business under the impact of online shops. (China online market report 2013)

4.2 Features in Online Shopping

Customer segments

Customer orientation is the key to the success of online stores. There are three main kinds of target customers. Firstly, nerds would be most likely become online customers because they spend much time surfing in the internet. They are enthusiastic about chasing fashion styles; most nerds either work in the computer industry or spend a lot of time on the computer in their workplaces. Besides, many teenagers and university students also like surfing in the internet stores, however, they are not the main body of online customers, and the primary reason is that young people do not have enough money yet, therefore, five or ten years later, they are likely to become regular customers of online shops. (Wang 2009, 67-75)

The second stream of online customers are people who do not have time for real shopping, in most cases, these people can afford shopping online because they are managers at all levels, such as industrial investors, joint venture CEO, office managers. Online stores provide accessibility for these wealthy people no matter where they are, as long as they have a computer or a smart-phone that can reach internet. They are the middle class in the society; therefore, they have realistic consumption ability as well as significant potential consumption ability. (Wang 2009, 67-75)

The third streams of online customers are people around nerds and busy people, for example, relatives, friends, colleagues, neighbor of nerds and busy people. Although they are not used to shop online, owing to the convenience and competitive price of online products, they may thumb a ride

when other people do online shopping. With the popularity of computers and smart-phones, more and more people can access to online stores, there is no doubt that more people will register their own online accounts for shopping. As a result, the online customer's structure may also change in the future. (Wang 2009, 67-75)

Product lines

In reality, not all products are suitable for online selling. A retail format of commodity positioning should not only consider the needs of target customers, but also consider the operating characteristics of operators. Moreover, the comparative advantages such as the prices, convenience degrees should be taken into consideration. Online shopping is a totally new form to customers compared to traditional shopping in real stores and the business scopes of online stores are different from the real stores. In general, there are two main kinds of products that are suitable for online stores. (Chadwich and Johnston 2009, 233-234)

People would like shopping online for standardized large size essentials. Online stores only have flat visual images and abstract symbols and concepts, customers can neither hear the voice of the products nor they can touch the products. Hence, shopping for standardized products will reduce online shopping risks, such as 200 liters refrigerators. Standardized essential commodities have mature markets, well known brands and good quality, so they are suitable for online stores. Mainstream products are not suitable for online stores because they worth big money so customers are cautious about transactions, they may need face to face communication to solve their questions. Dilated market products are not suitable for online stores, either. Nowadays, some online stores sell small commodities, such as books, tapes, disks, small food, toilet paper, soy sauce and vinegar. These small commodities are more suitable by selling in the supermarket rather than online stores. Online retail service costs are higher than real stores; at least online stores have to pay delivery costs. If online stores want to get more customers, they have to do more promotion, in result; they can barely get any

profits. If prices in online stores are the same as real stores, people would not choose online shopping. (baike.com)

The emotional consumption products can also be sold online. Many people do not care the money they spend in the emotional consumption products. For example, selling flowers online may make a big fortune because the prices are cheaper than real stores as well as online stores still provide professional services. As long as customers are satisfied with the online emotional consumption products, online stores are more competitive than real stores because they have low prices. With numerous online stores faced bankruptcy in 1999, flowers online stores in the US still got revenue around \$300 million. (baike.com)

Service expectations

For most people, they place emphasize on the quality rather than the price of the products, so they choose big brand stores when they shop in real stores. As for the online stores, the excellent customer service will be most important if online stores provide the same products. Hence, the service orientation should pay attention to timely communication and providing customer service in good time. (Liu 2010, 48)

Timely communication means reply to customers in time, people shop online have busy life pace, they want to save time, if they cannot get reply in time, they would go to another online store. For example, a pregnant woman want to buy some prenatal vitamins and she wants her prenatal vitamins arrive in one day, if she cannot get reply timely in one store, definitely she will go to another online store. (Liu 2010, 50-57)

In addition, the customer satisfaction is another key factor for the success of online stores. Before the transaction, making sure what customers want and recommend the most suitable products according to the price they can afford. At the same time, it is not only important to provide excellent customer service before the transaction, it is also important to provide returning and changing services. As everyone knows, customers can give their assessments after the transaction in online shopping, future customers can also see the

assessments, less future customers will shop stores who have bad customer service even though they have price advantage. (Liu 2010, 50-57)

Price Selling

If the price in online stores is higher than the trade price, online stores may lose a lot of customers, otherwise, if they set in low price, they cannot get enough profits. The pricing level should make customers feel the products worth the money they pay, even go beyond their expectation. In general, products with more additional service will be sold in a higher price. For example, in China the cost price of a standard dried milk may worth only 200 RMB, the service cost for packing in good may worth 250RMB, but the customer may think this milk worth 400 RMB in a real store. As a result, if the customer could get this dried milk with 300 RMB in an online store, both parties will be satisfied. To the seller, he can still gain enough profits, to the buyer; he can save much money while he gets professional service in online stores. (Sohu blog 2010)

Market areas

As for the traditional real stores, they have a certain business circle. It refers to a certain geographical area facing customers in this area. Although online stores do not have space limit, they do restrict by their geographical location and their logistics capability. Anyone shop online has access to a certain online store, but he may not buy anything in this certain store because it would not able to ship to where this customer live. May be this online store has low logistics capability or the shipping costs are too high. The main reason why many online stores are not successful is they do not have a clear conception about their logistics capability. So scientific network distribution system is the primary goal for online stores, without it, online stores cannot make a difference. In this sense, online stores are the combination of traditional real stores with scientific distribution system as well as electronic network tools. Many real stores today also have their online stores to meet the needs of online customers. For example, Haier which is a successful household electrical appliance enterprise that has more than 16,000 retail

stores around the world, and it also has online stores to help expand sales. (Sohu Blog 2010)

4.3 Marketing Strategy of Online Shop Operation

Attracting customers

Attracting customer strategy means how to make the products posted in an online store stand out; attracting customers go to a certain online store for shopping. In other words, put interesting information in where customers may have accessibility. With the popularization of computers and smart-phones, the competition is fierce because more and more people open their own online stores. (Chaston 2001, 97)

First, making sure the products are competitive among similar products, such as becoming the network agent of a famous brand. Images posted in an online store are also very important, good layouts are always better than bad. Besides, new or special products are relatively easier to gain more customers. (Chaston 2001 99-102)

Second, using more ways to advertise products information, and making full use of BBS, links, QQ groups, search engines and blogs. For example, sellers can put their products images and links in their BBS signatures. Their signatures in the BBS accounts will become mobile advertisements when they post information in the BBS; it not only saves money for them, but also has significant effects. (Chaston 2001, 99-102)

In addition, each e-commerce platform has its own site search; most customers will use this function when they do online shopping. Therefore, the sellers need to know how to set their commodities titles to increase their chance of being searched. (Chaston 2001, 99-102)

Trust Building

When a customer is attracted by a certain product in an online store, the seller needs to build some kind of trust between himself and the customer, then this customer is willing to pay for the products he choose, he may even become a frequent customer and introduce this store to his friends in the future.

Compared with real shopping, the characteristics of online shopping are customers cannot touch nor see the products, they can only know about products through pictures and words, thus, customers may not buy products online. (Jobber and Fahy 2002, 205)

In the trust building process, sellers have to fulfill customers' needs and establish confidence at the same time. When customers shop in an online store for the first time, they pay most attention to pictures, descriptions, prices, sellers' reputation and its professional degree. So sellers need to provide professional information according to customer psychology. If an online store sells books, it should provide detailed descriptions, including press, authors, abstract, table of contents and book reviews. (Jobber and Fahy 2002, 205)

Making Sales

Making sales strategy is built on the basis of trust, when a customer has interest in a product, but he has not decided to pay for it yet, the seller need to know how to facilitate this transaction. In a real store, the seller usually use coupons, discount prices or buy one get one free strategies to stimulate customer's purchasing motivation. These promotion strategies are also useful in online stores. If a customer can get a product at only 20 percent of the original price, he is likely to buy it even though he may not need it at all. According to customer consumption psychology, more time they have to think twice, less likely they will buy a product, which is why limited time sales are so popular nowadays in online stores. (Kotler 2003, 141)

Emotion investment

If a customer thinks his online shopping experience goes beyond his expectation, no matter what kind of form, he will probably become frequent customer in that online store. According to statistics, maintaining an old customer only costs one fifth in compared with getting a new customer and 80 percent of total revenue is brought by frequent customers. Thus, online stores should play emphasize on customer emotion investment to maintain old customers as well as developing new customers. There are many methods can reach this goal, patience and sincerity is always merits in this process.

Details determine success or failure, warm greeting cards may gain customers hearts, and sellers may also provide little gifts, product samples and so on. What is more, regular phone calls or email may also do well to emotion investment. (Masterson and Pickton 2004, 266)

5 CASE STUDY - BABY CARE ONLINE SHOP

In this part, The case study about the online shop which of the authors is named Baby Care will be analyzed with the combination of online marketing strategy (4P's) and SWOT analysis to Baby Care, observations and findings based on marketing research data and interview will also be analyzed.

5.1 Introduction of Baby Care

In 2003, the Alibaba Group launched Taobao marketplace (formerly "Taobao") in China and it becomes the major player in the Chinese customer e-commerce now, which contributes to consumer to consumer (C2C) retail through offering a platform for small merchants and individual entrepreneurs to build retail shops online that pander to customers in China. (Wikipedia 2015)

By 2013, Taobao has nearly 500 million registered users, fixed more than 60 million visitors, every day at the same time every day online number has more than 800 million pieces of goods, sold 48000 items per minute on average. By the end of 2011, Taobao peak daily turnover reached 4.38 billion yuan/RMB, create 2.708 million direct and full employments. With the expansion of Taobao, and the increase of the number of users, Taobao was transformed from a single C2C network market including C2C, group purchase, distribution, sale and other electronic commerce mode, comprehensive retail business circle. It has become the major e-commerce trading platform with a huge market share in China. (Wikipedia 2015) As shown in Figure 5.



