# University of Hradec Králové

# Faculty of Informatics and Management

Department of Management

# **E-commerce Marketing Strategy and Channels Alibaba Group Case Study**

# **BACHELOR'S THESIS**

Author: Bin Ma

Branch of study: Information Management

Advisor: Doc. Ing. Hana Mohelská, Ph.D.

Hradec Králové August, 2018

**Abstract** 

Thesis Title: "E-commerce marketing strategy and channels".

E-commerce has become a new field of application of internet technology. E-commerce

can bring many advantages for business such as lower costs, worldwide reach,

interactivity, value added and competitiveness. Nevertheless, it requires good marketing

strategies and channels to succeed.

This thesis focuses on marketing strategies and channels regarding e-commerce,

and analyzing these strategies and channels to better understand these channels

and provide a good foundation for decision making. Using a qualitative research method,

the author attempts to find out efficient and low-cost marketing strategies and channels

in e-commerce. The data for conducting the study are collected from books, journal

articles, and web sites.

The practical part analyses the company Alibaba specialized in e-commerce online

trading platforms. The main findings conclude which marketing strategies and channels

Alibaba uses to expand its market share and accumulate huge users in China. The thesis

results focus on Alibaba's useful and useless marketing strategies and channels.

Key words: E-commerce, marketing strategy, marketing channels, Alibaba.

I

**Anotace** 

Název práce: "Marketingová strategie a kanály elektronického obchodování".

E-commerce se stalo novou oblastí aplikace internetových technologií. E-commerce

může přinést mnoho výhod pro podnikání, jako jsou nižší náklady, celosvětový dosah,

interaktivita, přidaná hodnota a konkurenceschopnost. Nicméně vyžaduje dobré

marketingové strategie a kanály, aby bylo úspěšné.

Tato práce se zaměřuje na marketingové strategie a kanály týkající se elektronického

obchodování a analýzu těchto strategií a kanálů s cílem lépe porozumět těmto kanálům

a poskytnout dobrý základ pro rozhodování. S využitím metody kvalitativního výzkumu

se autor pokouší zjistit efektivní a nízkonákladové marketingové strategie a kanály

v elektronickém obchodě. Data pro provedení studie jsou shromažďována z knih, článků

a časopisů.

Praktická část analyzuje společnost Alibaba, která se specializuje na on-line platformy

pro elektronické obchodování. Hlavní zjištění shrnují, které marketingové strategie

a kanály Alibaba využívá k rozšíření svého podílu na trhu a akumulaci uživatelů v Číně.

Výsledky práce se mimo jiné zaměřují na užitečné a méně vhodné marketingové strategie

a kanály společnosti Alibaba.

Klíčová slova: elektronický obchod, marketingová strategie, marketingové kanály,

Alibaba.

II

# Content

1.	Introduction	1
2.	Objective and Research Methodology	2
	2.1 Objective	2
	2.2 Research Methodology	2
	2.3 Data Collection	3
3.	Theoretical Background	4
	3.1 E-commerce Development	5
	3.1.1 The Past	5
	3.1.2 Current	6
	3.1.3 The Future	7
	3.2 E-commerce and E-business.	7
	3.2.1 The Major Types of E-commerce Transactions	8
	3.3 E-commerce Impact on Marketing	9
	3.4 The Advantages of E-commerce	10
	3.4.1 Improve the Efficiency of Market Transactions	10
	3.4.2 Expanded Market Coverage	10
	3.4.3 Improve Service Quality	11
	3.4.4 Virtual Payment	11
	3.5 E-commerce Marketing Strategies	12
	3.5.1 Exceptional Customer Service	13
	3.5.2 Promotion	13
	3.5.3 Ratings and Reviews	13
	3.5.4 Group Purchasing	14
	3.5.5 Free Shipping	14
	3.5.6 Search Engine Optimization (SEO)	15
	3.5.7 Personalization and Customization	15
	3.5.8 Innovation	16
	3.6 Mobile Network Impact on E-commerce	16
	3.6.1 Shopping Behavior	16
	3.6.2 Purchasing Behavior	17
	3.6.3 Security	18
	3.7 E-commerce Marketing Channels	19
	3.7.1 Content Marketing	19
	3.7.2 Affiliate Marketing	20

	3.7.3 Viral Marketing	. 20
	3.7.4 Email Marketing	. 21
	3.7.5 Video Marketing	. 21
	3.7.6 Marketing on Social Media	. 22
4.	Case Study	. 24
	4.1 Alibaba History	. 24
	4.1.1 Services	. 25
	4.1.2 Unique Profit Model	. 25
	4.1.3 Help Small Business with Consumers	. 26
	4.2 Amazon, eBay and Taobao in China	. 26
	4.2.1 Amazon	. 27
	4.2.2 eBay	. 27
	4.2.3 Taobao	. 27
	4.3 SWOT Analysis of Alibaba	. 28
	4.3.1 Strengths	. 28
	4.3.2 Weaknesses	. 29
	4.3.3 Opportunities	. 29
	4.4.4 Threats	. 29
	4.5. Analysis of Marketing Strategies and Channels of Alibaba	. 30
	4.5.1 Price	. 30
	4.5.2 Service and Customer Relationship Management	. 30
	4.5.4 Secure Transactions	. 31
	4.5.3 Social Media and Communication	. 32
	4.5.5 Credit Rating System	. 32
	4.5.6 Promotion	. 33
	4.5.7 Globalization	. 35
	4.5.8 Advantages and Disadvantages	. 35
5.	Results and Recommendations	. 37
	5.1 Results	. 37
	5.2 Recommendations	
6.	Conclusion	. 42
7.	Bibliography	. 43

# **List of Figures**

Figure 1: Global online shopping order value 2018, by device	6
Figure 2: Preferred online retail payment methods worldwide 2017	12
Figure 3: Global online shopping order value 2018, by device	17
Figure 4: Global mobile payment usage penetration in September 2017, by region	18
Figure 5: Most anticipated mobile ad types worldwide 2017	22
Figure 6: Social media advertising revenue in selected countries worldwide in 201	823
Figure 7: Market share of B2C online retailers China	26
Figure 8: SWOT analysis	28
Figure 9: Number of users of selected global mobile payment platforms 2018	31
Figure 10: Credit evaluation	32
Figure 11: The rise of sales per billion dollars for double eleven shopping carnival	34

#### 1. Introduction

E-commerce is a business model based on the internet. Business transactions can be conducted through enterprise or individual means, as well as between sellers and consumers. There is a big difference between e-commerce and traditional business. E-commerce has the advantage of economy and technology, and with the aid of e-commerce websites, it can satisfy the needs of consumers. It also causes a significant drop in production costs. In the environment of e-commerce, enterprises should adapt to the basic requirements of the era of e-commerce, through the special formulation of marketing strategies and continuous updating to ensure that enterprises obtain core competitiveness.

The purpose of this thesis is to analyze e-commerce impact on marketing and decide what is suitable for e-commerce marketing strategies and channels by analyzing the use of marketing strategies and channels by the group Alibaba, and identify the reasons why it has become the favorite among consumers throughout China in such a short period of time.

The thesis has three parts. The first part is the theoretical background that includes e-commerce and how it impacts marketing, and what kind of marketing strategies and channels can be used in e-commerce. The second part is focused on how the mobile network has changed current life in many ways including the way people shop, purchase goods, and act about online transaction security.

The third part is the case study which compares Alibaba with Amazon and eBay and the effects it has had on the operating conditions and the market share. The author analyzes marketing strategies and channels relevant for Alibaba and introduces a few classical cases. Moreover, the advantages and disadvantages of marketing strategies are provided.

# 2. Objective and Research Methodology

Not every e-commerce company can be successful, as many can be lost in the giant field of e-commerce marketing. Because of that, understanding and analyzing how to use efficient and inexpensive marketing strategies becomes very important.

#### 2.1 Objective

The aim of this thesis is to define marketing strategies and channels relating to e-commerce, especially for start-up e-commerce companies with limited resources. The study will also try to answer questions about e-commerce and its impact on marketing. Moreover, it tries to explain how mobile network has changed our shopping and purchasing behavior.

