

Research on Cross-border E-commerce Marketing Strategy Based on Grounded Theory

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Keywords: Cross-border E-commerce; International Marketing; Marketing Strategy; Grounded Theory

Abstract. The aim of this study was to provide effective solutions to promote economic integration, trade globalization and foreign trade transformation and upgrading. This paper focuses on the theme of cross-border e-commerce marketing strategies, uses grounded theory, encodes and classifies the collected literature and interview records, and finally proposes marketing strategies for cross-border e-commerce companies based on the results. The research results can guide the practice of cross-border e-commerce enterprises.

1. Introduction

With the advent of the information age, China's e-commerce has developed rapidly, but the financial crisis in 2008 has caused a huge blow to the global economy. China's export trade has also continued to be sluggish. Especially for small and medium-sized enterprises, how to open source and reduce expenditures, develop innovative marketing methods, and create new profit growth points has become the only way for the survival and development of various small and medium-sized enterprises. The emergence of cross-border e-commerce has given companies with a focus on traditional foreign trade exports a great deal of inspiration and scope. China's cross-border e-commerce has developed from the end of the 20th century to the present and has experienced three stages of development: the budding period(1999-2007), the development period(2008-2013), and the outbreak period (2014-present)[1].

As a new international business activity, cross-border e-commerce has not appeared for a long time, but in the course of its development, it also has global, multilateral, invisible, hidden, time-sensitive and other business characteristics. These characteristics determine that the marketing model of cross-border e-commerce can be divided into the following five types: big platform marketing, distribution alliance, M2B2C model, overseas transshipment mode and traditional domestic comprador mode. However, the international market is a market where interests and risks coexist. China's cross-border e-commerce is still facing many problems in the development process. For example, reputation is the biggest barrier to cross-border e-commerce, the security trust and cost of payment platforms are prominent, and logistics problems have slowed down the development. Therefore, China's cross-border e-commerce enterprises must actively innovate marketing mix strategies, continuously improve the logistics system, improve the customs clearance system, strengthen payment and exchange rate management, and actively practice to improve the core competitiveness of enterprises.

2. Literature Review

Cross-border e-commerce includes both e-commerce platforms and trade entities stationed on various platforms. It can also refer to such industries. Cross-border e-commerce is an emerging economy that China has developed after the global economic crisis. It was initially developed in the form of overseas purchasing and personal purchasing. After the global economic crisis, it gradually began to be enterprised and scaled-up [2]. According to different import and export business,

cross-border e-commerce can be divided into cross-border importers and cross-border exporters. According to the cross-border e-commerce business model and the transaction subject, cross-border e-commerce can be divided into B2B, B2C, C2C, of which B2C, C2C is for the ultimate consumer, so they can be collectively referred to as cross-border online retail. According to the division of business entities, cross-border e-commerce is divided into platform type, self-operated type and hybrid type [3]. These three major types of cross-border e-commerce have their own different development models, and they have established a producer-driven global value chain and a consumer-driven global value chain.

China's scholars start from multiple perspectives of cross-border e-commerce, and put forward corresponding suggestions and solutions for cross-border e-commerce marketing strategies in view of the problems and difficulties in the current development of cross-border e-commerce. Zhiyong Chen used big data analysis technology to analyze consumer demand from massive data, and then launched products or services that were more in line with consumer needs, and can also adjust and optimize marketing strategies in a targeted manner [4]. Yongchao Yang starts from the status quo of cross-border e-commerce development, based on the necessity and feasibility of cross-border e-commerce enterprises to build their own brands and establish marketing strategies, further compare the new characteristics of traditional trade methods compared with cross-border e-commerce platforms. Finally, he explored the obstacles of cross-border e-commerce enterprises in independent brand building and establishing marketing strategies from government, cross-border e-commerce enterprises and cross-border e-commerce platforms, and proposed corresponding countermeasures [5]. Although the immediacy and global characteristics of cross-border e-commerce have broken through the limitations of time and space to a certain extent, cultural differences cannot be avoided. Therefore, Junli Wu discusses the choice of cross-cultural e-commerce companies' cross-cultural marketing strategies from four aspects: product, price, place and promotion, in order to enhance the adaptability of cross-border e-commerce online stores to different cultural environments, and provide ideas and suggestions for improving the promotion role of online stores to enterprises and products [6].