FIGURE 5. China's C2C online shopping market shares in 2013 (IResearch 2013)

Baby Care was registered and built on Taobao trading platform in 2013, which is named Baby Care focusing on selling maternity and baby products. As a form of electronic commerce, the shop gradually gains more and more customers and sales, combined with the development and effort by us of last one year. The product range of the case online shop is business oriented formal infant food which mainly including: baby milk (0-12 month), toddler (12-24 month), feeding bottles and health care products for pregnant women, useful information of each stage will be introduced to each customer before making deals as well as suggestions on some products for mother or baby.

Currently, Baby Care becomes trusted and has a good credibility among the old customers; the owners make sure the quality and security of products and the material that should be provided to the customers. The website offers a helpful shopping guidance for customers to do suitable and right options. However, the online shop is very new with small scale and limited customers among the numbers of online shops for selling baby products on this huge shopping platform of Taobao, it means the owners have to face too many similar products and brands. It's significant to find new and better marketing strategies selling the products so that Baby Care can survive in the strong business competition and make development.

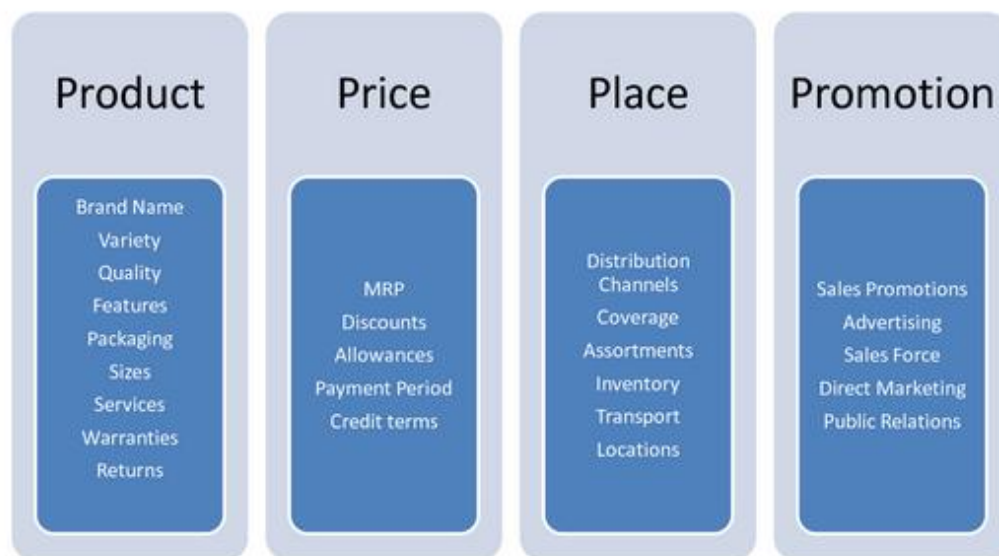
5.2 Use of 4P's in Baby Care

Normally when referring to marketing strategy, people are more inclined to achieve their goals by a long-term plan, but strategy is also concerned to be a necessary form which can decide whether a company is in success or failure in the marketing area. And 4P is always considered as an important and commonly used marketing tool for completing the market objectives. (Masterson 2004, 35)

Concept of 4P's

The Marketing Theory of 4Ps was produced in America in The 1960s, showed up as the appearance of marketing mix theory. In 1953, Neil Borden created the "marketing mix" of this term on the American marketing association's inauguration speech, its meaning referred to the market demand that was affected with by the so-called "marketing variable" or "marketing elements" to some extent. In 1967, Philip Kotler had further confirmed that the marketing mix method with a core of 4Ps in the first edition of his best-selling book that named 'Marketing management: analysis, planning and control', which are ascribed to the combination of four basic strategies, namely: Products, Price, Place, and Promotion. (baike.com) the reference of 4Ps is shown in Figure 6.

Marketing Mix – 4P's



Source: Marketing Management : A South Asian Perspective; Kotler, Keller, Koshy, Jha

FIGURE 6. Image description of 4Ps. (Kotler 1999, 264)

4P's operation of baby care

Products

Although Baby Care is concentrated on selling baby products, it has tried to grasp all opportunities for the product diversification to provide different kind of products to the customers, such as clothing of toddlers, health care products of pregnancy, different taste of chocolate and skin care products which are also hot - selling among Chinese young mothers. Quality assurance is the significant principle that the owners have insisted on, the brand is new and unknown for people, the product quality is a very important element for a new shop to build a good brand image, especially for the people who purchase the products in the first time. And the owners also carry on enough patience for answer customers' all kinds of questions, if they have problems with the products, the owners will change new ones or issue a full refund to consumers. Since Baby Care is unknown with small scale, changes and

adjustment is much necessary to brand building and get development, so customers' feedback is needed.

Price

Baby Care is a new member in the great market place of Taobao with a lot of similar shops selling baby products; the sellers decide to use the strategy of low price.

Each product was sold with about 50-100 RMB lower price compared to the other competition prices at first to attract customers, contribute to the publicity and open the market. After new customers become the old ones, the sellers would make price changes; adjust the price to be higher but very reasonable that customers could accept. And after this change, the price will be invariable for a long time. So this kind of strategy is only used for new products every time. The method of payment is very common, paying from the e-bank, transferring money to us or using the payment platform Zhifubao, which is very popular, used in China. Then after customers' payments, the sellers would deliver the products immediately.

Place

The wholesale market is the most common channel for personal online shop, but it is not suitable for the owners, which are studying in Finland; many famous products are much cheaper in Finland than in China, also have quality assurance and some local products that not sold in China of course. It is convenient and beneficial for the owners to directly purchase from the supermarkets in Varkaus, Kuopio, Helsinki or other cities in Finland, then sell to China with a higher price of these products, which are always more trusted and popular by Chinese people.

Promotion

Some promotion ways which are commonly used are also adopted by Baby Care, there are many kinds of promotion activities such as membership benefits, product discounts, product offers, "buy two get one free" or "buy

three get two free”. And in some special days like the “single day” at November 11 of every year, which is also called “the national consumption day”, it is very famous and almost all people in the country are purchasing online for a shopping spree at that day because of the crazy discounts provided by all of the merchants. In addition, the sellers always update the product pictures of their online shop regularly on the taobao website, keep contact with each customer, get feedback from them and guide them to recommend our products to their relatives, friends, and colleagues and so on as much as possible.

5.3 SWOT Analysis for Baby Care

SWOT analysis is a commonly used tool for marketing strategy planning when surveying both external and internal environment. The external environment includes opportunities (O) and threats (T) while the internal environment consists of strengths (S) and weaknesses (W). This structured planning method is to help companies to analyze capabilities and resources in order to make corresponding development strategy, plan and countermeasure according to the results of analysis for competitive environment. “It is instrumental in strategy formulation and selection.” (QuickMBA 2015) What is the specific meaning of each part in SWOT analysis is shown in Figure 7.

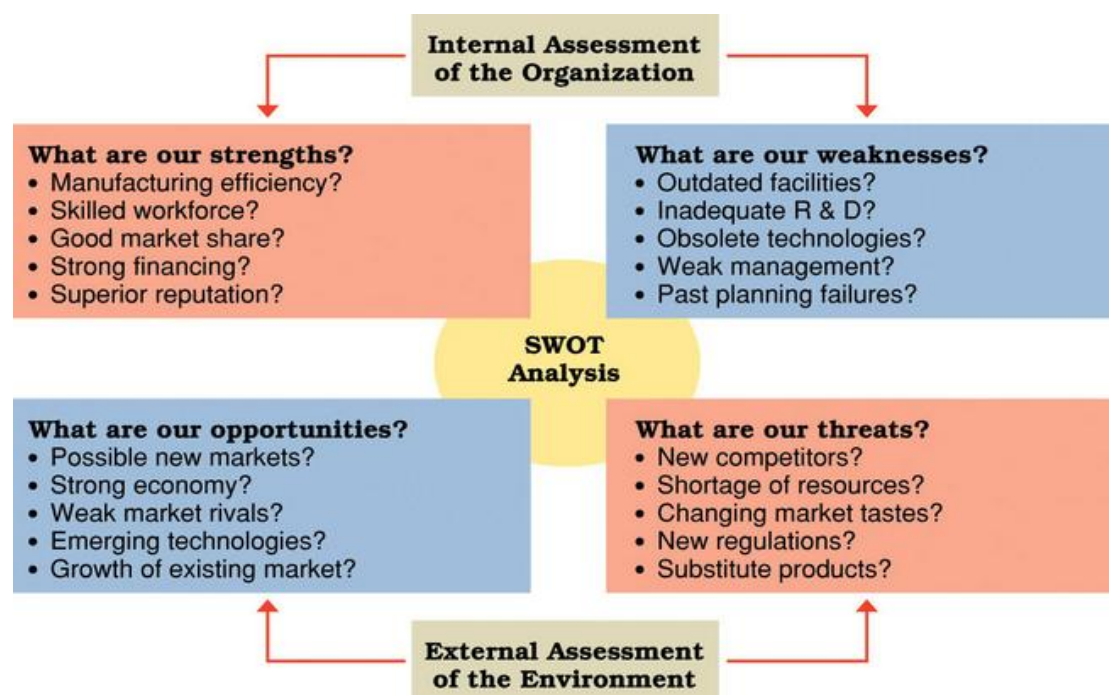


FIGURE 7. Significance of SWOT analysis (Management Guru, 2014)

With the combination of this SWOT analysis framework and the researchers' online shop's operation, important information and data about Baby Care's advantages and disadvantages from external sources were collected as well as internal sources. In this part, a comprehensive analysis for the researchers' online shop will be offered.