In this thesis, the author focuses on the marketing strategy and channels for e-commerce environment aspects of the topic, and he analyzes the marketing strategies and channels adopted by Alibaba, which achieved great success in a short time.

# 2.2 Research Methodology

The thesis uses two research methods -qualitative and deductive research- used to give more thorough answers to the research questions rather than using only quantitative or qualitative modes.

Qualitative research method is used for this thesis. This research is a case study research. The research is a case study about Alibaba marketing strategies and channels to analyze the e-commerce marketing strategy and channels of the Alibaba Group and define the successful marketing strategies and channels used to gain an edge in the fierce competition.

This thesis also uses a deductive research approach to analyze e-commerce marketing strategies and channels for the start-up e-commerce companies from a large number of marketing strategies. The thesis starts from the theoretical background of the development of e-commerce and e-business model and then to an analysis of the marketing strategy and channels of the current trend.

The author used secondary resources such as Journal articles, books and websites. There was a lot of information on past research regarding chosen topic, which gave the author a wide range of secondary resources that were used as background theoretical.

#### 2.3 Data Collection

The data used for this thesis is collected from various sources. The secondary data is collected from official and relevant databases, from various literature, and international publications.

# 3. Theoretical Background

The Internet, also known as the World Wide Web, has changed the world. Many different concepts are based on the Internet, one of which is e-commerce and e-business. In the age of Globalization, the development of information technology has brought changes to the world of business, trade and marketing. E-commerce has the advantages of reducing transaction costs and expanding sales channels etc.

E-commerce is the sale, purchase, provision of customer service, and exchange of products through the Internet. The convenience, availability, and globalization characteristic of the Internet have led many companies to discover and exploit these features and have achieved great success in e-commerce, such as Amazon, eBay and Alibaba.

With the rapid development of Internet technology, the value of the electronic market is also increasing. Big companies and corporations have been investing more in e-commerce to seek new markets which tightens the competition for the small start-up e-commerce companies. Small start-up companies should adopt efficient and low-cost marketing strategies and channels to gain a certain advantage in the competition.

#### 3.1 E-commerce Development

The world research on e-commerce began in the late 1970s. After decades of development, the scale of e-commerce users has continued to expand. E-commerce has gradually become a new model for people to conduct business activities, which has also changed people's consumption, concepts, and behaviors. At present, there are two main aspects affecting e-commerce security: computer network security and business transaction information security. Below, the author will introduce the development of e-commerce in three stages.

#### **3.1.1 The Past**

At first, the term e-commerce means the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions. These technologies appeared in the late 1970's; however, it was not until the mid-1990 that the development of the Internet and computer security was strong enough to make consumers and businesses feel comfortable with conducting these types of transactions online. This lead to e-commerce to looking like the type of business as it is known today. In 2000 a great number of business companies in the United States and Western Europe represented their services on the World Wide Web. At this time the meaning of the word e-commerce was changed. People began to define the term e-commerce as the process of purchasing available goods and services over the Internet using secure connections and electronic payment services. (Turban & King, 2003)

The development of e-commerce is unthinkable without Amazon and eBay which were among the first Internet companies to allow electronic transactions. Now very good e-commerce is available and customers enjoy the buying and selling advantages of the Internet. Dell launched a static page in 1994, the company's unique strategy

of selling goods over the World Wide Web with no retail outlets and no middlemen. Customers can browse the site and assemble PC's piece by piece choosing each single component based on their budget and requirements. (Mohapatra, 2012)

#### 3.1.2 Current

The development of global e-commerce is unbalanced. North America e-commerce is far ahead of other countries. However, in recent years, the rapid development of e-commerce in China has increasingly become the main market for international e-commerce. (See Figure1) According to statistics from the Ministry of Commerce of China (MOFCOM), in 2015, Chinese online retail transactions reached \$622.5 billion. In 2016, the number of digital buyers in China reached over \$460 million. Over 40 percent of total global e-commerce spending come from China.

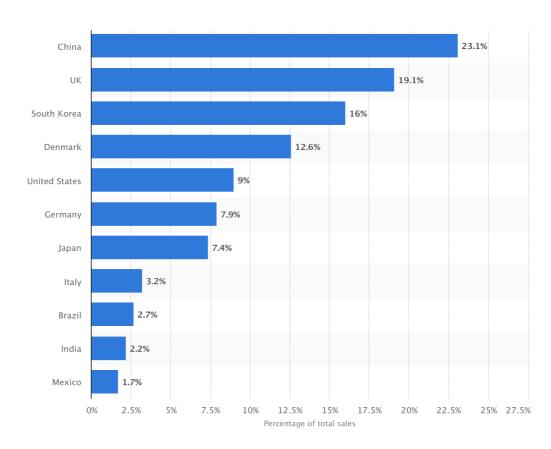


Figure 1: Global online shopping order value 2018, by device

Source: (statisa, 2018)

Globalization and technological progress have changed e-commerce. Under the influence of the Internet, information sharing between manufacturers and consumers provides rapid information concerning the cost of goods. The corporate profits are be affected by the Internet, the global integration of the supply chain is the trend in our modern day economy. With the advent of cloud computing and Artificial Intelligence, technology, the promotion of e-commerce services has become more complete.

#### 3.1.3 The Future

In the future, e-commerce will further confirm itself a major tool for business. More efficient e-commerce will become a notion absolutely inseparable from the Internet and technology because online shopping is becoming more and more universal. Meanwhile, rivalry in the sphere of e-commerce will become increasingly fierce. The transition from PC to wireless is something what everybody experiences as most people have already transferred their network consumption to wireless. Social media and e-commerce continue to merge and develop e-commerce. In the current e-commerce economy users demand first and then buy. The user is more dependent on the platform e-commerce and social media to solve the problem of product quality information asymmetry, e-commerce companies should engage in two-way conversations with their customers on sites like Facebook and Instagram.

#### 3.2 E-commerce and E-business

Electronic commerce is the process of buying, selling, or exchanging: products, services, and information via computer networks, including the Internet. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business which IBM proposed the concept of Electronic Commerce in 1996. (Turban & King, 2003)

- Communications perspectives: EC is the delivery of goods, services, information, or payments over computer networks or buy any other electronic means.
- Service Perspectives: EC is tool that addresses the desire of firms, consumers, and management to cut service cost while improving the quality of customer service and increasing the speed of service delivery.
- Business process perspectives: EC is the application of technology toward the automation of business transactions and workflow.
- Online perspectives: EC provides the capability of buying and selling products and information over the Internet and other online services. (Turban & King, 2003, 2, 3)

E-business is a term which can be used for any kind of business or commercial transaction that includes sharing information across the internet. E-business refers to a broader definition of e-commerce, not just the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and conducting electronic transactions within an organization. The term "e-business" was coined by IBM's marketing and Internet team in 1997.

## 3.2.1 The Major Types of E-commerce Transactions

E-commerce model has expanded to a variety of different application fields and to the innovation of new information services. The types of e-commerce are also emerging, the following types of e-commerce transaction are commonly distinguished.

- Business to business (B2B): Business-to-business exchange of products, services and information via the Internet. E-commerce are business or other organizations. Today most e-commerce is B2B.
- Business to consumer (B2C): E-commerce includes retail transitions from business to individual shoppers. Such as Amazon, eBay and Taobao.

