

The Research of the Each Other Support between Online Sales and Offline Store based on the Marketing Mix

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Abstract. Online and Offline are essentially put the goods into the hands of the user. In the Internet environment, all enterprises have the motive to establish of the online channel. Physical channels and online channel how to achieve harmonious coexistence and mutual promoting is the focus. Marketing mix is the essence of the traditional marketing theory summary, in this paper, based on the current research online integration development theory and marketing mix, analyzes the sales model with 4P, and 3R theory for service industry, and through the comprehensive research of typical cases, summed up on the basis of the marketing mix of mutual fusion and support online sales model, have certain guiding significance for small and medium enterprises.

Keywords: Marketing mix; Online sales; Offline sales; OTO; Sale model.

1. Introduction

The radiation scope of traditional large retail business entity shop is limited, customers have a natural boundary, and the Internet is scope economy. In Tmall online, one store can cover the whole China, the radiation scope is enlarged unlimitedly. According to the survey of Chinese general chamber of commerce, China's online shopping deals about more than 5000 one hundred million RMB in 2010, accounting for 15% of the world's the size of online shopping, online shopping market in China is changing the traditional production organization form and management pattern, and huge development space is huge.

At present, almost no enterprise is impacted by the electronic commerce, physical channels and online channel under the competition and cooperation will be the norm of the era of network economy. Studies have shown that both suppliers and entity channel retailer, there are establish the motive of the online channel. Online sale's advantage is reducing customer costs, and entity shop in the brand accumulation, experiential service, goods distribution, return and after-sales service has obvious advantages. This article from the perspective of marketing mix, the research on the Internet and the era of big data, electricity and the entity retail enterprises how to transform the development, mutual complement each other, and achieve good fusion and support.

2. Research on Online and Offline Integration Development

Online e-commerce and offline entities, in essence, are deliver goods to users. However, the circulation costs of different types of products are different. Offline physical stores, especially retailers of long-tail products, cannot continue to maintain their original advantages. Despite the rapid development of online enterprises, in the field of FMCG, in the face of mature physical retail business, its operating efficiency is difficult to surpass. Online and offline support each other to achieve substantial development. Integrating the existing research results, the fusion theory is as follows.

(I) the main mode of online and offline integrated development of retail industry

According to the representative online and offline integration enterprises, the main development modes can be summarized into five types:

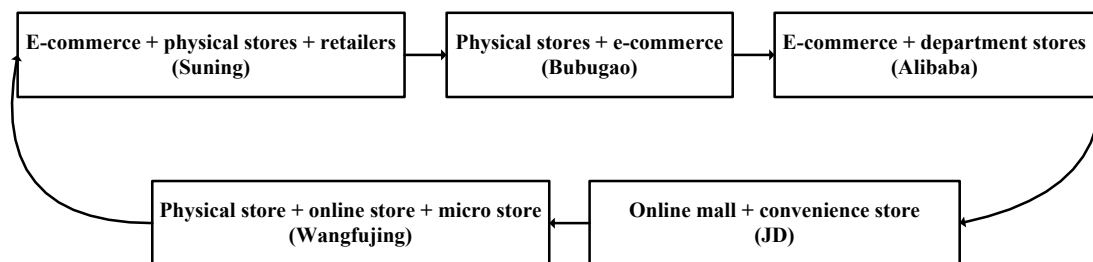


Figure 1. The main retail site OTO

(ii) The new retail formats of FMCG and long-tail products

This new retail format combines online and offline strengths. Offline physical stores become a functional department of online retail.

a. Offline stores become online warehouses

In high-efficiency areas with dense population, centralized distribution can reduce costs and improve turnover rate. Therefore, users can order FMCG online, and deliver goods from stores when the goods are available. The logistics cost is lower and the delivery speed is faster.

b. Offline stores become online experience stores

For goods that are difficult to grasp and need to be experienced in the department's inventory, the store only displays them. After the user makes a reservation, they wait for delivery. Online promotion, booking and store experience can reduce inventory.

(iii) Product line segmentation

Based on the difference of online and offline consumption value orientation, retail product lines are segmented. Products suitable for online customers are mainly online marketing, while products suitable for offline customers are mainly sold in offline physical stores. Consumer products, such as group purchase meal vouchers, support online booking and offline consumption. For service products, online payment and offline experience are supported.

On the whole, the existing research on online and offline integration is fragmented and lack of systemic.

3. Online Sales and Physical Stores based on the Marketing Mix Support

McKinsey's 4P is known as the traditional marketing portfolio, concise and easy to remember, logical, is the most commonly used portfolio classification.

4P mainly refers to the marketing mix for tangible products, without considering the particularity of service products. The 3R marketing mix proposed in the 1990s is specifically targeted at the research results of the service industry, so the following will focus on the combination of 4P and 3R to analyze the sales model supported by online sales and physical store services.