Strengths

As the development of economy and polarization of the internet in last 2 decades of China, modern people are more and more likely to purchase online all of the products that they want and don't have to buy outside. Thus, shopping online will be more and more mainstreaming. Threshold to open an online store is low; it is available for opening an online shop on Taobao as long as people are able to do some simple computer operations. No entity shop, do not need to get permission from government institutions, no tax, the procedures for creation of online stores is very simple and the cost is very low (China online marketing report 2013). Since the researchers are still university students, they can't afford too much capital for opening an entity shop, online store is a better choice. Secondly, the researchers are business students and get further education of studying brand building, marketing management, planning, strategy and control, and other relative courses which are useful for us to operate their online shop. The researchers also know how to collect key information, analyze marketing and competition, make and implement plans, they believe they can do better than our competitors with the theories that they have learned. Besides, they fully used their location advantage to purchase products directly from Finland, then sell to Chinese people online, quality and safety of our products could be insured. Network is open for 24 hours, the features of no location limit, convenience of searching for products and humanization, all of them let all the goods can be exposed. In the end, because the products are from Finland, these foreign products will be more popular and reliable to most Chinese parents, especially for the baby products, foreign products are always a better choice in their minds due to the quality and health problems of national products.

Weaknesses

There are so many online shops on taobao and numbers of new shops have registered every day, a new shop online without any credit rating is very hard to survive due to the intensive competition environment. Online shop credit rating is an very important standard for customers to refer in online purchasing and it is displayed with shop's name on Taobao website. Most of buyers online prefer to visit the web pages of shops with high credits and purchase products from them. Therefore, for some small and new online stores like Baby Care, it's a huge challenge to enter Taobao marketplace and create own market. Secondly, since the express delivery industry is still lack of standardization, it seems cluttered and inefficient, there is a big possibility of delivery delay or even missing of the goods happens so that the shopkeepers have to suffer those losses. The network is high of liquidity, if the sellers sell the same things with other shops, or if the price is more expensive, it is sure that nobody will buy your things. It is the normalcy of network that facing the low price competition among the same commodities (Lu 2013). In addition, the researchers don't have a fixed channel of express, in the following aspects, such as goods transportation is done does not reach the designated position. Lastly, the network will exist in network security hidden danger. It always happens that the bank accounts of both buyers and sellers are stolen in the trading process of both sides. So not only consumers, but also online shop owners need to take measures to protect and insure their accounts to safe. Online shopping high return, risk is high. Unless trade face to face or freight is a burden for consumers and business operators

Opportunities

The researchers don't have to worry about the products supply problems because of their location advantage, the first thing they need to care about is how to operate and manage Baby Care. Based on researchers' knowledge of professional studies, they make a marketing plan and strategy so that it could help us to some extent in advertising and developing Baby Care. At present stage, the charm of online shopping is the convenience and price concessions, a good performance of online shopping and delivery service, as well as the

whole process of information integration, then combining the store rent saved, the cost competition will be more advantage than shopping in entity stores, which also can attract more customers to facilitate to consumption. (Lu 2013)

Threats

The barriers to entry and input costs of online business tend to increasingly improve; the cost will be more and much higher while profit will be less and less. In 2010, Taobao has issued some new rules that are unfair to ordinary online sellers comparing to the sellers of online shopping malls (Taobao service center, 2015). Credit of a shop online plays a significant role in the process of Taobao's transaction. Novices to open online shops usually use virtual product sales to more quickly improve their credibility, but from the perspective of the encounter of many novice sellers, online liars are everywhere, so people need to be careful when they are in trading. The researchers also have to prevent fraud while treating people in good faith as the principle. In addition, recently many group-buying websites are booming, no doubt, it also brings a greater threat to the development of the individual online stores.

6 RESEARCH IMPLEMENTATION AND RESULTS

This chapter includes the analysis of important data gathered from questionnaire and some necessary information about the operation process, marketing strategies, and target customer groups of Beebuy which is a famous and successful shopping website. The information was offered through an interview by Mr Jia, the market manager of Beebuy. Summary of the results based on questionnaire will be analyzed.

6.1 Data Collection Methods

There are two kinds of methods used to collect data for the thesis research, questionnaire survey and personal interview. By using the marketing research tools, the researchers could gather the information in first time.

6.1.1 Personal interview

Personal interview is another very necessary method to collect data and information as a marketing research tool except questionnaire. The researcher can communicate with the respondent to get the essential information. (Chisnall 1991, 43) Compared with the questionnaire, a personal interview can be more useful to gather complicated information. Instead of making choices in the questionnaire, the respondent in a personal interview always provides much detailed or deeper answers for the questions. And then the researcher will pick up the helpful information from the conversation and process the data. In the personal interview for this thesis, the researchers prepared some questions at first, and then modified them based on the talk with the respondent. The researchers can control the conversation well according to this data collection environment. Therefore, if the researcher prefers more flexible data collection, personal interview is the better choice. (Liu 2007, 37-38)

6.1.2 Questionnaire survey

“Questionnaire is a vehicle by which people are interviewed”. (Hague 1993, 11) The researchers use questionnaire survey to do the market research because of some obvious strengths. First is that using the questionnaire

survey can help get exact information for the participants. The objective of the research is to provide clear pictures for the marketplace, and the researchers could know what respondents think about the case company by the pictures, and some other related information in their minds as well. Besides, the questionnaire can make the interview be recorded correctly by the researchers, and also contribute to the data handling to make the standardized, uniformed and structured results. (Hague 1993, 12)

In general, the questionnaire can be divided into 3 forms, structured, semi-structured and unstructured. Actually, for this thesis, only the structured questionnaire is used by adding formal questions which consist of yes or no question, good or bad question, and multiple questions. (Chisnall 1991, 34)

6.2 Research

In this part, the authors indicated the research process in detail, provided the research results of the personal interview and questionnaire, and finally analyzed those data and information.

6.2.1 Personal interview

After interviewing the manager Mr.Jia who has almost four years work experience in BeeBuy Company. Mr.Jia points that it is the high time of B2C; people at all ages, at different fields come to buy stuff from the Internet, which convenient them a lot. No matter you are a student or a white-collar, no matter how are you belong, Internet shopping open its door towards you all the time. BeeBuy Internet shopping contains daily food, clothes, booking the hotel whatever you want in real life; even you could buy cars and houses on the Internet platform. At the same time, more information about BeeBuy.com company analysis below.

1) Related history events of BeeBuy.com

As following, the related history events of Beebuy.com are listed in order to help the readers to rich more about Beebuy.com.

May 10th of 2003, Long Liu who is a successful merchant make cooperate with Alibaba.com LTD invested 10 million Yuan/RMB to create BeeBuy.com with the promise 'free for three years'. (BeeBuy.com birth 2003)

In 2006, BeeBuy.com unites from the mutual interest with TaoBao.com, open the third-party payment tool, and it was the important thing to improve the internet trade reputation. It powerfully supports the Fund flow of BeeBuy.com.

At the third season of 2010, BeeBuy.com took 30.2% market share in Chinese C2C e-Commerce market. (Free for users for another three years 2010)

May 10th of 2012, the 'ZhaoCai' project, which a search ranking tendering service by BeeBuy.com was launched on. It is a exploration to charge to the users. (BeeBuy.com launches on ZhaoCai 2012)

June 17th of 2013, because the force pressure from the users, BeeBuy.com stop the project 'ZhaoCai'. (The voting results of ZhaoCai 2013)

October of 2014, CEO of BeeBuy.com Mr. Liu released that: 'Beebuy.com will still for free to users for another three years. Moreover, TaoBao.com will invest 5 million to BeeBuy.com in the next three years.' (BeeBuy.com announced continue to use free policy 2014)

2) The BeeBuy.com e-Commerce website profit segment

Trade Commission

Trade Commission, which means the BeeBuy.com platform provider deduct a percentage of the buyers' and sellers' deal price as the commission. Usually it is the main profit income by the websites. Because BeeBuy.com is a trade platform, it provides the opportunity to the buyers and sellers. Comparing with the real life marketing, the BeeBuy.com platform helps consumers deduct a percentage as the commission as a market place. And in that situation, the other profit such as advertisement income will also include under the influence. (Development of BeeBuy finance situation 2007)

Advertising Fee

The BeeBuy.com uses the valuable place on the website as the advertising place which is used to put all kinds of products promotion and introduction. Using a particular products demonstration, demarcate the price according to the current capacity and the crowd precision, and then sell it to the customers. So that is one reason why the BeeBuy.com platform providers supply the free services to the users. The website must attract and stay the most users to realize them. And then there will be more and more advertising business come to them. (BeeBuy advertising mission report 2010)

Charge at the payment process

Charge at the payment process as an approach to get income, because of the payment problem always is the choke point which restricts the development of e-business, customers worry about the product quality and safety, the online shop payment tool at this time occupy the crucial role. By using the third payment tool named ZHIFUBAO, the buyer can send the advance payment to his/her personal account at first, then, inform BeeBuy payment system to send money to the seller's account after the seller send out the goods to the buyer, after customers satisfy with the products and service, the third payment ZHIFUBAO pay the last money to the buyers. In this way, the seller may not afraid cannot get the money after send goods, the buyer does not worry about the situation of cannot receive the goods after pay the money as well. The BeeBuy.com deducts a percentage of the buyer' and sellers' deal price as the commission. (ZHIFUBAO introduction 2007)

Searching rank tendering

Because of BeeBuy.com is one kind of C2C platform, it has a large categories and huge quantity of the goods sold on C2C platform, when the customers want to find the product which they need, they should search goods by using the search engine continually. In this case, whether the products; information is at the top place in the final research result is important. Under this situation, BeeBuy.com manager, Mr.Liu use bid system; in the end the one who has the highest tendering price will win the top present place. And Mr. Liu also point

that only if the sellers have realized that the tendering may bring the potential profit to them, they would like to prefer to pay money for using this services. (Finance development of BeeBuy 2010)

The Strength and exist situation of BeeBuy.com

In recent years, 'BeeBuy.com insists on its free strategy quickly seized the market share and users, and the profitability is always a concerned topic in this industry' Mr.Jia said.