- Consumer to consumer (C2C): Consumer to consumer provides buyers and sellers with an online trading platform, so that sellers can provide online auctions of goods, and buyers can choose their own products to bid. Example include individuals selling residential property, cars, and as so on in online classified ads.
- Business to business to consumer (B2B2C): A business provides some product or service to a business client. The business client maintain its own customers to whom the product or service is provided.
- Mobile commerce: E-commerce transaction and activities conducted on wireless handheld devices, such as mobile phones and laptops. Mobile commerce includes the purchase and sale of a wide range of products and services, such as online banking, and electronic payment.
- Business to Employees (B2E): The focus of business is the employee, rather than the consumer or other business. Allows companies to provide services, information, or products to individual employees.
- Exchange to Exchange (E2E): An exchange describes a public electronic market with many buyers and sellers. E2E can be thought of as a form of B2B. (Turban & King, 2003)

# 3.3 E-commerce Impact on Marketing

Almost all people think of marketing as selling and advertising. Every day people are influenced by sale calls, web ads, social media pictures, and e-mail pitches. Marketers must give up old ideas of what marketing is, which was just telling the people how great and cheap the products are. Marketers need to understand what the customer really needs. (Kotler & Armstrong 2012)

E-commerce has changed traditional marketing. Marketers have the ability into national and international markets through e-commerce, with minimal capital outlay, enabling them to locate a larger number of customers more quickly and easily. E-commerce also aids reduction of the cost of relating to processing, distributing, storing and retrieving base information of customers. Therefore, e-commerce requires the development of marketing strategies in order for marketers to realize their marketing goals based on the internet.

## 3.4 The Advantages of E-commerce

With the continuous development of information technology. Enterprise can use the web to provide ongoing information, service and support, creating positive interaction with customers that can serve as the foundation for long term relationships and encourage repeat purchases. Online shopping is more convenient, because people may use our mobile phones to purchase goods at home and to shop for any kind of product or service, even in the middle of the night and from any part of the world.

## 3.4.1 Improve the Efficiency of Market Transactions

In the process of e-commerce sales, it is not necessary to conduct a face-to-face conversation and transaction. Using the internet to communicate about product quality, price, and sales, customers can more conveniently pay online which saves time generated in the transaction process and improves transaction efficiency.

#### 3.4.2 Expanded Market Coverage

The development of e-commerce has made computer network technology as part of the process of online marketing achieve direct connection between consumers and enterprises as the network expansion becomes part of marketing. This can increase the market share of enterprises, eliminate the need for opening hours so, they may communicate with customers all day, and break the geographical limits of shopping.

#### 3.4.3 Improve Service Quality

In the process of purchasing goods, consumers further communicate with merchants, through communicate suggestions to merchants via web information. This will allow businesses to identify consumer needs. In the era of e-commerce, consumers are buying more services, not just goods. Enterprises can better understand the needs of consumers and the products are more in line with the requirements of consumers.

## 3.4.4 Virtual Payment

In the process of payment, since most consumers use online payment, they can conduct transactions through third-party trading platforms and online banking. In this way, the risk of the enterprise can be reduced and improve the quality of the transaction. Third-party payment platforms also support users to use multiple terminals for payment, such as online pay and mobile pay, and reduce transaction costs between merchants and banks. The third-party payment platform has a perfect service system, the back-end details records electronic transaction information to prevent repudiation during the transaction, and it can also provide more basis for dispute issues afterwards. Meanwhile it is not necessary for each payee to know the account information during the transaction, which effectively reduces the risk of disclosure of account information, and ensures the financial interests of the payer. This is seen as different forms of online payment such as credit/debit cards or other electronic payment services are used much more than cash payment or gift cards. (See Figure 2)

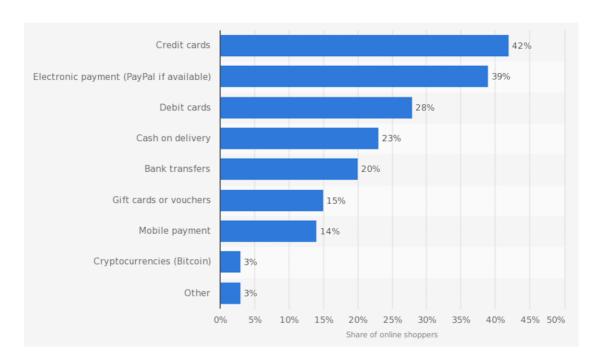


Figure 2: Preferred online retail payment methods worldwide 2017

Source: (statisa, 2018)

# 3.5 E-commerce Marketing Strategies

The definition of marketing is to provide value to satisfy the needs of a target market, in order to make a profit. Unfulfilled needs and desires can be analyzed or specified to measure and gauge the size of the chosen market and its profit potential. Marketing displays sections of which the company is able to serve best, it also designs and promotes the appropriate products and services. The most important part of marketing is how to design a marketing strategy that would direct suitable programs for the marketing decision areas. E-commerce and traditional business models are very different and also change the marketing model. It is of great significance to formulate distinctive marketing strategies and operations for enterprise development, such as customer service, personalization and customization, and group purchasing.

#### 3.5.1 Exceptional Customer Service

Customer service is designed to satisfy customers and help to increase product sales. Efficient customer service can ensure customer loyalty, decrease marketing costs and increase profits. E-commerce trends provide customers with exceptional customer service at all stages of their purchase. Perfect customer service should be provided at every stage including before the purchase, introduce customers to product parameters and usage, and teach customers how to use virtual payments. Costumer service will even benefit the costumer after the purchase has been made; this is done by offering a promised free return if they do not like their product. Offering free shipping and returns to customers will inspire trust in the business and persuade customers to make a purchase. This can help to make the business' customer service exceptional by using online chat service, customized service and offering 24-hour phone support. (Luice, 2010)

#### 3.5.2 Promotion

In the e-commerce marketing strategy, the most important promotional method is to use the Internet, through the role of network promotions, it can provide more and more concessions to consumers, providing consumers with more targeted promotional services. Using web pages as the carrier of advertisements, can make full use of the spatial layout of web pages to design innovative advertisements and push advertisements that are in accordance with their interests to consumers. Can help attract more people to browse web pages and improve sale of products. (Kotler & Armstrong, 2012)

#### 3.5.3 Ratings and Reviews

By displaying customers' ratings and reviews online under the product page, customers can participate in ratings and product discussions. These impartial opinions will become a consideration for consumers to purchase goods. For example after Taobao members

successfully complete each transaction on the personal trading platform, both parties have the right to make an evaluation of the transaction of the other party. This evaluation is also called credit evaluation. Taobao's search ranking rules give priority to high-credit rankings on the previous page, and high-credit stores occupy favorable conditions in Taobao. (Turban et al, 2017)

#### 3.5.4 Group Purchasing

Group purchasing business model has an increasingly fast growth, it often occurs in B2C and C2C marketing. Selling at a very low price (discounted to 50% of the original price) for a specific period of time (the time-frame per deal is an hour or one day), attracts a large number of consumers to buy collectively. The only thing required is that the total number of buyers purchasing transactions must be greater than the predetermined limit of the minimum number of buyers. The characteristics of group purchase marketing are that both sellers and buyers can benefit from it. Attracting consumers through price and increasing product attention. (Turban & King, 2003)

## 3.5.5 Free Shipping

Free shipping can become a competitive advantage. In online shopping, shipping goods and the costs they generate have been plaguing consumers. While enjoying the convenience of online shopping, consumers are reluctant to spend on services other than products. The free shipping method is very simple; it will not reduce the profit of the product and increase the sales.

- Method 1: Customers can enjoy free shipping when they spend a certain amount of money.
- Method 2: Free shipping on a specific date.
- Method 3: Free shipping when the product reaches a certain amount of sales.

For example, Free Shipping by Amazon is at least \$25 of eligible items to enjoy free shipping. Or, choose from millions of items available with free shipping from 3rd party sellers.

#### 3.5.6 Search Engine Optimization (SEO)

Search Engine Optimization (SEO) is a technical process used to improve the visibility of a website in search engines. This process makes the website appear on Google for specific searched terms and keywords. Once a website is ranking on Google correctly, the traffic that arrives to the site is free.

SEO is also a propaganda technique. Visitors searching for particular products or services will often have a high intent to purchase. There are no media costs for ad display or click through, no matter how many visits per day- it is not needed to pay for any visits. (Spencer, 2016)

#### 3.5.7 Personalization and Customization

Personalization and customization marketing is more complicated process because it means that the service personnel facing the customer should always be enthusiastic and sincere. More importantly, it is very vital to receive relevant consumer consumption statistics related to marketing data, and ultimately based on the collected information for consumption, provide suggestions to the consumer. This can ensure personalization and customization products or services and use a combination of marketing strategies with consumer personality to meet their needs and achieve higher sales.

