



Market Analysis of Alibaba's Marketing Strategies in Different Perspectives

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Abstract. This research investigates the marketing strategies used by Alibaba Group from different perspectives in the domestic market, with the introduction of the recent situation of the company now, it includes a complete business ecosystem that integrates e-commerce platforms, supporting local life services, health care, etc., and includes pan entertainment businesses such as games, videos, music, and intelligent terminal businesses. These will show the reason for the success of Alibaba Group. Online research with thesis and research was done with 6 reliable resources that the text is based on objective, existing facts. The outcome demonstrates the marketing tactics employed by Alibaba Group in various market scenarios, and their success was attributed to both internal and external marketing tactics.

Keywords: Marketing Strategies, Alibaba group, Market Analysis Domestic economic.

1 Introduction

From different perspectives, companies will usually use different marketing strategies to promote their sales. On this basis, this paper will focus on the Alibaba Group to analyze the change in their marketing strategies from different perspectives, and how these strategies influenced and catered to the market. The paper will gather the information mainly from online research, specifically, it is divided into research and thesis. The purpose of this writing is to observe the different effects of each marketing strategy that Alibaba Group used, and how the effectiveness will cater to the market in the period specified. Furthermore, the research will not only apply to Alibaba but also the use of marketing strategies so the audience can use this information to apply them in all the areas of the market.

2 Analysis

Alibaba Group is a company founded in Hangzhou, Zhejiang Province in 1999 by 18 founders led by Ma Yun. It operates several businesses. In addition, it also obtains support from the business and services of affiliated companies in the business ecosystem.

Businesses and businesses of affiliated companies include Taobao, small, just-effective, global express, Alibaba international trading market, 1688, Alibaba mother, Alibaba cloud, Ant Group, Rookie Network, etc. In recent years, Alibaba Group had created more than 30 billion RMB for 5 consecutive years, with a new peak of 171.9 billion in 2019.

SWOT ANALYSIS



Fig. 1. The SWOT analysis

2.1 The external factors in marketing

A company will use different marketing strategies in a different market environment. Usually, there are five different market environments, which are political, legal, economic, technical, and market competition environment. Each of them specifically refers to:

Political environment.

Political environment refers to the external political situation, situation, and system faced by enterprises, which is divided into the domestic political environment and international political environment. In this case, Alibaba had done once on political activity, which is mainly changing the company's tendencies when they are facing customers, especially on the set of values of the young staff. The beginning of this activity is due to the conversation between Jacky Ma and a grass-root employee, and asking if the set of values is necessary for Alibaba or not. In the domestic market, the values and other factors that more show on the psychological aspect will usually go against the political environment. In recent years, Alibaba had also unemployed some staff due to the unlicensed promised rebates, even though this didn't bring losses to the company,

just try to guide a correct set of values to the company. Therefore, to reduce the risk of this case, the movement had taken action immediately including meetings, training, and speech to all employees.

Legal environment.

Enterprises must abide by various laws, decrees, rules, and regulations in their market business activities. For Alibaba, the most threatening part that will lead to illegal behavior is the firms on Tianmao. This is the most economic source for the company, if it is unable to continue to make profits due to its violation of the law, the losses to Alibaba are unacceptable. So Alibaba used a lot of workforce in this area to ensure that all the firms have a legal channel, background, and products.

Economic environment.

Economic environment refers to the socio-economic conditions, operation status, development trend, industrial structure, transportation, resources, and other conditions faced by enterprises. The economic environment is an important factor restricting the survival and development of enterprises. Alibaba to keep its economic scales in the best environment, the decision meeting always takes in the first place no matter if there are any actions or not. This allows Alibaba to maximize its profit and its economy of scale.

Technical environment.

With the development of science and technology, the market life cycle of commodities is rapidly shortened, and the growth of production depends more and more on the progress of science and technology. In this case, Alibaba has a subsidiary that just focuses on the technologies which allow them to follow up or even exceed the technical development in the domestic market. Therefore, the technical environment for Alibaba, contributed by its subsidiary, Alibaba had never been kicked out of the market life cycle since 2006, which is the establishment time of the subsidiary [1].

Market competition environment.