At October 8th 2014, BeeBuy.com held the '5 million investment to build up the big BeeBuy' press conference, BeeBuy.com will continue operate by following the free policy in the next three years, and the investment which is used to the improvement and extension of BeeBuy.com platform. (Investment development report of TaoBao 2014)

MrJia points that, there is an invisible profit model of BeeBuy.com. Every day, there will be a huge quantity of money (by the sellers and buyers) continually stays in the third payment system for a period of time by the reason of the credit guarantee, as a result of these money cannot withdraw immediately, it reduces the certain number of money availability, it seems like not very efficiency. But it has to be like that.

Logistic flow of BeeBuy.com

'BeeBuy.com did not have its own logistics department' Mr.Jia said, so the delivery services are provided by the logistics companies. In the logistics flow, the managers of BeeBuy company works for the flow management, negotiation among different parts, are monitoring the services of recommended logistics companies as well. (Logistics contract of BeeBuy 2004)

Here is a flow diagram which shows the recommended logistics process of BeeBuy.com:

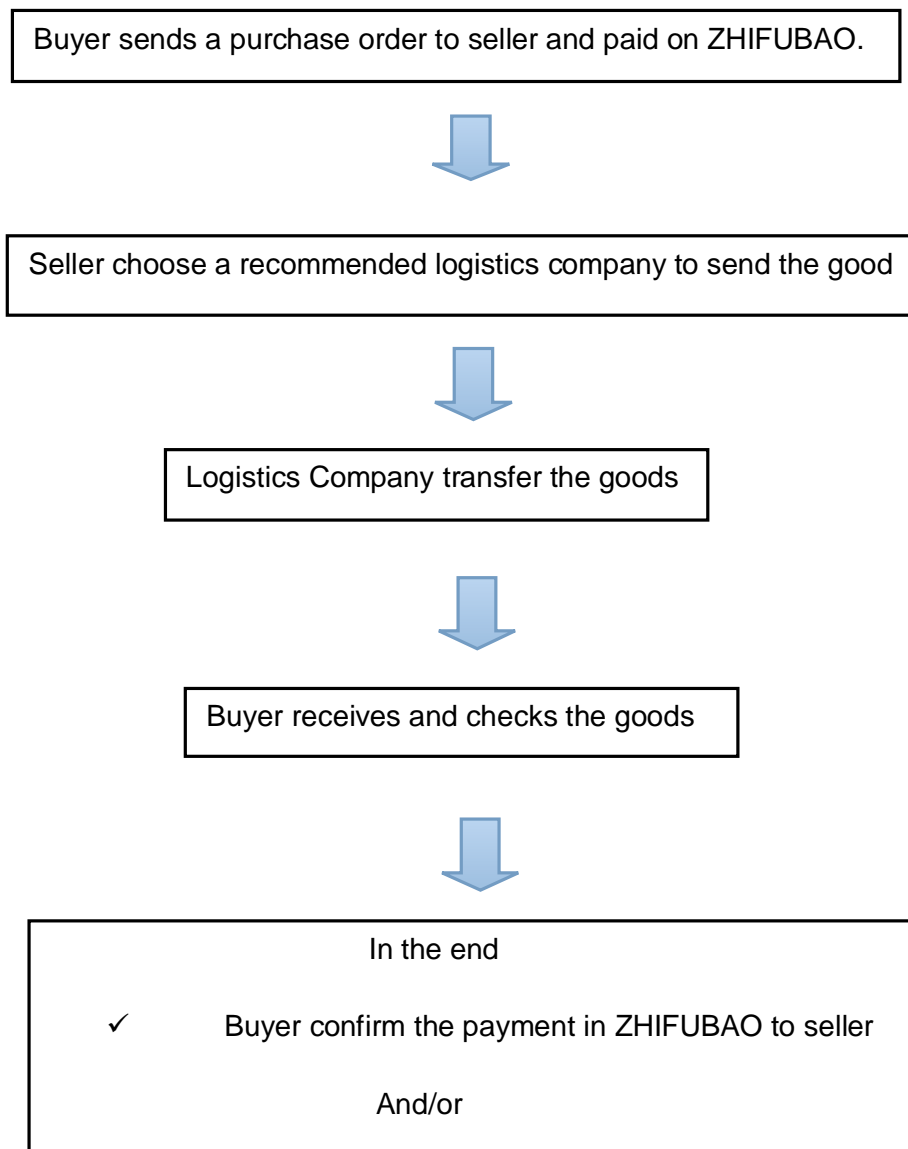


FIGURE 8. Recommended logistics flow of BeeBuy.com (BeeBuy.com 2004)

The logistics recommendation service solved the logistics problem of BeeBuy.com in a sense; it took many benefits to the users. Mr Jia said that ‘it helps the users of BeeBuy.com more convenient, we can directly contact the logistics companies online, even do not make a phone call’.

Develop the brand image of BeeBuy.com

As can be seen from the successful business operation in BeeBuy company, the interview questions concerning the develop brand image, Mr Jia

answered 'as long as the websites could do a good user segmentation work, this profit model will have a huge potential in development'. To these users, the price is no longer a sensitive or crucial point, BeeBuy.com pay more attention on the value-added services.

And what value-added services does BeeBuy.com have at present?

➤ BeeBuy Win-Port service (Individuation shops)

BeeBuy Win-Port belongs to BeeBuy.com services. It means that the sellers can use the software and network technology during do the business on BeeBuy.com, which can make the shops more distinctive on BeeBuy.com.

This service provides functions are:

- 1 Help sellers improve the page impression and catch more customers' eyes.
- 2 Easily achieve overall situation statistics.
- 3 Provide rich pictures to the seller using and screening.(About win-port services 2015)

➤ Elutriate buyers

It is a marketing tool for sellers of BeeBuy.com, buyers using this system can quickly screen out the promotion information, and the seller also can easily find out potential customers, and send message to them by the BeeBuy.com communication system, website internal message, E-mail and so on. (About 'Elutriate buyers' service of BeeBuy.com 2007)

In this case, Mr.Jia makes an example for us, he said 'this service is charged by quantity, and the price is 0.1 RMB/piece. The sellers buy a certain number of pieces to use, and after using up; mostly the sellers need to buy again. Costing 0.1 RMB/piece, it seems very cheap, however, if there are 1%(of these 1,200,000) sellers use 10 pieces per, and there will be 120,000 RMBs daily income by this value-added services. By the way, this service may bring vexation to some customers, so it also can be forbidden by the buyers if they do not interest on it. (Truths in Elutriate buyers 2009)

6.2.2 Questionnaire survey

50 printed questionnaires were sent to the customers, who have already used the products from Baby Care and researchers also put in online shop's web page so that the visitors could see it, then the researchers got 40 back one week later, 80% response rate and most of them were back from the old customers. The age of respondents is supposed to be between 19 and 40 so that it could help to know better about the present situation and the future development trend of Baby Care. The questionnaire starts from four questions that related to personal information including the age, gender, income status and the interest on shopping online of respondents, and then they were all banded into groups. According to the results from the questionnaire, as the Figure 9 shows, 32 (80 %) participants are female and 8 (20 %) participants are male. For the questionnaire, please see appendix 1.

Gender, age and income situation of the respondents

The gender distribution of people who are purchasing online is much disparity, the female group is the main part which accounts for 80 % while the male group only accounts for 20 %, which means, women are the major consumer groups among the numbers of people who like to purchase online.

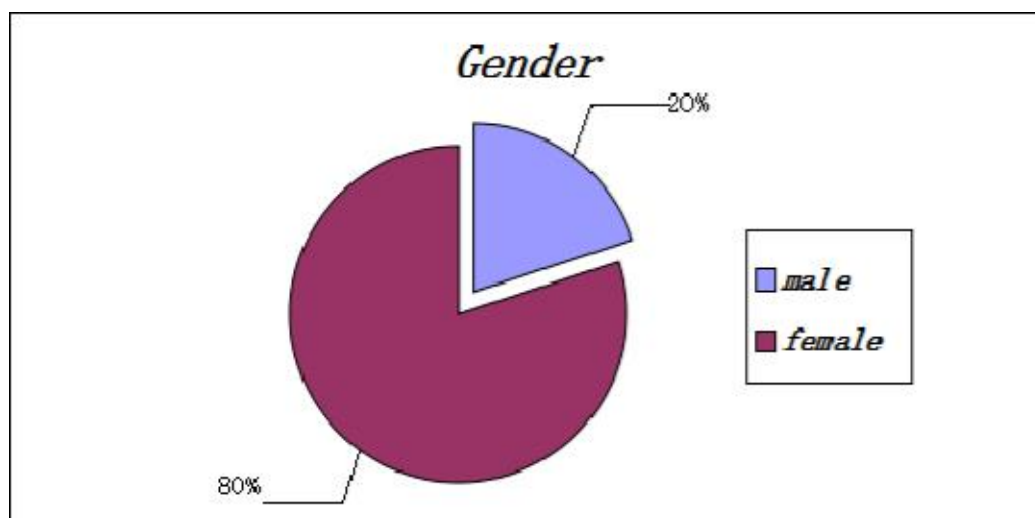


FIGURE 9. Gender of Baby Care respondents and visitors, n=40.

From the Figure 10, respondents in the group of “20 - 29” are the most which accounts for 58 %, the second biggest group is “30 - 39” that accounts for 30 %. There are only 4 % participants under 19 years old and 8 % people more than 40 years old.