Personalization and customization marketing requires the interaction between the enterprises and the customer. The company should conduct product development, product design, product marketing, and after sales service etc. from the perspective of the consumer. (Goy, Ardissono & Petrone, 2007)

#### 3.5.8 Innovation

In the 21st century, consumers have more choices for the same commodity. In the process of selecting goods, people not only pay attention to the quality and performance of the products, but also pay attention to the innovation and personalization of the products, and require the enterprises to innovate products to meet the needs of customers. (Martin, 2016)

#### 3.6 Mobile Network Impact on E-commerce

In recent years, mobile and online networks have become the fastest growing and most market-leading businesses in the world today. The rise of smartphones, tablets, and phablets has led to so many shifts - from little tweaks (Faster download and upload speeds) to huge strategic moves (New technology such as new ways to make memory storage devices smaller).

The biggest features of mobile network are freedom and personalization. E-commerce has made people feel the convenience and happiness by the network but its limitation is that it has to be wired, and mobile network can make up for this defect, allowing people to checkout, booking and shopping for anytime and anywhere. (Lynn et al, 2014)

## 3.6.1 Shopping Behavior

Until smart-devices became popular, online purchases were constrained by location. Before it was required to shop with a computer that had an Internet connection. Today that is all changed. Mobile devices that are always connected allow to shop anywhere and anytime, which has fundamentally changed shopping behavior. In particular, mobile devices has broken down the wall between physical retailers and digital sellers. It is a good thing for e-commerce that consumers are increasingly accustomed to the idea that almost any product can be bought online using any device. (See Figure 3)

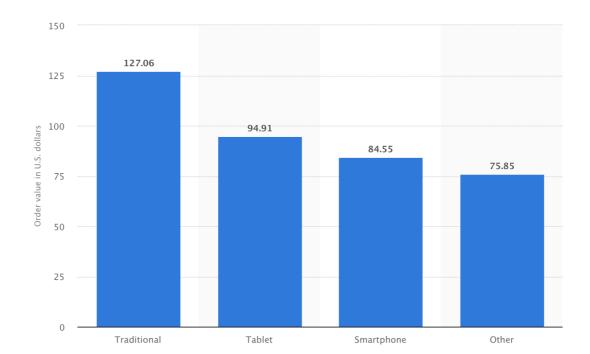


Figure 3: Global online shopping order value 2018, by device

Source: (statisa, 2018)

## 3.6.2 Purchasing Behavior

Mobile technologies are increasingly commonplace and offer consumers a wide array of services. As mobile phones have gradually become the communication tools that people carry with them, the simplicity and convenience of mobile payment has become the preferred method of payment for consumers. Mobile payment is the use of mobile phones as a means of payment in trading activities. Each transaction essentially pays the fee by replacing the credit card with a mobile phone instead of having to take out a credit or debit card and enter a personal identification number. (See Figure 4)

Mobile payment has many features such as anytime, anywhere, convenient, fast, and safe. Consumers only need a mobile phone to complete the transaction, and will

enjoy the convenience of mobile payment. This convenience include charge, payment, purchase of goods, banking services and online services. (Lynn et al, 2014)

50% 45% 41% 40% 33% Share of respondents 30% 27% 27% 27% 23% 22% 20% 10% China India Global Middle East & Africa North Asia Pacific\* Latin Europe America America

Figure 4: Global mobile payment usage penetration in September 2017, by region

Source: (statisa, 2018)

# 3.6.3 Security

Security is the biggest concern for mobile networks, as the trading method changes, as well as because of additional security and privacy concerns. In mobile payments, consumers will consider whether they will be defrauded and receive fake products, or whether the consumer's personal information and account funds are safe. The higher the perceived security of the consumer, and the easier it is to purchase.

#### 3.7 E-commerce Marketing Channels

In the era of e-commerce, network marketing has become an important marketing channel, which facilitates consumers to obtain more product information, but also enhances the opportunity of product selection, facilitates life, and improves the profit of enterprises.

#### 3.7.1 Content Marketing

Content marketing is one of the most powerful types of online marketing channels. The purpose is not to sell goods, but to provide customers with something of value, while also cultivating potential customers. In the network, content marketing can be presented in various media such as animation, text, video, sound, and is more attractive to target customers. (Lin, 2017)

Content marketing is the marketing and business process for creating and distributing valuable and compelling content to attract, acquire, and engage a clearly defined and understood target audience - with the objective of driving profitable customer action. (Content Marketing Institute, 2010)

According marketing research organization PQ Media, in 2017 global content marketing revenues grew by 14.4%, and through 2021, it is expected to reach \$55 billion, growing at a compound annual rate of 14%. Content marketing is the brand's use of the carrier of content (magazine, radio, television, and internet) to carry out brand communication. The basic principle of content marketing is that the entertainment nature of content products can attract the attention of the audience, so the brand is embedded in the content platform. While the audience enjoys the entertainment content, it also receives the brand information and experiences the brand characteristics. (Sam, 2017)

#### 3.7.2 Affiliate Marketing

Affiliate marketing is a mix of advertising and referral based marketing in which earnings are made by promoting other people's or company's products. Affiliates market the owner's goods or services in exchange for a percentage of profits.

Social media has become affiliate marketing. Can partner with social media influencers on every platform from YouTube to Facebook to Instagram, and they will promote products for a business. A popular example is video unboxings and evaluations of a product. Unboxings are popular on websites such as YouTube where a famous channel is sent a new product. They then open the product or "unbox" it and showcase it. This allows for many users to see what they are actually buying as well as the product in use.

In the United States, Amazon has successfully used the Internet in combination with the affiliate marketing model to become the leading company in Internet sales. Amazon uses online (e-commerce) and offline (traditional business) to integrate resources and complement each other. Affiliate marketing is recognized as the most effective low-cost, zero-risk marketing method. (Turban & King, 2003)

#### 3.7.3 Viral Marketing

Viral marketing is a commercial channel that uses social networks to promote products. The basis of viral marketing is in the spread of information by word-of-mouth, but it can also spread through many different social media platforms. Viral marketing uses videos, images, and other person-to-person methods to spread information about a product or service. Videos are created and then shared on YouTube, Facebook, Twitter and other social media. These videos can spread quickly and extensively from one person to another, reaching millions of people in only minutes. (Turban & King, 2003)

#### 3.7.4 Email Marketing

One of the most effective forms of reaching out to a customer base is through email marketing. The content of the email is kept short and easy to read, and should be matched with different colors and sizes. Consider adding images and videos to attract readers' curiosity. E-mail marketing is a great way to gain new customers or improve relationships with existing customers. Compared to investing in other media, email marketing is cheaper.

Everybody receives a lot of spam every day. These emails without the user's permission seriously affect normal communication activities. Furthermore, do not keep sending multiple e-mails to customers or they may end up marking these e-mails as spam. Remember, "Spam is not email marketing" (Elise, 2016).