3. Research Design

Grounded theory was proposed by Glaser of Columbia University and Strauss of the University of Chicago in 1967. The development of grounded theory has formed three major genres such as the classic version of Glaser & Strauss, the programmatic version of Strauss & Corbin, and the constructivist version of Charmaz [7]. Grounded theory is regarded as a relatively scientific method in qualitative research. It combines quantitative research with qualitative research, rises from the empirical data to the theoretical level, and analyzes empirical data in depth to form a theoretical framework. The grounded theory analyzes the data into three parts: open coding, axial coding, and selective coding. This paper will use the qualitative analysis software Nvivo.11 based on the theory of grounded theory for auxiliary analysis.

3.1. Open Coding

Open coding is the first stage of the coding process. The purpose is to summarize and compare the collected data, and name it to determine the attributes and dimensions. In the process of open coding, it is necessary to avoid personal prejudice to encode and mark it and grasp and extract the keywords from the original data. In this paper, Nvivo.11 is used for auxiliary coding analysis. Finally, 276 nodes are encoded from various original materials, and the similar or repeated concepts are further refined into abstract categories. We have extracted 30 concepts and marked them in the form of C1, C2, C3...Then the original concept integration with similar concept attributes is classified into one category, and finally, 12 categories are obtained and marked with B1, B2, B3, ..., B12.

3.2. Axial Coding

Axial coding further analyzes, summarizes and refines the corresponding categories in the process of open coding, aiming to discover and establish the logical relationship between the categories, and then summarize the main categories. The specific approach is to organize and

integrate into different categories based on the logical relationship and affiliation between different categories. In the 12 categories that we extracted from open coding, we extracted another six main categories, namely product, price, management, customer, marketing and security, and marked them in the form of A1, A2, A3, A4, A5, A6.

3.3. Selective Coding

Selective coding is the refinement and sublimation of the main category, presenting a story line and constructing a new theoretical framework. The selective coding has strong generalization and correlation ability, and has a high degree of abstraction, which can focus on various categories within a broader theoretical range. Table 1 is the result of three codes for cross-border e-commerce marketing strategies. We have refined it again, and got the four core categories as shown in the table, and connected them into a story line. The story line can be expressed as Product is the basic condition, the design and price of the product, and the construction of the brand lay the foundation for the follow-up marketing activities. Management and marketing is an action plan, which is the main body of the whole marketing campaign. The feasibility of the action plan determines the success of the marketing campaign. The system is a safeguard measure that not only guarantees the interests of customers but also ensures the orderly operation of marketing activities. Customers are the ultimate goal, the core of the entire marketing process, and other elements are customer-centric, reflecting the importance of customer service.

Table 1 Open coding results for cross-border e-commerce marketing strategies

Core Category	Main Category	Category	Concept
Basic Condition	A1 Product	B1 Product design	C1 Product quality, C2 Differentiated product, C3 Product positioning
		B2 Brand construction	C4 Brand operation, C5 Brand positioning
		B3 Price factor	C6 Product pricing
Action Plan	A2 Management	B4 Logistics and warehousing management,	C7 Logistics transportation cost, C8 Improve the logistics system, C9 Logistics company selection, C10 Intelligent logistics, C11 Overseas warehousing
		B5 Marketing team management	C12 Company talent training, C13 Overseas marketing team building
		B6 Payment credit management	C14 Payment system selection and improvement, C15 Credit system establishment
	A3 Marketing	B7 Targeting and positioning	C16 Target market grasp, C17 Precise positioning
		B8 Segmenting	C18 Cultural differences, C19 Customer segmentation
		B9 Marketing Channel	C20 Marketing mix strategy, C21 Cooperation with overseas platforms, C22 Platform optimization and creation
Safeguard Measure	A4 System	B10 Policy environment	C23 Improve customs clearance system, C24 Focus on policy changes, C25 Government encouragement
		B11 Legal environment	C26 Perfect legal system, C27 Platform supervision system construction
Ultimate Goal	A5 Customer	B12 Customer service	C28 Consumer demand, C29 Customer experience, C30 Customer loyalty

3.4. Theoretical Saturation Test

After three levels of coding, the theoretical model of “cross-border e-commerce marketing strategy” has been basically formed, and the five main categories obtained can basically summarize the essential elements of cross-border e-commerce marketing strategy. We also added 10 articles for theoretical saturation testing, and at the same time conducted in-depth interviews with 5 cross-border entrepreneurs. The test results show that the theoretical results of this study are rich, and no important categories and relationships of new cross-border e-commerce marketing strategies have been found.

4. Analyses and Recommendations

This theoretical model not only focuses on customer’s needs and desires, but also pays attention

to market competition and changes, and makes up for the defects of traditional marketing combination model. Through the cross-border e-commerce marketing strategy model diagram, we can find that cross-border e-commerce should start from these five aspects in the marketing process, namely product, customer, marketing, management and system. In other words, for cross-border e-commerce companies to flexibly use and rationally combine these five strategies, companies can achieve their own marketing purposes and improve their competitive advantages. Therefore, this paper proposes the following recommendations for cross-border e-commerce marketing strategies.