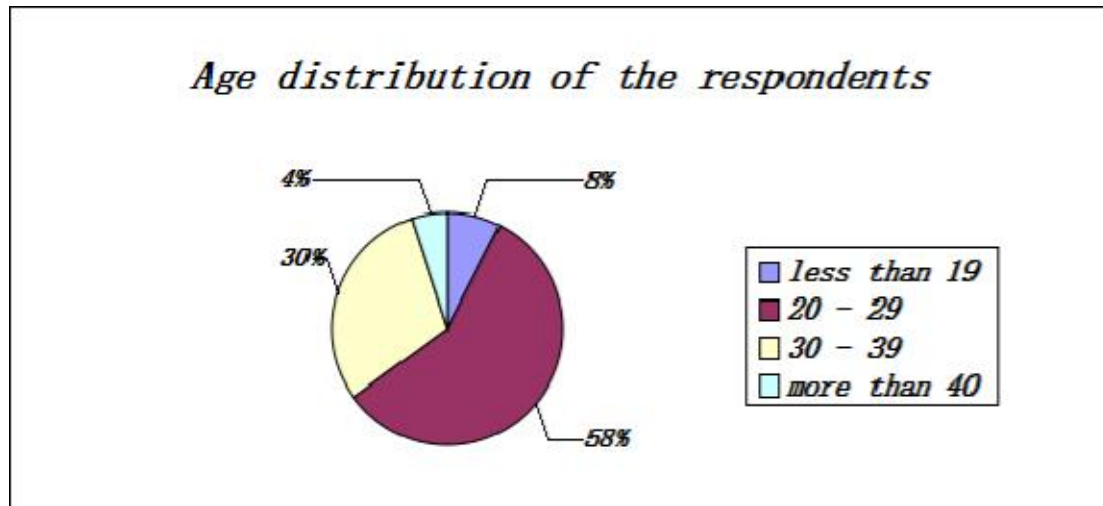


FIGURE 10. Age of Baby Care survey respondents, n=40

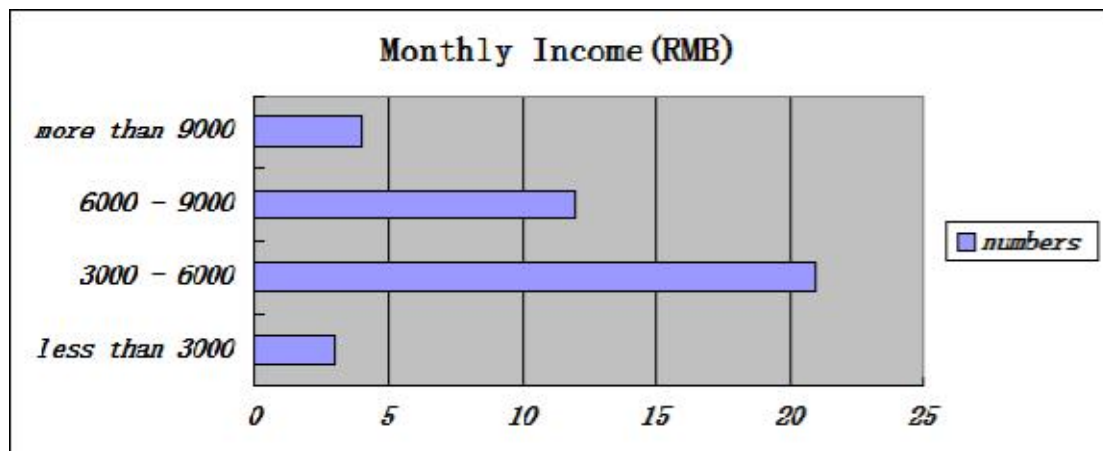


FIGURE 11. Income status of Baby Care survey respondents, n=40.

According to Figure 11, the group of from 3000 to 6000 RMB in a month is the biggest which has 21 participants, there are 12 people earning per month of from 6000 to 9000 RMB in a month and 4 people earning more than 9000 RMB monthly. Only 3 participants earn less than 3000 RMB in a month.

Interest on purchasing online

TABLE 1. Whether you are interested in purchasing online, n=40.

Valid		Frequency	Percent
	Not interested at all	0	0
	Not interested	1	2.5
	Somewhat interested	7	17.5
	Quite interested	20	50.0
	Very interested	12.5	30.0
	Total	40	100.0

According to the 40 responses which are shown in the Table 1, 20 people (50 %) are quite interested in purchasing online, 12 participants (30 %) are very interested, there are 7 respondents which account for 17.5% are somewhat interested as well as only 2.5 % people are not interested. Additionally, there are no people answering as “not interested at all”.

Generally speaking, 80 % of the participants are quite and very interested in purchasing online and only 20 % respondents are a little interested or not interested in online shopping.

Elements to contribute to purchase and refuse to purchase online

In the questionnaire was a question asking “What’s the most important element for you to purchase baby products online?” The results are shown in Figure 12.

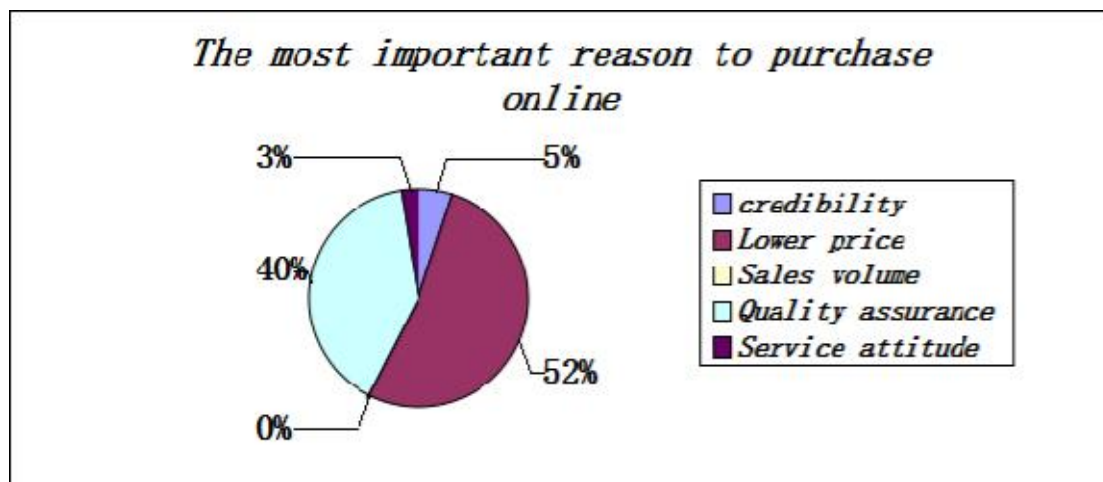


FIGURE 12. The most important element in purchasing online, n=40.

The Figure 12 indicates the percentage of respondents whose answer is “The most important” for different reasons for customers to purchase online. The most influential element is lower price which is provided much cheaper online shops than entity shops, and accounts for 50 % answers. Quality assurance is the second influential element with 40 % answers. Most baby products online are of high quality, because the owners need to make sure quality to win trust of consumers to gain stable sales and development. Besides these two elements, there are also some participants considering credibility and service attitude as the most important factors which account for 3 % and 5 % respectively.

The Figure 12 indicates the percentage of positive factors which can influence the respondents to make purchase decision when they are purchasing baby products online, whereas there are also negative elements influencing them, which are shown in Figure 13.

One question was asked in the questionnaire “What’s the most important element for you not are interested in purchasing baby products online?” The results are in Figure13.

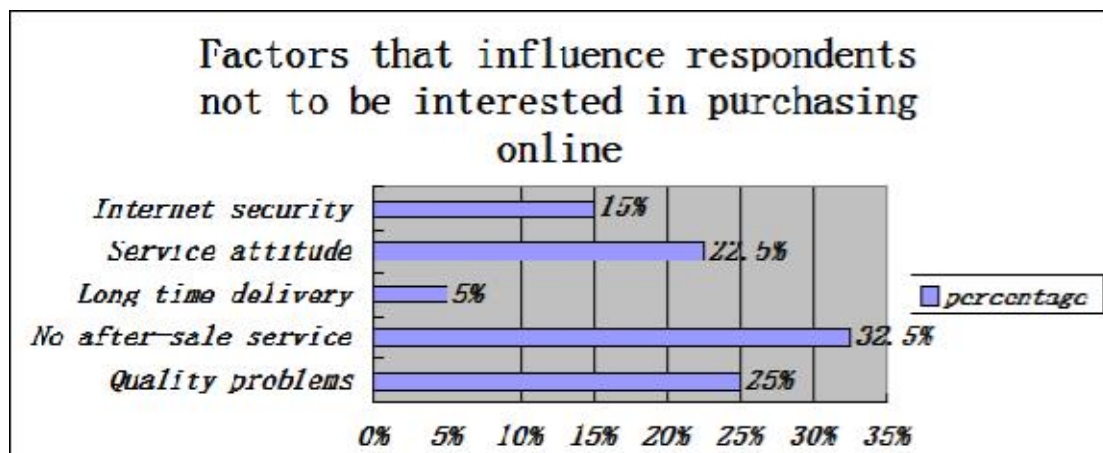


FIGURE 13. Negative factors influence people not to be interested in purchasing baby products online, n=40.

Negative elements could influence consumer behavior online, according to the result; those possible factors should be considered in the questionnaire. From the Figure 13, most of the respondents that accounts for 32.5 % think “No after-sale service” of online shops. Although most of its products are provided with good quality, there are still many people worrying about the quality problems with a percentage of 25, and the third influential factor is service attitude that 22.5 % respondents are unsatisfied. Besides, very few people (5 %) think the delivery time is long, which means the goods delivery is not a big problem for online shops.

Another multiple-choice question was asked as well in the questionnaire, “What kind of elements would help you to make decision when purchasing from Baby Care?” In order to find out the traits of different factors that contributes to the marketing of the case company, Baby Care.