#### 3.7.5 Video Marketing

Video marketing can be considered as a type of content marketing. With the introduction of Facebook Live and Instagram Stories, social videos are becoming some of the most popular means of communication compared to other forms of traditional advertising such as Native Ads and Cross Promos. (See Figure 5) Video marketing can be perceived as a low-cost TV commercial. Video marketing can serve as a medium to present new products and services to increase sales and profits. It is very easy to be successful through video marketing. Before starting to film any videos, it is important to consider how to introduce the brand and product content in a way that may be attractive to consumers such as celebrities, unboxings, or How-to videos (where a product taught how to be used). After the videos are completed, all that is needed is to upload it to Facebook, YouTube, Twitter, blog, etc. (Carmen, 2017)

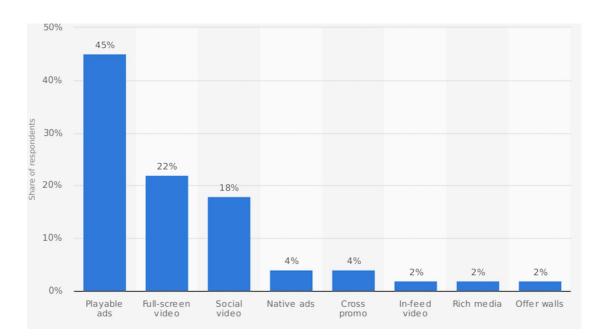


Figure 5: Most anticipated mobile ad types worldwide 2017

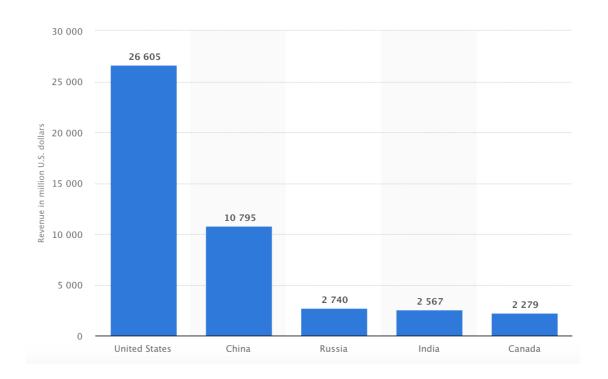
Source: (statisa, 2018)

## 3.7.6 Marketing on Social Media

Social media marketing is a very powerful communication and marketing tool to use the social media platform to expand product promotion, strengthen the publicity effect, and develop a larger base of customers. Chinese social media advertising revenue is second only to the United States, and its revenue is close \$10.8 billion. (See Figure 6) The reason why consumers may be more receptive to brand on social media is because social media users can quickly and conveniently through social media channels get information about the user experience of a product, information concerning discounts, enjoy entertainment content, or learn more about the brand. The content that is published on these channels contributes to brand market influence and helps to demonstrate brand personality.

Social commerce blends e-commerce and social media. It can be simply understood as online shopping and services with social media platforms, in which consumers are free to discuss the characteristics and uses of products (Turban et al 2017).

Figure 6: Social media advertising revenue in selected countries worldwide in 2018



Source: (statisa, 2018)

## 4. Case Study

The case study of the Alibaba Company allows to realize the different strengths, weaknesses, and important factors in this type of economy. An understanding of Alibaba will give companies a step up in the business world. Alibaba's use of promotion really drives and motivates customers to participating in the fast growing market of e-commerce.

Alibaba, a Chinese company, is an example of e-commerce success. The author compares the current situation of Alibaba and other e-commerce companies in China. As well as the analysis of Alibaba e-commerce marketing strategies, channels, and the advantages and disadvantages of its marketing is provided. Also the SWOT analysis, which shows the opportunities and threats that Alibaba will encounter in its development is discussed.

Taobao is a Chinese online shopping website, and is a subsidiary of Alibaba Group. According to Alexa, as of February 2018, Taobao has over 580 million monthly active users, it is the world biggest e-commerce website.

#### 4.1 Alibaba History

The Alibaba Group was founded in 1999 in Hangzhou, with 18 people headed by Jack Ma, before Alibaba.com was launched later that same year. Meanwhile, The Chinese Exchange Market was launched, which focuses on domestic wholesale trade (now called "1688").

In 2003, the shopping website Taobao.com was founded. Shortly afterwards, both Alipay and Aliwangwang (instant messenger on Taobao) were launched to complete the purchasing process in Taobao.

In 2008, Tmall was launched, as Alibaba ran both B2C and C2C platforms.

In 2010, the following three platforms were launched as part of Alibaba's increasing focus on mobile payment: Juhuasuan (a platform for C2B); AliExpress (a global consumer marketplace); and the Mobile Taobao app.

In 2013, Cainiao logistic was launched.

In 2015, Alibaba's revenue was 14.601 billion dollars, and net profit was 7.494 billion dollars.

#### 4.1.1 Services

Alibaba has perfect services including before sales service, purchasing service, and after sales service. Some of these support services include the offering of online business training for sellers, development of Alipay and Aliwangwang online payment and communication tools for better seller and buyer communication, and the reimbursement of any product with refunds completed within seven days.

Alibaba has launched a smart customer service Chatbot called as Dian Xiaomi for retailers. This application is designed to help merchants efficiently handle growing volumes of consumer enquiries. Retailers can customize the smart customer service Chatbot, powered by artificial intelligence, to suit their individual virtual-storefront operations. For example, merchants do not have enough staff to handle enquiries during rush hours in the daytime nor do they have any staff on duty in the evening. (Shukla, 2018)

#### 4.1.2 Unique Profit Model

Alibaba charges for services in marketing and technical support, and allowing sellers to register for free this contributes to a large and robust market share made up of loyal customers. The primary revenue came from advertising fees from Alibaba. The second source of revenue comes from customers for value-added services fees. Furthermore,

Alipay also began to collect technical service charge from business transaction that take place outside of Taobao. (Pavie & Luo, 2016)

#### 4.1.3 Help Small Business with Consumers

China has millions of small manufacture companies. Before the dawn of e-commerce, they had no way to reach customers at domestic market, but only export and retail their products to obtain low profits. Taobao, as a platform, linked these small businesses with numerous buyers around the country. (Pavie & Luo, 2016)

## 4.2 Amazon, eBay and Taobao in China

Chinese e-commerce market accounts for almost half of global e-commerce sales. Alibaba and JD.com have controlled more than 80% of Chinese e-commerce market. Amazon and eBay have important market shares in the world's major e-commerce markets, but this is not the case in China. Amazon's share of Chinese e-commerce market is less than 1 %.( see Figure 7)

Others: 6.7 %

Jumei.com: 0.5 %

Dangdang.com: 0.7 %

Amazon.cn: 0.8 %

Yhd.com: 1.1 %

Gome.com.cn: 1.2 %

Vip.com: 3.5 %

Suning.com: 4.3 %

Tmall: 56.5 %

Figure 7: Market share of B2C online retailers China

Source: (iResearch Global, 2017)

#### 4.2.1 Amazon

Amazon has no competitors in United States e-commerce, but its market share in China is less than 1%. In 2004, Amazon acquired Chinese largest online bookstore Joyo, and renamed it Amazon China. Amazon's use in China is basically aimed at the design and habits of US customers, and there are few adjustments to the local market. Amazon is defined in China as a more expensive platform, and Chinese customers are very price sensitive.

At the same time, Amazon competed directly with Alibaba in the two market of C2C and B2B Alibaba has clearly gained a dominant position on both battlefields. Perhaps Amazon should be dedicated to solving some of the consumer pain points of Chinese consumers. (Hossain, 2016)

#### 4.2.2 eBay

In 2003, eBay acquired Eachnet to enter the Chinese market, eBay directly used their business model in the Chinese e-commerce market, which was still underdeveloped. eBay is focused on auctions, while Chinese consumers prefer fixed prices.

Taobao provides a free basic service to the seller, while eBay collects the landing fee for the goods from the seller, this is why eBay lost in China. Chinese consumers always prefer free or low-cost services. (Carol, 2009)

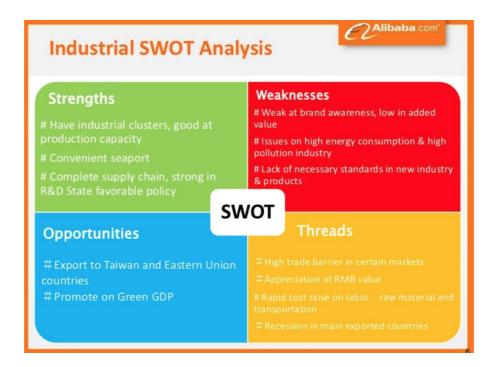
#### 4.2.3 Taobao

Taobao is Chinese popular online shopping and retail platform, with nearly 500 million registered users and more than 60 million fixed visitors every day. With the expansion of Taobao and the increase in the number of users, Taobao has also changed from a single C2C network market to a variety of e-commerce models including C2C, purchase of group, action etc.

# 4.3 SWOT Analysis of Alibaba

The author in this section analyzes the strengths, weaknesses, opportunities and threats of the Alibaba e-commerce group. These conclusions help to understand the many different factors that play a role in e-commerce trade, and evaluate how a company can evolve to overcome similar problems.