(I) research on supporting sales model centering on 4P

Not all enterprises are suitable for e-commerce model, in general, if the brand target customers overlap with Internet users more, it is more suitable for e-commerce model.

Product development and management is the seed for enterprise marketing, is the key to the success of business activities. This paper focuses on the side of products and classifies products according to online and offline emphases and advantages and disadvantages. It is mainly divided into large commodities highlighting core products, large commodities highlighting additional services, fast moving consumer goods and service commodities. The first category highlights the core value of a product, such as a refrigerator. The second category of goods needs to focus on the

core value of the product, but also needs to highlight additional services, such as ventilators. The third category of goods is FMCG, which refers to those consumer goods with short service life and fast consumption speed, such as goods sold in convenience stores. The fourth category is service goods, an intangible product that cannot be seen, tasted, touched or heard before being purchased, but is produced and consumed at the same time, such as real estate agents, car rental and beauty.

Table 1. Integrated 4P online and offline sales mode based on product classification

Serial number	Products	Typical products	Distribution	Promotion	Price
1	Big-ticket items (highlight core values)	Refrigerator	Main online Secondary offline	Emphasize the network promotion means, such as home appliances to the countryside, pre-sale, Tmall double eleven	Model differentiation price, shop price for goods unified
2	Big-ticket items (highlight additional service)	Breathing machine	OTO	Physical store traditional promotion, experience marketing	Same price
3	Fast moving consumer goods	Bread	Main offline Secondary online	Big brand online merchants, online purchase, physical delivery	Online payment discount, physical store consumer price slightly higher
4	Service product	Car rent	Online pay, Offline consume	Emphasis on the network promotion as the main means of all-round promotion, physical stores only as inventory and distribution center	Adopt the dynamic pricing according to local conditions and different seasons

Price is the only factor in the marketing mix that can generate revenue. All other factors represent costs. Pricing should emphasize consumer value orientation rather than cost orientation. Here, we put aside the traditional pricing factors and pricing methods, but to the Internet and online and offline harmonious coexistence as a starting point, pricing considerations. For large items that highlight the core value of the product, the price should be the same as that of offline physical stores. However, for online sales of exclusive models, such as products exclusively supplied by jingdong, the price does not affect the manufacturer, so dynamic pricing can be carried out by referring to the product value. This pricing method can ensure that the relationship between online sellers and suppliers tends to be in a positive cycle. The second category of goods shall calculate the cost of production, circulation, sales and after-sales services for a series of products and services, and price them according to the total cost, especially the service cost. The third kind of commodity adopts the cost-plus or the competitor pricing method. The price fluctuation range of the fourth category of commodities is relatively large, which is usually related to factors such as location and season. Therefore, it is not appropriate to make the network pricing too transparent. Unless participating in group purchase or group consumption, the field pricing should be adapted to local conditions with certain flexibility.

Place is the third tool in the marketing mix. Most enterprises rely on its entire distribution channel rather than a single enterprise to bring value to consumers. How can an enterprise complement the advantages of its online sales and physical stores and bring products to customers with the highest efficiency and lowest cost? Here for the four categories of goods, respectively put forward Suggestions for enterprise channel design.

Promotion under the framework of integrated marketing communication, it is ideal that the enterprise will carefully coordinate all Promotion means so that the publicity of the company and its products can be convincing, clear and consistent.

(ii) research on 3r-centered supporting sales model

3R is a marketing mix proposed for the service industry, because customer loyalty has a greater impact on enterprise performance in the service industry than in the manufacturing industry. By building good relationships to retain customers, loyal customers are more willing to buy other products and services of the enterprise, and are willing to recommend the products and services of the enterprise to the people around them. Based on 3R, this paper puts forward the following Suggestions for online sales and physical stores to support each other in sales mode.

Kotler once proposed profit of service chain for service marketing, pointing out that successful companies focus on both customers and employees. A chain links a company's profits to the satisfaction of its employees and customers. Service has the characteristics of invisibility, indivisibility, variability and vanishing.

We can divide real-world service products into two categories. The first category is scattered small and medium-sized service providers, and the second category is large service providers with brand appeal. Due to the difference in brand concentration and influence, the two types of service products need to adopt differentiated online and offline integration.