As shown in Table 2, the most influential factors, quality and service guarantee are chosen 38 times by participants. Not much fewer, reasonable price is selected by 27 times, meanwhile there are 13 respondents only choosing one answer “safe and secure”, which shows that these people trust the safety of purchasing the products of Baby Care very much. In addition, the factor “Save time and manpower to facilitate” is selected 9 times and another factor “Active promotion” is selected 11 times. Overall speaking, according to the feedback of respondents of this question, it is clearly to see that Baby

Care operates not very badly in each factor, the best section that sellers have done is the product quality and service guarantee and the second best part is reasonable price because the sellers have insisted on low price marketing strategy. The reflections of other factors from respondents are very similar, no big difference, which means the sellers could develop these parts in the future.

TABLE 2. Elements influencing purchasing decision of shopping from Baby Care, n=98.

Factors influencing purchasing decision	counts
Save time and manpower to facilitate	9
Reasonable price	27
Safe and secure	13
Active promotion	11
Quality and service guarantee	38
Total	98

Consuming power online

In the questionnaire there was one question asking “What is the highest amount you have ever spent when purchasing online?” The results are shown in Figure 14.

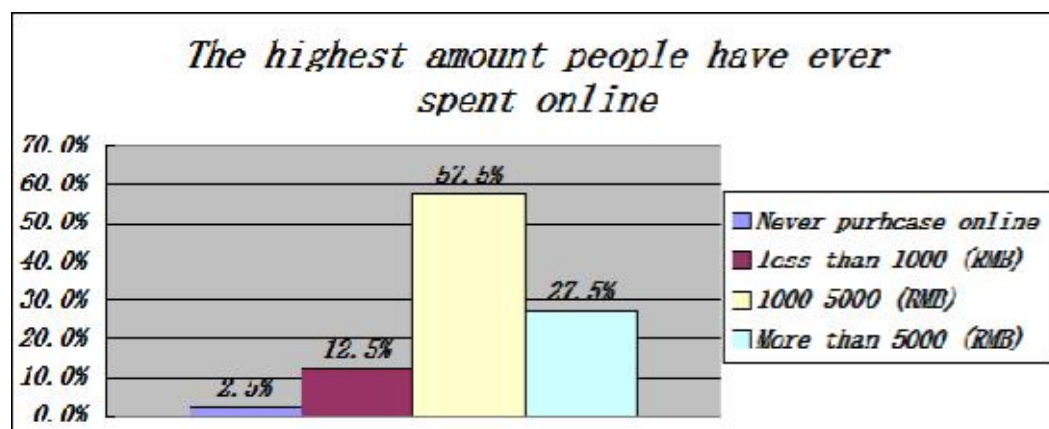


FIGURE 14. The highest amount people have ever spent online, n=40.

As seen from Figure 14, the biggest group of highest consumption is “1000 - 5000” RMB for one time, which accounts for 57.5 %. There are 27.5 % people spending more than 5000 RMB one time as their highest consumption while 12.5 % respondents spending less than 1000 RMB. And because most of the questionnaires were returned from the consumers who have ever used the products, the participants who never purchase from Baby Care are only 2.5 %.

It is also necessary to see the lowest cost of online purchasing after analyzing consumers' the highest consumption, so the authors provided an opposite question which was asked in the questionnaire “What is the lowest amount you have ever spent when purchasing online?” And the result was shown in Figure 15.

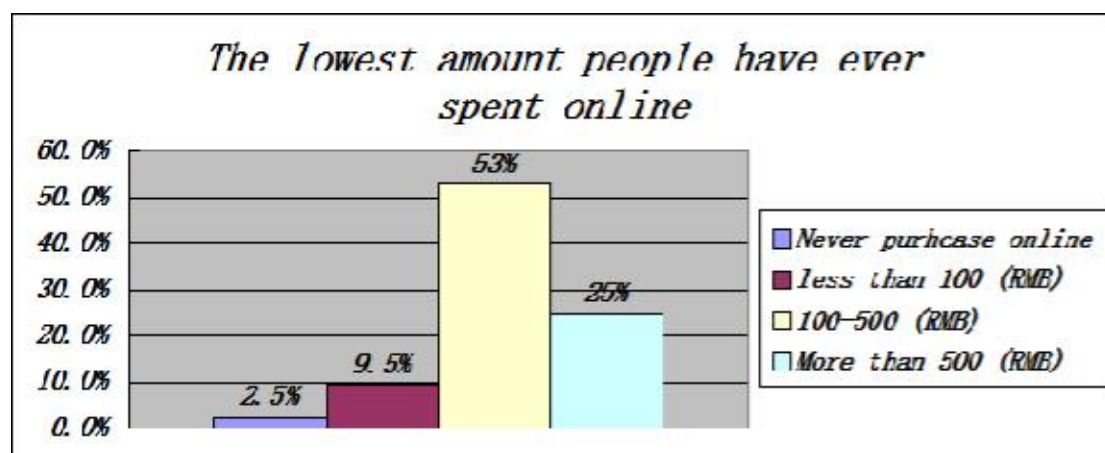


FIGURE 15. The lowest amount people have ever spent online, n=40.

The lowest consumption can also show the consumers' purchasing power. As a result in Figure 15, in the response of 40 people, most of them which accounts for 53 % spend “100 - 500” RMB as the lowest consumption when purchasing online while there are 25 % of participants spending more than 500 RMB as the lowest consumption, and very few people which only accounts for 9.5 % spend less than 100 RMB, which means these group of respondents are not likely to spend too much for online shopping. Additionally, there are 2.5 % participants who are never purchasing online; they don't have any online shopping experience.

Payment method consumers prefer

In order to know the payment condition of consumers purchasing online, one question was asked “Do you have an account for purchasing online?” Actually we provided choices: “yes”, “No” and “No, but i will register soon.” The result shows that nobody choose answer “No”, and there is only 3 people choose “No, but I will register soon.” which means that very seldom participants don’t have accounts for online shopping. Moreover, there are 37 respondents choose “yes” which means most of the consumers like to purchase products online. Thus, for these groups, there was another questions asking “What kind of payment method you prefer or always used when purchasing online?” The result is shown in Figure16.

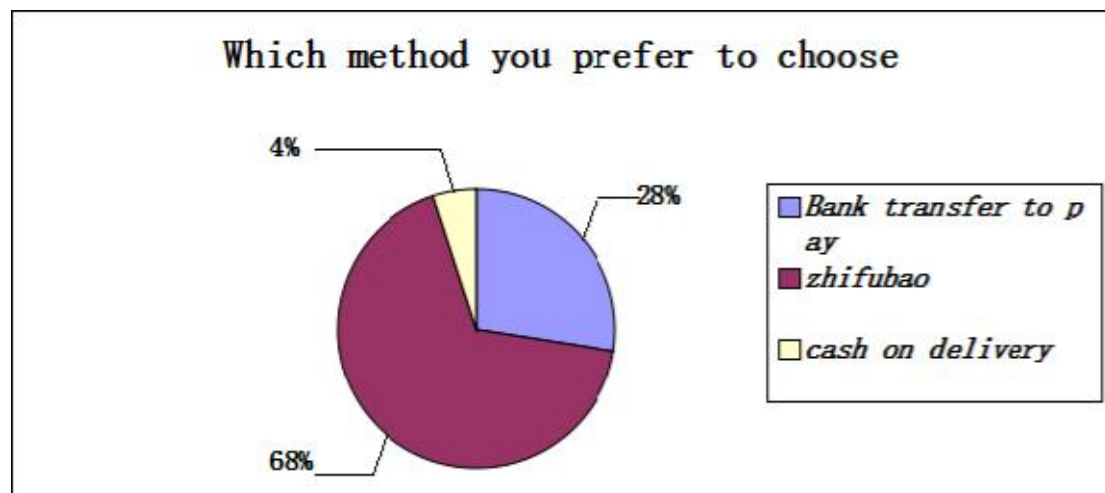


FIGURE16. The payment method consumers always prefer to choose, n=40.

In the Figure 16, it is clearly to see that most respondents (68 %) are likely to choose pay for products by a famous and commonly used payment tool - Zhifubao in China, and the second biggest group accounts for 28% which prefer to do payment by using bank transfer programs. There are only 4% people who are likely to pay on cash when the goods are delivered after purchasing online, which mean very seldom consumers choose to pay on cash for online shopping, this method is not popular and inconvenient.

Point of view from consumers to Baby Care

In order to collect some feedback and suggestions from the customers, first two questions about the aspects that you are most satisfied and unsatisfied with Baby Care are provided; the results are shown in Figure 17 and Figure 18 respectively.

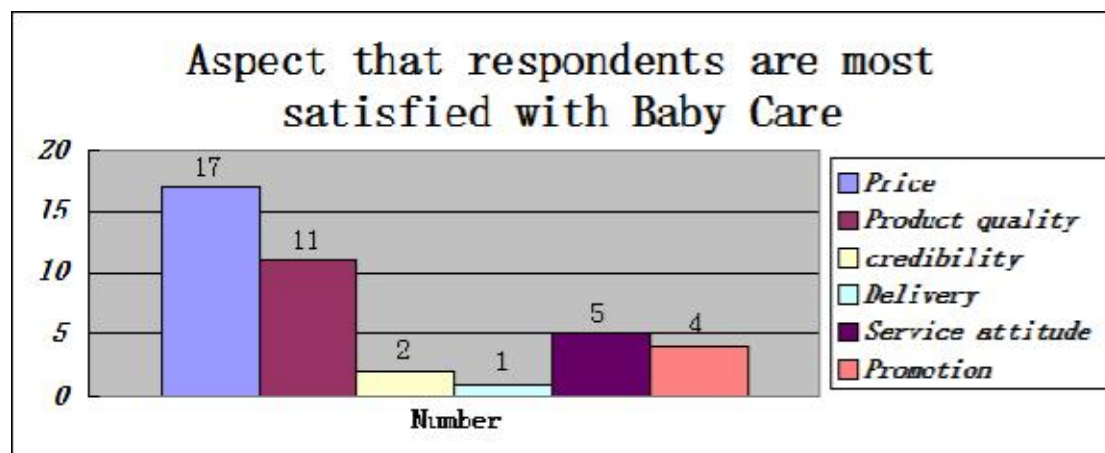


FIGURE 17. The most satisfied factor of consumers considers Baby Care, n=40.