Figure 8: SWOT analysis



Source: (Alibaba Group 2013)

# 4.3.1 Strengths

Taobao chose fashionable young women and low-income people as target customers. This market positioning is more suitable for the Chinese market, also the reason for the rapid development of Taobao. eBay's choice is mostly international, male,

mature, high-income white-collar workers, it is one of the reasons why eBay failed in China.

#### 4.3.2 Weaknesses

The design of various functions of Taobao is aimed at the Chinese customer base. The development of Taobao in the early stage of its establishment has played an obvious role, attracting a large number of Chinese customers, but it also restricts the further development of Taobao. It is not conducive to the further development of overseas markets by Taobao.

#### 4.3.3 Opportunities

With the continuous development of technology, Chinese Internet has entered a period of rapid development. The growth trend of the online shopping market is obvious. The current number of online shopping users has reached 63.29 million, and 25.0% of netizens prefer online shopping.

Instant messaging (Aliwangwang) include chat record, transaction management and Alipay, which are capabilities to meet the needs of online transactions.

Alipay represents secure payment is the primary issue facing the development of e-commerce. Alibaba launched the "Alipay" service, which beneficially guaranteed the interests of online traders.

## 4.4.4 Threats

The survival of C2C websites depends on the stable number of sellers and the huge customer flow, new rivals that join the competition for e-commerce market share -such as JD, Suning and Dangdang. These and other major industries have also established their own online store to compete against Alibaba.

## 4.5. Analysis of Marketing Strategies and Channels of Alibaba

The Internet technology unceasing development and perfection, has caused the rapid development of e-commerce, Chinese enterprises are experiencing tremendous marketing changes. As marketers have to fully understand the marketing environment of huge changes, correctly and fully master the marketing strategy. Alibaba as a biggest e-commerce platform in China. Therefore, study of Alibaba's marketing strategy and channels, analysis of Alibaba's advantages and disadvantages in marketing.

#### 4.5.1 Price

Freeness is the best marketing strategy, the free consumption strategy is very much in line with the actual needs of Chinese customers. The freeway, which helped Taobao quickly occupy the market and expand the number of users. Has lowered the threshold for online transactions of Chinese consumers online, it also protects the interests of both parties to the online transaction. Meanwhile, it has cultivated the loyalty of users and trusted the service.

#### 4.5.2 Service and Customer Relationship Management

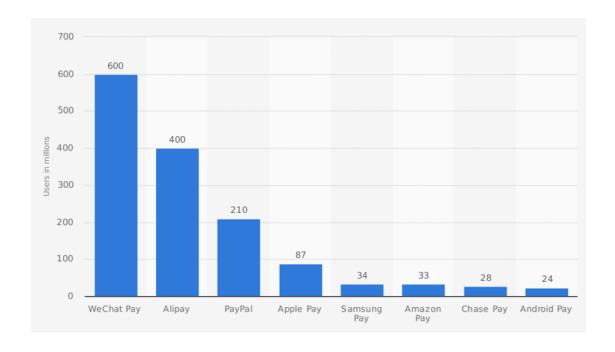
Patiently and friendly answering customer's questions, attitudes are friendly and helpful, They focus on after-sales service, timely record customer feedback, enhance customer interaction, and deepen customer impression. Use artificial intelligence service, the Chatbot will make a quick and automatic answer according to the questions the guests usually ask, and can respond to questions 24 hours a day. (Okaya, 2015)

Alibaba uses CRM management software to export customer's phone number or email address, periodically send greetings to customers or send the new product information to enhance brand influence. (Lee, 2015)

## 4.5.4 Secure Transactions

Alibaba has developed a payment tool called Alipay in China that has contributed to Alibaba's success. Alipay is an intermediary that provides online transactions for users. It basically solves the problem of honesty and payment in the development of e-commerce in China. Alipay has greatly enhanced online shopping security transactions. (See Figure 9) It has caused Chinese virtual payment trend and become the most popular online payment method. (Lu, 2015)

Figure 9: Number of users of selected global mobile payment platforms 2018 WeChat Pay and Alipay are only used in China



Source: (statisa, 2018)

## 4.5.3 Social Media and Communication

Effective communication can be said to be the magic weapon of e-commerce, and the characteristics of it is communication is customers for two way communication. Alibaba provides services such as establishing forums, blogs, and user groups at it is Alibaba website to offer a platform for customers to communicate and gather feedbacks according to their interest. Alibaba communication tool is Aliwangwang, its goal is to provide a real-time communication for trading parties, improve communication efficiency. (Sau-ling LAI, 2014)

# 4.5.5 Credit Rating System

After the Taobao members use the Alipay service to successfully complete each transaction on the personal trading platform, both parties have the right to make an evaluation of the other party's transaction. This evaluation is also called credit evaluation. (See Figure 9)

Seller credit history constitutes Credit Evaluation show favorable rate: 99.05% **Current Main** Last week Latest one month Past six months Dress shoes and bags Months ago 1452898 Favorable Average a Bad review comment total 30196 Credit: 1479270 (0) Dress shoes 29929 51 40 Industry: Fashion shoe bag 1452898 and bags Main share: 98.22% Non-Industry 267 0 0

Figure 10: Credit evaluation

Source: (Taobao, 2015)

• Evaluation points: divided into three categories favorable comment, average and bad review. Each evaluation corresponds to one point.

- Evaluation score: the calculation method of the evaluation points, "favorable comment" plus one point, "average" zero point, "bad review" deduct one point.
- Credit: The member's evaluation points are accumulated for each sale, and the evaluation points are displayed on the website. These points can be used as a reference of the member's reliability by the customers.

Taobao's rating system is a good measure of a seller's trustworthiness. It is a sincere success to protect the interests of buyers and supervise sellers' integrity transactions. Shop violations, refunds for disputes, and penalties will be fully disclosed on the evaluation page, making the security of the transaction much greater.

## 4.5.6 Promotion

Offering promotions on products is a good way to attract buyers and generate excitement about the product. The most effective promotions offered are showcased by Taobao which increases the probability of being seen by the customer. It is a good idea to promote around popular holidays and provide free shipping. Below are some practices used.

• Double eleven shopping carnival: It refers to the online promotion day of November 11th each year. It originated from the online promotion held by Taobao on November 11, 2009. At that time, the number of participating companies and promotion efforts were limited, but the turnover exceeded the expected effect. Then, November 11, became a fixed date for Taobao to hold a large scale promotion. Double eleven has become an annual event in Chinese e-commerce industry and has gradually affected the China e-commerce industry. Alibaba has proven to have a great success and has shown large increase on sales in previous years, making the double eleven shopping carnival a consumer shopping habit.(see Figure 10)

Sales (\$bn) 14.3 5.8 3.06 0.82 0.05 0.14 

Figure 11: The rise of sales per billion dollars for double eleven shopping carnival

**Source:** (BBC, 2017)

- Price promotion: Discount sales directly benefit consumers, so that customers feel the benefits directly, so it is the most commonly used stage promotion.
- Free shipping: In online shopping, postage has always been a major concern for consumers, which will directly affect consumers' desire to buy. Chinese consumers are very price sensitive and are not used to attaching other fees to online shopping. Free shipping allows consumers to psychologically feel that online shopping is like shopping at the supermarket.
- Holiday: People tend to have more buying potential and impulses during the holiday.
   Choosing a discount or giving a gift at this time will attract more people to come to buy. Although it may cause a drop in profits, the sales volume and the total sales revenue will increase.