4.1. Strengthen the Management of Selected Products and Attach Importance to Brand Building and Construction

First, make reasonable pricing and form its own competitiveness. The pricing of products is crucial to the development and operation of the enterprise. In general, the price of a product fluctuates around the value of the product. Therefore, the price of the product is both stable and flexible, thus forming a perfect price fluctuation curve. Second, establish brand awareness and develop brand marketing strategies. To be a good brand marketing strategy, we must first establish correct brand awareness and enhance the value of the brand through the operation of the entire marketing team. Starting from its own reality, it has registered brands in various countries and regions, continuously accumulates word of mouth during the development process, and conducts detailed analysis and strengthens cooperation with overseas platforms, thereby promoting the localization of its own brand and closer to overseas consumers. Finally, on this basis, develop overseas distribution strategies or global distribution strategies to promote the transformation of the marketing model from B2C to B2b2C.

4.2. Strengthen Internal Management of The Company to Achieve Multi-channel Refined Marketing

First, strengthen employee management and conduct multi-channel and multi-platform marketing. Establishing a high-quality and highly skilled marketing team is the beginning of the operation of cross-border e-commerce enterprises. By training them and communicating with them at home and abroad to enhance their analytical, technical and negotiation skills, they will lay the foundation for the subsequent marketing activities and the orderly operation of the store. Second, grasp the market positioning, conduct market segmentation, and constantly improve the company's supply chain. Because of differences in geography and country, consumer psychology and shopping habits are different. Therefore, accurately grasping the positioning of products and analyzing the competitors and foreign consumer markets can make the marketing effect of the enterprise more obvious. Third, accelerate technology-driven, continuous innovation and accelerate development. The quality of the product is the guarantee of customer satisfaction and the basic condition of the customer experience. Innovating products not only increase traffic but also helps companies promote brand building. In addition, the diversification, enrichment and novelty of marketing content and carriers can increase the visibility of enterprises.

4.3. Strengthen System Guarantees to Ensure Orderly Marketing Activities

First, we must improve laws and regulations. It is necessary to strengthen the supervision of the platform so that enterprises can proceed in an orderly manner in a level playing field. In addition, it is necessary to strengthen tax administration, face the Sino-US trade war, and provide timely countermeasures for relevant taxes to protect the competitive position of Chinese enterprises in the international arena. Second, we should improve and enrich the credit system. Establish a credit rating mechanism through legislation, grant information ratings to corporate entities, and interconnect transaction data on online platforms with credit rating agencies. In addition, each credit level is given to the corresponding trader's authority and freedom. The higher the credit rating, the more trading rights that can be enjoyed, and the greater the benefits obtained. Finally, it is necessary to strengthen the protection of intellectual property rights, establish an intellectual property protection law, and protect the interests of Chinese enterprises.

4.4. Investigate Customer Demand Differences and Create a Quality Customer Experience

First, use big data technology to do a good job in customer refinement management. At present, all major cross-border e-commerce platforms would provide relevant data for enterprises to choose.

Therefore, enterprises should learn to use these data for analysis to achieve refined, measurable and efficient marketing. Second, pay attention to the customer experience and improve the customer's return rate. Customer experience mainly includes visual enjoyment and process experience. The visual enjoyment mainly lies in the design and decoration of the store and the beautification and quality of the pictures. The process experience mainly includes the convenience of the payment system, the logistics service process, the return and exchange process, etc., which can enhance the customer's visual enjoyment and shopping experience to a certain extent, thereby stimulating consumers' consumption psychology and behavior, affecting their consumption decisions.

5. Summary

This paper revolves around the core theme of “cross-border e-commerce marketing strategy”. Based on the analytical thought of grounded theory, this paper analyzes the collected literature and interview records. Through open coding, core coding and selective coding, we get 276 nodes, 30 initial concepts, 12 categories, 5 main categories and 4 core categories. The analysis found that product, customer, marketing, management and system have a relationship with each other and influence each other. The five strategies are interlocking and indispensable. This theoretical model not only focuses on customer's needs and desires, but also pays attention to market competition and changes, and makes up for the defects of traditional marketing combination model. The academic research on cross-border e-commerce marketing strategy has fewer research results, and the research level is shallow, and most of them are generalized from theory to theory, and the conclusion is not convincing. Using the grounded theory analysis method to explore the cross-border e-commerce marketing strategy model is an innovative point in the research perspective. The research results provide some theoretical references for the revision of the traditional marketing portfolio strategy model in the future.

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