In the responses of 40 respondents, it is obvious to see that price is the biggest reason for attracting customers that 17 people choose it. The second advantage is the product quality and there are 11 people choose it.

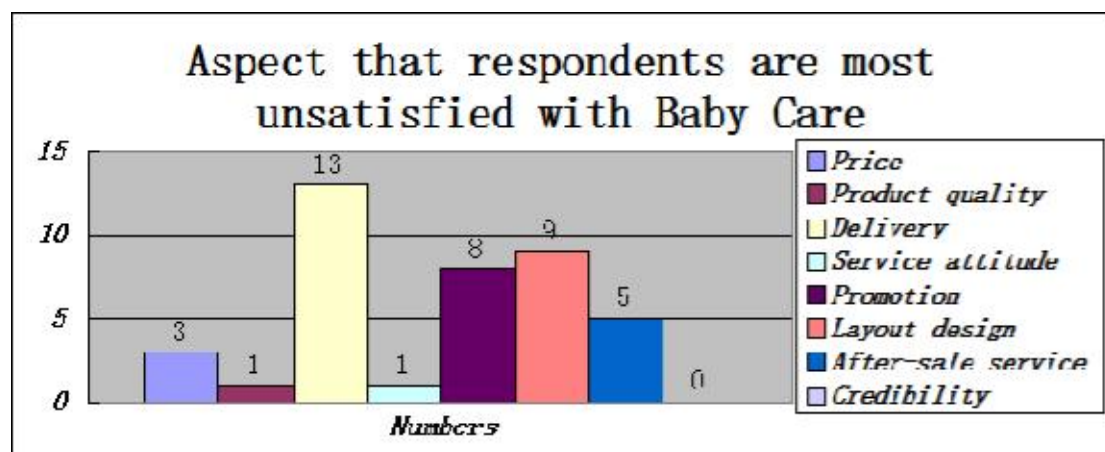


FIGURE 18. The most unsatisfied factor of consumers of Baby Care, n=40.

According to the feedback in Figure 18, 13 people are unsatisfied with the delivery when they have purchased Baby Care, and this is the biggest factor.

Not much fewer, there are 8 and 9 people choosing promotion and layout design of our online shop as the most unsatisfied factor respectively. After-sale service is selected by 5 people while price is selected by 3 people. People selecting product quality is the same with service attitude which account for only 1. And nobody choose the factor of credibility, which means all of the respondents are satisfied with the credibility of Baby Care and it has created a good reputation so far.

Besides, in the questionnaire there was one question asking “How often do you buy goods from the Baby Care?” in order to find out the consumers’ loyalty of the online shop, Baby care.



FIGURE 19. Frequency of purchasing from Baby Care, n=40

As the results shown in Figure 19, most of people which accounts for 16 buy the products sometime, then there are 10 persons quite often purchase from Baby Care while 4 people is very often purchasing. 8 participants choose answer “seldom” and only 2 people choose the answer “never”, which means it is possible that they could be the potential customers, the sellers should develop them.

Channel of hearing and knowing about Baby Care

A multiple choice question was asked in the questionnaire: “How did you know our online shop - Baby Care?” The respondents can have more than one choice. The result was shown in Table 3 below.

TABLE 3. Channels to know about Baby Care, n=90.

Channels to know about Baby Care	counts
Forum	11
Click - through rate on Taobao	27
Website advertisement	19
Heard it from friends	33
TV, radio or some paper mediums (Magazine, newspaper etc.)	0
Total	90

In order to find out the popular ways of the advertising to Baby Care, the authors get feedback that the most common way of respondents use to know about Baby Care is the recommendations from friends, which accounts for 33 times, and click-through rate behind it which is accounted for 27 times, then the third one is the website advertisement that is accounted for 19 times. Forum is accounted for 11 times, and nobody choose TV, radio or some paper mediums, which means this kind of channel is the least available and popular to promote the online shop.

6.3 Summary of the Results

When defining the target customer groups of shopping online by asking personal information like gender, age and income, 30 % respondents said they were very interested and 50 % said they were quite interested. 17, 5 % were somewhat interested and only 2, 5 % participants said they were not interested. It may demonstrates that people in China aged from 19 to 40 have huge interests in purchasing online, there are 58 % is in group of “20-29” years old and 30% is in group of “30-39” years old. Besides, most of them are female which account for 80 % while male only account for 20 %. For the income, 52,5 % respondents earn money among the range of “3000-6000”

monthly and 30 % people earn income among the range of “6000-9000” monthly. According to the data, it could be concluded that the target customer group is women who aged from 20 to 29 with considerable revenue, at least from 3000 RMB or more than that per month.

In the second part of questionnaire, two questions that showing both positive and negative factors which can influence consumers to make purchase decisions. During the process of questionnaire analysis, the most influential factor is the online shop provides “lower price”. “Quality assurance” is the second important element to affect people’s purchasing decisions. “Credibility” and “Service attitude” could be considered after “lower price” and “Quality assurance” by online shops. The least influential element is “Sales volume” that nobody choose it which only takes 0 percentage. For those negative factors also can influence customers’ behaviors to purchase online, “No after-sales service” takes the first place with 32,5 % responses as the influential factor for customers refusing to purchase online, people seldom choose the factor of long time delivery. It is difficult to compare other three factors, “Quality problems”, “Service attitude” and “Internet security”. There are 25 % people who consider quality problems as the factor influencing they refuse to make purchasing decision, not much fewer, 22,5 % respondents state “Service attitude” is the influential factor, meanwhile, 15 % people choose the answer of “Internet security”. These three figures are very similar, so it is necessary for online shops to consider its own advantage and disadvantage to make its own decisions.

Purchasing power is a very important factor which can influence customers to buy products online and choose goods of different prices. It’s also necessary for sellers to make price changes and adjustments of their products and this is analyzed in the third part of questionnaire. Combining the results of highest consumption and lowest consumption, 57, 5 % people have ever spent the highest amount of the range among 1000-5000RMB while 53 % people have ever spent the lowest consumption of the range among 100-500 RMB, It is an obvious and huge difference. Besides, people who never purchase online are the same in the two figures that only account for 2, 5 %. There are 27, 5 % people spending more than 5000 RMB as the highest consumption and 25 %

people spending more than 500 RMB as the lowest consumption. Overall speaking, the consuming power of most customers is able to support their purchasing behaviors due to the cheaper price of products online.

The next part is studied of the payment method that people always use or prefer to use, there three main payment method for online shopping in China now, and most of the respondents (68 %) choose to pay by Zhifubao payment program. 28 % people are likely to pay by bank transfer and only 4% participants prefer to pay with cash on delivery. It means that Zhifubao is the most popular way to accomplish deals online, cash on delivery is the least available method for payment.

The last part of questionnaire is used to evaluate customers' point of view to our online shop-baby care. The result demonstrates that most of the customers know the case online shop by the recommendations from their friends who have already used the products from Baby Care, and many people buy the products just sometimes, not very often. Additionally, most of them are satisfied with price and products quality of Baby Care. However, the good delivery and promotion are expected to improve.

7 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In this thesis, online consumer behavior and marketing strategy of the case are the key points. The analysis of online consumer behavior is introduced combining with online marketing, the analysis of baby care's marketing strategy is presented connecting with the SWOT analysis. And the research problem of "How to attract more customers and develop our online shop's marketing?" should be answered in this part.

According to the research of online shop development, it is clearly to find that both in the current economic situation and government policy, which shows that the development online stores will be more dynamic in China. Whether the enterprise online stores or the personal online stores, as long as they fully meet the needs of consumers and adapt to the constantly changing psychological demands of consumers, it will achieve much in return.

In the thesis process, it could find that for some weak individual online stores, especially the new online shops, the characteristics of the products are extremely important. Online stores also need to pay close attention to the new situation of the network market, the new change, and should timely adjust its strategy, especially the change of consumer behavior under the economic crisis, they are a lot of people shopping online instead of shopping in entity shops in order to reduce spending, this is a good chance to develop of the online stores. However, the combination of entity stores and online stores are seemed increasingly gain the attention of the merchants, and they also noticed the off-line also has a great deal of interests temptation that are even more profitable. Of course the operation of the online shop is a long process that needs to face a series of process from the online platform choices, construction, and promotion and so on. Merchants played an important role in this kind of activities, therefore, the key of gaining success is whether setting effective strategy and assessing the situation in time. It is no doubt that online shopping will become the main part of people's life.

According to the research, useful data and information provided from questionnaire and interview for analyzing online marketing and online consumers behavior which are related to online stores' operation. In the process of online business, sellers need to constantly explore the suitable online marketing strategy, for those successful cases, their experience may be not suitable for your own online shop's development. Sellers should be spend more time on market investigation in the process of management of online shops, to find out the deficiency and disadvantages and the take correction in order to ensure the long-term development of online stores and business interests.

Recommendations to Baby Care

Since Baby Care is a new and small online store, Chinese present economic environment and e-commerce platform's unpredictable feature would bring a great challenge for the researchers. Whereas challenge means opportunity at the same time so that the researchers need to constantly concentrate on the environment to make change and adjustments to strengthen the competition, meanwhile, it's also necessary to find the suitable marketing strategies for the weaknesses. According to this thesis study, the researchers conclude and provide some recommendations which are useful for the case online shop, Baby Care:

- 1) Designing a simple web interface, which means adhering to continuous improvement and innovation for website design and to make it easy and simple to visit. Reasonable collocation of layout and color will provide a feeling of comfortable to visitors. Besides, reasonable planning of promotional advertisements' location and quantity will lead to not only increasing website advertising revenue but also not bore the visitors.
- 2) Improving logistic distribution is a very important thing for the owners at present because of the feedback that gathered by customers from the questionnaire. Most consumers are unsatisfied with the goods delivery of our products, it is much necessary to build and develop a highly efficient and low-cost logistics distribution system so that trading online

could be more and more convenient. To solve this problem, the platform Taobao also needs to make effort such as making the implementation standards rules of logistics in Taobao, to normalize the logistic process, and improve customers logistics guarantee system at the same time.