• Brand alliance: For two brands with similar products and similar prices, competition is inevitable. Alibaba has connected their relationship. For example, if one buys shorts in some store (Store A) and buy a pair of shorts in another store (Store B), they can enjoy free shipping or discounts. This is all thanks to Alibaba's effort on helping different companies to work together, or create a brand alliance. (Alan, 2017)

### 4.5.7 Globalization

Alibaba has accelerated its process of globalization since the year 2014 when they started to sell in New York, USA. Alibaba has localized the e-trade services by developing websites that locate to different languages and modify their design and layouts, which suits the local cultural in overseas. Alibaba's global market relies mainly on Russia, Brazil, India and other developing countries. The reason for the slow development in the European and American markets is that Amazon and eBay are the two most popular e-commerce companies in Europe and America. (UKessays, 2014)

# 4.5.8 Advantages and Disadvantages

The author analyzes Alibaba's marketing strategies and channels and finds out the advantages and disadvantages of e-commerce marketing. These advantages and disadvantages can enable Alibaba to better understand its marketing performance, and effectively improve its own strategies and channels to adapt to the very quick changes constantly occurring in e-commerce marketing.

Advantages: Alibaba has large scale of consumers and sellers in China. Alibaba may customize the market to provide more personalization services based on different demands so that it can meet customers' needs more effectively. Alibaba provides quality services at reasonable prices through various commercial marketing channels and promotions, which have attracted a large base of consumers in China.

Technological innovation is Alibaba's biggest advantage, especially in transaction reliability and security.

Disadvantages: Since Alibaba's business and marketing model is easy to replicate, this provides a sample for other competitors to enter the e-commerce industry. Alibaba's consumption logic and behavior are only suitable for Chinese or Asian consumers, so the major revenue comes mainly from consumers in China. Alibaba has been trying to make its way internationally but the powerhouses Amazon and eBay have too much control of the market. The sale of a large number of counterfeit goods also prevents the growth of Alibaba.

## 5. Results and Recommendations

The author in this section presents the results and recommendations that have been discovered throughout the development of the thesis. The goal is to provide quality conclusions and information that will help to increase the readers understanding of this topic.

## 5.1 Results

In general, Alibaba has adopted more efficient marketing strategies and channels, which have given it a large market share in a short period of time. Since eBay and Amazon do not understand the shopping psychology and behavior of Chinese consumers, they have employed the wrong marketing strategies. They have lost out to Alibaba in China. Alibaba has the advantage of large scale of consumers and sellers. Alibaba may segment its market to provide more personalized services based on different demands so that it can meet customers' requirements more effectively. The foundation of e-commerce is the network, and the foundation of the network is the development of information technology. Companies with innovative technologies are bound to succeed in a highly competitive environment. Alibaba has two core technologies, Alipay and Aliwangwang, which are also the main directions for future development. With the help of the Chinese population, Alibaba has attracted a large number of consumers, but the issue of integrity has caused contention for consumers. Even if Alibaba has a perfect evaluation and customer service system, there are still various violations of the legitimate rights and interests of consumers, and a large number of counterfeit goods are sold through Taobao.

E-mail marketing is one of the least important marketing channels for Alibaba. Firstly, Chinese consumers do not have the habit of checking e-mail every day. Various online real-time communication tools have superseded the use of e-mail. Secondly, Alibaba has its own real-time online communication tools, which make it easier to communicate with customers.

## 5.2 Recommendations

In this section, the author provides recommendations on marketing strategy and channels for e-commerce. The author discusses what has worked well in the past and compare this with the various ideas that have not had as much success. The goal of this section is to provide the reader with adequate information to be educated in the world of e-commerce marketing.

# 5.2.1 The Security of Electronic Payments

Many consumers have deep concerns about online shopping and payment. Electronic payment and network security are the focus of attention. Since the payment system is not perfect, it is easy for the payment information of both parties to leak. In order to prevent illegal behavior, the security of online payment needs to be strengthened. Alibaba might:

- Combine technology and management, and improve security in technology.
- Continuously upgrade the electronic payment system and update with the latest technology.
- Improve the online payment related laws and strictly implement them.

# **5.2.2 Personalized Promotion**

Marketers create personalized promotions through the website. The website can be personalized to display customized web pages for individual users, including providing personalized and customized products or services. The improvements can include:

- Profile customers based on browsing and purchase history.
- Combine customer information data and history to identify the next possible purchase.
- Track customer buying preferences and make appropriate discount strategies.
- Analyze customer purchase data, send specific coupons to customers via online channels.

## 5.2.3 Coupons

Provide coupons specifically related to customers based on their online shopping habits. Most of the coupons are delivered via email, which makes it very easy for the customer to use by entering the coupon number into the online form when placing an order. There are some conditions and suggestions related to the coupons:

- Conditions include requiring a minimum total order, or requiring a minimum number of products in the order.
- Send coupons to customers at specific times, such as birthdays, Valentine's Day,
   Public holidays etc.
- Newly registered users can get a coupon for free.

# **5.2.4 Sell Using Social Networking Platforms**

The development of social media in recent years is beyond the imagination of many people, and therefore social media platforms should be used to promote and sell. Social media influence marketing and change people's lifestyles. While social media platforms can be used to directly promote products and deals, social selling is not about putting

the selling first. Social media is a place to genuinely interact with consumers and provide valuable feedback about brand, products, and industry. A complete social commerce includes direct sales through networks, as well as having customers share products and recent purchases with friends and followers. In the future, social media platforms are likely to become the main platform for e-commerce sales. Using Facebook and Instagram would improve sales because they are the most popular and effective social platform to manage the marketing communication.

# 5.2.5 Improve the Quality of Service

Quality service is an essential element of a successful e-commerce business. Many companies are perfecting their service systems, and poor service will reduce the consumer loyalty experience. The following is a list of ways to improve service efficiency:

- Cultivate the habit of soliciting feedback. Although feedback is not always positive, it will always help the company. It is extremely important to understand the customer's ideas
- In order to avoid disputes, it is best to explain all information of the order in as much detail as possible, to provide a return policy, warranty terms, and other details that will enhance the customer's shopping experience.
- Communicate regularly with customers to investigate their satisfaction with the product or service and improve the product or service based on the data.
- Look for possibilities to improve the product and service. Analyze each new technical development and consider how they cloud help improve the customers service.

# **5.2.6** Marketing Mix

A single marketing strategy will not succeed in the fiercely competitive industry. Rather, a mixture of marketing techniques is required. Consider the content plus video plus affiliate plus social media might represent a suitable solution, for example, content marketing can be produced as a video and uploaded to Facebook, Instagram, and YouTube etc, the most popular social media platforms.

# 6. Conclusion

To conclude, marketing strategy and channels are significantly important for many companies. Every company has to design their marketing strategies and channels carefully in order to start their business. E-commerce changes people's shopping behavior, affects marketing, and requires constant upgrades and new strategies and channels to meet the needs of the e-commerce market. Generally, location and hours of operation prove to be limitations of physical stores. Conversely, e-commerce is accessible 24 hours a day and from any area with Internet access.

The theoretical background of this thesis examines different marketing strategies and channels, especially those strategies and channels that can greatly satisfy the needs of consumers. The Internet is a big part of most people's lives. Incorporating the Internet into the marketing strategies helps companies keep in touch with the trend. Additionally, in the age of smartphones, e-commerce acquires even more advantages, such as communicating and shopping with mobile devices anytime, anywhere. Mobile commerce will become the main sales platform for e-commerce sales in the next few years. E-commerce provides free online help to improve the quality of customer service, while also providing personalized and customized products to meet their needs.

The case study analyses Alibaba's marketing strategies and channels. Alibaba adopts scientific and effective marketing strategies in its development process to cope with the current, fierce market competition. According to the SWOT analysis, although there are some shortcomings will have a negative impact on the future development of Alibaba, the advantages are still greater than the disadvantages.

Both customers and enterprises benefit from e-business. Enterprises can reduce costs, improve product quality, have a large customer base, and provide high-quality services to customers. However, the benefits are achieved not only by marketing strategy, but by combining strategy, technology, organization, people and business processes.

# 7. Bibliography

Alan, M 2017, 'China's Singles Days Is a Shopping Extravaganza Heard', *Time*, vol.190, no.22, p22, ISSN 0040-781X.