Small and medium-sized service providers, as some of the relatively scattered housing, food and beverage, personal care, electrical appliances, daily necessities, such as service providers, in the early start-up for relying on large-scale professional electrical company, online promotion and pay, once after a fixed consumer groups, can further use derivative or mobile SMS transmission methods such as promotion. The steps of online and offline integration are as follows:

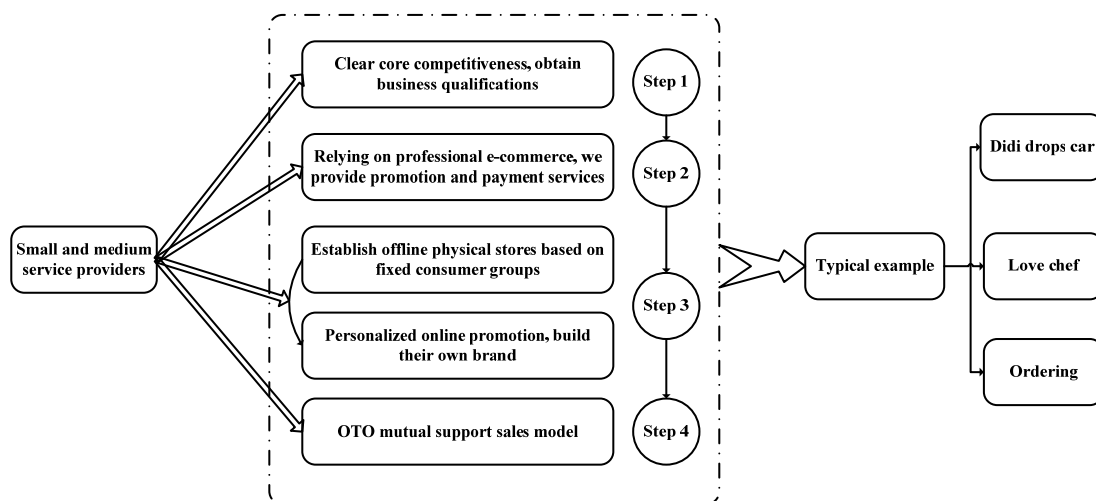


Figure 2. Small and medium-sized service providers OTO support integration mode

For example, many domestic electronic sphygmomanometer manufacturers relying on JD sales, such as Yuyue, Jiuan, Fuhai, climbing and other brands, are small service product suppliers. Meanwhile, some small restaurants rely on group-buying websites such as Dianping, Meituan and Baidu Nuomi for promotion and payment. There are also a number of new O2O start-ups developed in the era of "lazy economy", such as "Ordering", which integrates traditional Chinese medicine resources and provides offline medical therapy services to users. It has signed up hundreds of traditional Chinese medicine physiotherapy technicians, abandoned traditional offline shops and saved intermediate costs. Users can order through the app and make an appointment with a physical therapist to provide door-to-door services. For the sake of security, there are many group services, such as Baidu, Netease company and so on. "Love chef" based on geographical positioning, to provide users with on-site cooking chef services. Users only need to place orders online through the client to enjoy on-site chef service.

Large service providers can establish their own online and offline integration system. Establish brand awareness offline, rely on offline loyal customer consumption habits and consumption trends, online business expansion. On the one hand, we can rely on professional e-commerce for product reservation and channel development, and we can also use dedicated models. On the one hand, we can establish online sales platform by ourselves, carry out mobile phone reservation and payment for old customers, and improve online ordering methods.

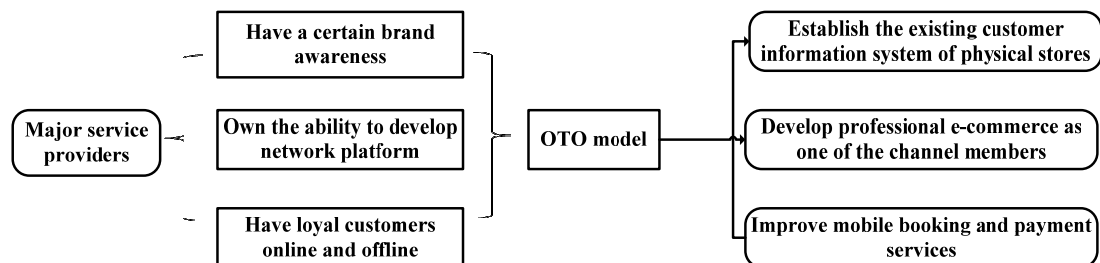


Figure 3. Large service providers OTO support integration mode

Typical examples are haidilao in the catering industry and haier in the electrical industry. Haidilao carries out public promotion and payment through diandian of dianping, Meituan and taobao, and also launches its own mobile app, which can realize the two main businesses of "ordering food" and "delivering food to your door". It can directly order food, and the physical stores can finally complete the order after the phone return visit and confirmation. Haier electric appliances first chose JD as its largest online distributor, and then established an online haier mall with offline stores. It also cooperated with Gome suning and other electrical appliance malls to provide customers with a variety of choices.

In this way, both small and medium-sized service providers and large service providers can fully grasp online and offline customers, cater to the consumption habits of different customer groups, and retain new and old customers to the greatest extent. At the same time, as the online business continues to mature, some offline traditional stores will be banned, and intermediate costs such as stores and manpower will be saved to reduce costs. From the perspective of flexibility and cost accounting of online and offline cooperation, the integration and support of online and offline can help small and medium-sized enterprises more. In particular, some start-up companies can quickly succeed and copy the online and offline sales model, benefit the majority of entrepreneurs and promote the rapid development of domestic business.

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