- 3) Improving communication skills with consumers, it means the owners need to communicate with the customers more carefully and patiently to answer their all kinds of questions, and make sure both the two sides understand each other. In this process, the owners of Baby Care should have a good and active service attitude as a seller, try to trust customers and stand in the same position with them. Moreover, they also need to respect those people who don't purchase anything from the case online shop. Just keep the manners for good impression.
- 4) For the Baby Care online shop's advertising, the owners could develop suitable promotion ways and activities as many as possible because of the huge potential customer groups. For example, they could appropriately provide free postage for customers according to the numbers of goods that customers have purchased, which could bring them the feelings of buying products in the entity shops without any extra fees. In addition, products offerings like some gifts are also an available way for the case online shop at present. Gift promotion lies in the choice of gifts, a proper gifts will play an active role in promoting of product sales, but the cost can only be rising if sellers choose unsuitable gifts as well as the lower profits and customers are not satisfied. Choosing the right gift should be paid attention to: first, don't choose the defective goods, inferior products, doing so will only backfire, affect the store credit; Second, select the appropriate to attract buyers of a product or service can give sample or samples, can also give intangible things. Third, pay attention to the budget gifts, gifts to acceptable budget, not excessive of giving gifts and cause cost increase.

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QUESTIONNAIRE IN ENGLISH**1. What's your age group?**

- ☐ Less than 19 years old
- ☐ 20- 29 years old
- ☐ 30- 39 years old
- ☐ More than 40 years old

2. What's your gender?

- ☐ Female
- ☐ Male

3. What is your income per month?

- ☐ Less than 3000 RMB
- ☐ 3000- 6000 RMB
- ☐ 6000- 9000 RMB
- ☐ More than 9000 RMB

4. Whether you are interested in purchasing online?

- ☐ Not interested at all
- ☐ Not interested
- ☐ Somewhat interested
- ☐ Quite interested
- ☐ Very interested

5. What the most important element for you to purchase baby products online?

- Credibility
- Lower price
- Sales volume
- Quality assurance
- Service attitude

6. What the most important element for you to refuse to purchase baby products online?

- Internet security
- Service attitude
- Long time delivery
- No after-sale service
- Quality problems

7. What kind of elements would help you to make decision when purchasing from Baby Care? (You can have multiple choices.)

- Save time and manpower to facilitate
- Reasonable price
- Safe and secure
- Active promotion
- Quality and service guarantee

8. What is the highest amount you have ever spent when purchasing online?

- Never purchase online
- Less than 1000 (RMB)
- 1000-5000 (RMB)

- More than 5000 (RMB)

9. What is the lowest amount you have ever spent when purchasing online?

- Never purchase online
- Less than 100 (RMB)
- 100-500 (RMB)
- More than 500 (RMB)

10. Do you have an online shop account for purchasing online?

- Yes
- No
- No, but I will register soon

11. Which payment method you prefer to choose or always use?

- Bank transfer to pay
- ZhiFuBao
- Cash on delivery

12. What kind of aspect you are most satisfied with Baby Care?

- Price
- Product quality
- Credibility
- Delivery
- Service attitude
- Promotion

13. What kind of aspect you are most unsatisfied with Baby Care?

- ☐ Price
- ☐ Product quality
- ☐ Delivery
- ☐ Service attitude
- ☐ Promotion
- ☐ Layout design
- ☐ After-sale service

14. How often do you buy goods from the Baby Care?

- ☐ Never
- ☐ Seldom
- ☐ Sometimes
- ☐ Quite often
- ☐ Very often

15. How did you know our online shop- Baby Care? (You can have multiple choices.)

- ☐ TV advertisement and news
- ☐ Forum
- ☐ Website advertisement
- ☐ Heard it from friends
- ☐ Click-through rate on Taobao
- ☐ TV, radio or some paper mediums (Magazine, newspaper etc.)

16. As an online buyer, what kind of elements for an online shop that you regard as the most important?

- Credibility
- Popularity
- Sales volume
- Service attitude
- Quality assurance

THANK YOU FOR YOUR CO-OPERATION!

Appendix 2

关于网上购物的调查问卷:

1. 请问您的年龄？

- ☐ 小于 19 岁
- ☐ 20-29 岁
- ☐ 30-39 岁
- ☐ 大于 40 岁

2. 您的月收入多少？

- ☐ 小于 3000 元
- ☐ 3000-6000 元
- ☐ 6000-9000 元
- ☐ 多于 9000 元

3. 您曾经在网上购买过商品么？

- ☐ 从来没有（如果选这项，请直接跳到 11 题）
- ☐ 买一些只能从网上购买的东西
- ☐ 偶尔买
- ☐ 经常买

4. 您是怎样了解到网上商场的？

- ☐ 淘宝论坛
- ☐ 淘宝网点击率
- ☐ 网页宣传

- 朋友介绍
- 电视广告，新闻或者宣传册（杂志，报纸等）

5. 你有网上购物的账号么？

- 有
- 没有（选此项请直接跳到问题 11）
- 有机会会考虑注册

6. 当您网购时候，什么因素会促使对您愿意网上买东西积极性？

- 节约时间，人力物力
- 价格因素
- 安全质量因素
- 促销手段
- 售后服务

7. 您认为网页板式的布局会影响到您购买欲望么？

- 很会
- 没有多大影响
- 完全不介意

8. 您认为网上商场很容易找到您所想到的东西么？

- 非常方便
- 一般
- 有点困难
- 很麻烦

9. 您会倾向于什么样的支付方式？

- 银行转账
- 支付宝
- 货到付款
- 其他

10. 作为一名网上购物的买家，您最看重买家的哪一点？

- 信誉
- 人气
- 销量
- 服务态度

11. 是什么原因促使您对网上购物不敢兴趣的？

- 产品和服务
- 安全问题
- 支付方式
- 物流问题
- 不喜欢网上购物

12. 您曾经网购的最高消费是多少？

- 从不网购
- 1000 RMB 以下
- 1000-5000 RMB 之间
- 5000 RMB 以上

13. 您曾经网购的最低消费是多少？

- ☐ 从不网购
- ☐ 100 RMB 以下
- ☐ 100-500 RMB 之间
- ☐ 500 RMB 以上

14. 您对我们的网店哪一方面感到最满意？

- ☐ 价格
- ☐ 信誉
- ☐ 产品质量
- ☐ 交货期限
- ☐ 服务态度
- ☐ 促销活动
- ☐ 售后服务

15. 您对我们的网店哪一方面感到最不满意？

- ☐ 价格
- ☐ 产品质量
- ☐ 交货限期
- ☐ 服务态度
- ☐ 促销
- ☐ 网店页面设计
- ☐ 售后服务

16. 什么样的原因让您最不愿意在网上购买婴儿产品？

- 网络安全问题
- 服务态度
- 交货时间过长
- 没有售后服务
- 婴儿产品的质量问题的

感谢你的配合！

Appendix 3

INTERVIEW QUESTIONS

1. What kinds of BeeBuy.com marketing forms on the online shops, and what are the main segment target groups of BeeBuy.com?
2. What are the Strength and Weakness of BeeBuy.com from internal management?
3. What are the main products and services composed the BeeBuy E-shop marketing strategy?
4. What kind of brand position of Beebuy users?
5. What are the select criteria of the Beebuy.com store location (about logistics and warehousing)?
6. What are the pricing strategy and daily business operation of BeeBuy E-shop?
7. How to develop BeeBuy E-shop brand image (from products and services)?
8. What are the concerning strengths and opportunities from the external environment and other competitors in Chinese market?

Appendix 4

对蜂购网实体店的管理者的采访问题：

1. 蜂购网是一种什么形式的网上商场，主要针对的群体有哪些？
2. 蜂购网在运营过程中优势和劣势有哪些？
3. 蜂购网的营销策略主要分为哪些？
4. 蜂购网准备在中国走哪种品牌定位？
5. 蜂购网的仓储配送流程是怎样的？
6. 蜂购网的对于价格的定位和日常运作的方式方法有哪些？
7. 蜂购网如何扩展自身品牌优势？(产品和服务方面)
8. 蜂购网在中国网上商城中有什么竞争压力？

Appendix 5

Website page of Taobao trading platform

The screenshot shows the Taobao.com website interface. At the top, there is a navigation bar with links for '请登录 免费注册 手机逛淘宝' (Log in, Register, Mobile Taobao), '淘宝网首页' (Taobao Home), '我的淘宝' (My Taobao), '购物车0' (Shopping Cart 0), '收藏夹' (Favorites), '商品分类' (Product Categories), '卖家中心' (Seller Center), '联系客服' (Contact Us), and '网站导航' (Site Navigation). Below the navigation bar is the Taobao logo and a search bar. The main banner features a large clock graphic with the text '精选 10元 秒杀商品' (Selected 10 Yuan Flash Sale) and '每天早上10点更新' (Updated every morning at 10 AM). To the left of the banner is a '商品分类' (Product Categories) sidebar with various items like '女装服饰' (Women's Clothing), '男装男鞋' (Men's Clothing and Shoes), '手袋皮具' (Bags and Leather Goods), etc. To the right of the banner is a '消费者保障计划' (Consumer Protection Plan) section and a '精选' (Selected) section featuring a dress for 89 Yuan. The bottom of the page has a '天天10元' (Daily 10 Yuan) section with various product categories like '母婴用品' (Mother and Baby Products), '家居用品' (Home Goods), etc.