Bali, V 2018, *This is what you need to know about China's e-commerce explosion*. Available from: <a href="https://www.weforum.org/agenda/2018/01/china-ecommerce-what-we-can-learn/">https://www.weforum.org/agenda/2018/01/china-ecommerce-what-we-can-learn/</a>. [31 January 2018]

Cockyayne, D 2016, 'Redefining B2B relationship marketing: Insight from postmodern Alibaba', *Journal of Customer Behavior*, vol.5, no.1, p49-66ISSN 1475-3928.

Carmen, CS 2017, 'Online Video marketing Strategies - Typology by Business', *Communication & Society*, vol.30, no.1, p17-38, ISSN 0214-0039.

Carol, X & Davison, RM, 'Why eBay Lost to Taobao in China: The Global Advantage', *Communication of the ACM*, vol.52, no.1, p145-148, ISSN 0001-0782.

Elise, H 2016, 'Attract and retain client using E- mail marketing', *GPSolo*, vol.33. no.6, p22-25, ISSN 1520-331X.

Frank, B 2002, *International marketing strategy*, Prentice Hall, London.

Goy, A & Ardissono, L & Petrone, G 2007, Personalization in E-commerce Applications', in *Brusilovsky P., Kobsa A., Nejdl W. (eds) The Adaptive Web*, pp 487-495. Springer, Berlin, Heidelberg.

Hossain, R 2016, *China's Great Wall: The Failure of Amazon*. Available from: <a href="https://themarketmogul.com/chinas-great-wall-the-failure-of-amazon/">https://themarketmogul.com/chinas-great-wall-the-failure-of-amazon/</a>. [28 August 2016]

Kotler, P & Armstrong, G 2012, *Principles of marketing*, Person / Prentice Hall, Boston.

Lucie, K 2010, 'Customer service - a part of market orientation', *Economics Management*, vol.4, no.3, p562-565, ISSN 1822-6515.

Lin, P 2015, 'The State of Content Marketing', *Econtent*, vol.38, no.1, p16-17, ISSN 1525-2531.

Lee, E 2015, *Alibaba From A New Angle: Big Data CRM*. Available from: <a href="https://seekingalpha.com/article/3325325-alibaba-from-a-new-angle-big-data-crm">https://seekingalpha.com/article/3325325-alibaba-from-a-new-angle-big-data-crm</a>. [14 July 2015]

Lu, RC 2015, 'Mobile Payment Change Lives', *China Today*, vol.64, no.5, p46-47, ISSN 1003-0905.

Lynn, GJ & Robert, R & Narita, A & Sara, B & Cliff, R 2014, 'Adoption of Mobile Payment Technologies by Consumers', *Family & Consumer Sciences Research Journal*, vol. 42, no. 4, p358-368, ISSN 1077-727X.

Martin 2016, *Innovation Marketing*. Available from: <a href="https://www.cleverism.com/lexicon/innovation-marketing-definition/">https://www.cleverism.com/lexicon/innovation-marketing-definition/</a>. [06 August 2016]

Mohapatra, S 2012, 'Dell: An Evolutionary E-commerce', in *E-commerce Strategy: Text and Cases*, pp. 6-8. Springer, New York.

Okaya 2015, CUSTOMERS-FIRST PHILOSOPHY: SUCCESS OF E-COMMERCE GIANT ALIBABA. Available from: <a href="https://consumervaluecreation.com/tag/customer-relationship-management/">https://consumervaluecreation.com/tag/customer-relationship-management/</a>. [3 May 2015]

Pavie, X & Luo, Y 2016, *The seven reasons for Alibaba's success*. Available from: <a href="https://www.digitalnewsasia.com/insights/seven-reasons-alibaba-success">https://www.digitalnewsasia.com/insights/seven-reasons-alibaba-success</a>. [04 August 2016]

Spencer, S 2016, 'How search engine optimization can bring clients to your website', *GPSolo*, vol.33, no.6, p34-37, ISSN 1520-331X.

Sam, DR 2017, 'Companies Are Content With Content Marketing: Revenue growth is being driven by efforts to engage with increasing hard - to - reach audiences', *CRM magazine*, vol.21, no.10. p21, ISSN 1529-8728.

Shukla, A 2017, *Alibaba launches customer service chatbot*. Available from: <a href="https://www.mis-asia.com/resource/emerging-technology/alibaba-launches-customer-service-chatbot/">https://www.mis-asia.com/resource/emerging-technology/alibaba-launches-customer-service-chatbot/</a>. [07 April 2017]

Sau-ling LAI, L 2010, Chinese Entrepreneurship in the Internet Age: Lessons from Alibaba. Available from: <a href="http://waset.org/publications/15135/">http://waset.org/publications/15135/</a>.

Turban, E & King, D 2003, *Introduction to e-commerce*, Prentice Hall, Upper Saddle River.

Turban, E & King, D & Whiteside, J & Outland, J 2017, 'Social shopping: Concepts, Benefit, and Model', in *Social Commerce: Foundations Social Marketing and Advertising*, pp 208-210. Springer, Cham.

UKessays 2014, *The Alibaba Group Company Analysis*. Available from: <a href="https://www.ukessays.com/essays/marketing/the-alibaba-group-company-analysis-marketing-essay.php?cref=1">https://www.ukessays.com/essays/marketing/the-alibaba-group-company-analysis-marketing-essay.php?cref=1</a>. [23 March 2015]

UKessays 2014, *The Alibaba Group Company Analysis*. Available from: <a href="https://www.ukessays.com/essays/marketing/the-alibaba-group-company-analysis-marketing-essay.php?cref=1">https://www.ukessays.com/essays/marketing/the-alibaba-group-company-analysis-marketing-essay.php?cref=1</a>. [23 March 2015]

# Declaration: I declare I wrote the "E-commerce Marketing Strategy and Channels " myself, using only the listed bibliography. In Hradec Králové,

Date:

Signature:

Univerzita Hradec Králové

Faculty of Informatics and Management

Academic Year: 2018/2019

Thesis field of study: Information Systems Management

Study Programme: Systems Engineering and Informatics

Form: Full-time

Branch/comb.: Informační management (im3-p-an)

## Document for registration BACHELOR STUDENT'S THESIS

Submits:	ADDRESS	PERSONAL NUMBER
Bin Ma	Baijin Renmin Road 179-2-4, x	I14856

#### THESIS TITLE IN CZECH:

Marketingová strategie a kanály E-Commerce: Případová studie Alibaba Group.

#### THESIS TITLE IN ENGLISH:

E-Commerce Marketing Strategy and Channels: Alibaba Group Case Study.

#### SUPERVISOR:

doc. Ing. Hana Mohelská, Ph.D. - KM

#### THESIS CONTENT:

- 1. Introduction
- 2. Objectives and Research Methodology
- 3. Theoretical Background
- 4. Case Study
- 5. Results and Recommendations
- 6. Conclusion
- 7. Bibliography

#### LITERATURE:

- 1. Alibaba Group Holding Limited 2015, SWOT analysis. Available from: EBSCOhost.
- 2. Cockayne, D 2016, 'Redefining B2B relationship marketing: Insight from postmodern Alibaba', *Journal of Customer Behaviour*, vol. 15, no. 1, p49-66. Available from: EBSCOhost.
- 3. Efram, D & David, RK 2003, Introduction to e-commerce, Prentice Hall, Upper Saddle River.
- 4. Frank, B 2002, International marketing strategy, Prentice Hall, London.
- 5. Jingqiao, Z 2017, 'Study on China's E-Commerce Service Industry: Current Situation, Problems and Prospects', *Chinese Economy*, vol. 50, no. 2, p119-127. Available from: EBSCOhost.
- 6. Mazzarol, T 2015, 'SMEs engagement with e-commerce, e-business and e-marketing', *Small Enterprise Research*, vol. 22, no. 1, p79-90. Available from: EBSCOhost.
- 7. Philip, K & Gary, A 2012, Principles of Marketing, Pearson / Prentice Hall, Boston.
- 8. Xiaojuanou, C & Davison, RM 2009, 'Why eBay Lost to TaoBao in China: The Global Advantage', *Communications of the ACM*, vol. 52 no. 1, p145-148. Available from: EBSCOhost.

Student's signature:	Date: 5.4.20
Supervisor's signature: My	Date: J. 4. 20