The purpose of investigating the competitive environment is to understand the market situation and market competition intensity, and formulate the correct competitive strategy according to the advantages of the enterprise. Through a competitive environment survey. In the domestic market, a company never lacks competitors. In this case, use the example of Tianmao, its competitors are other e-commerce institutions such as JD, and Taobao even though Taobao and Tianmao are both subsidiaries of Alibaba. Their competition mostly on the discount activities every year. JD has their 618, a discount activity on June 18th due to it is the establishment time of JD, same as Tianmao that used their establishment time to organize a discount activity on November 11th, called double eleven. Even though these activities are used by all e-commerce institutions but the behavior can be defined as market competition. These competitions increase the profit of the company, every year in 618 and double eleven will have an income of more than a hundred billion in recent years [2].

2.2 Internal strategies in Alibaba Group

2.2.1. technological changes.

Other than external strategies, internal strategies were also used in Alibaba Group. The company has delegated power to the marketing manager, which improves the flexibility to adapt to change. The senior management creates a good atmosphere of innovation, responsiveness, and openness. The strategy of the authorized marketing manager is very effective. It ensures the development of personal values and interpersonal relationships [3,6]. This situation encourages them to actively participate in other stakeholder companies. The goal of empowering marketing managers is to support innovative practices in the organization. The company will also investigate its current status in terms of technological change. With the emergence of network marketing, many commercial organizations have adopted network marketing, and the management cannot relax to keep up with the latest network marketing practice. Alibaba's management suggested training its information technology (ITC) department to keep up with the pace of technological progress. This responsibility is critical to making the company technically competitive. The strategic role of top management is to provide IT managers with the necessary support to ensure the timely implementation of plans synchronized with technological changes.

2.2.2. SWOT analysis.

The basic analysis of Alibaba Group, in general, could be done with SWOT analytical method. The SWOT analysis refers to a specific analytical theory of a business, that is, the situation analysis based on the internal and external competitive environment and competitive conditions. Each letter presents a situation, which is the Strength, Weakness, Opportunities, and Threat. The researcher lists the main internal strengths, weaknesses, external opportunities, and threats closely related to the research object through investigation and arranges them in matrix form. Then, the researcher uses the idea of system analysis to match and analyze various factors and draws a series of corresponding conclusions. The conclusions are usually decision-making.

SO strategy: Actively expand the B2B market domestically and speed up the internationalization process according to local conditions; Strengthen marketing efforts, guide people's ideas, and build a market information database; Provide valuable entrepreneurial information; Improve online entrepreneurship-related services and create Alibaba logistics; Cooperate with the government to develop e-commerce market; Actively build industry norms; Carry out rural project support activities.

ST strategy: Strengthen product innovation and carry out diversified marketing; Increase investment and continue to carry out plans to help small and medium-sized enterprises survive the winter; Establish strategic alliances selectively; Carry out online entrepreneurship training courses; Establish credit points system and real-name certification system; Promote e-commerce legislation.

WO strategy: Launch characteristic search services in combination with China's history; Launch professional search services to improve search hit rate; Carry out public relations activities in multiple directions; Strictly screening data and improving data quality; B2B and C2C market platforms are used to promote search services.

WT strategy: by developing strengths and weaknesses, building integrated strengths, improving the quality and timeliness of data screening, and closely reflecting changes in international demand, SMEs survive in the epidemic environment through multiple channels, while improving their social image [4].

2.2.3. 5p market strategies.

In addition to the market environment, marketing strategies also needed to be mentioned. The general marketing strategies are related to 5p: Product, Price, Promotion, Place, and Personification [4]. For product strategy, enterprises and merchants can freely access the seller database to view information and directly contact overseas sellers. Price strategy for the beginning of its establishment, Alibaba provided members with services of free registration and free access to information, to quickly seize the market. In addition to the promotion strategy, they accurately identify the target customers, namely small and medium-sized enterprises and individual entrepreneurs, which they needed electronic means to find a business opportunity for stable operation. Fourthly the place strategy, Zhejiang's highly market-oriented economy, a high proportion of small and medium-sized private enterprises, and an intensive and export-oriented an industrial environment has provided a good ecological environment for Alibaba's growth and development. Lastly, the personification strategy, Alibaba station, and Taobao station have simple website design operations, so the customer can design their website. Within these five marketing strategies, it became one of the most successful enterprises in China [5].

2.2.4. The cultural background of Alibaba.

In addition, the culture of Alibaba Group is also seen as part of the internal strategy. Culture influences the implementation of strategy in various ways. A flexible and stable culture can establish partnership, unity, teamwork, and cooperative relations among the company's employees. On the other hand, the culture of resistance will derail the success of enterprises [6]. As an online enterprise, Alibaba Group will create and maintain a collaborative culture to ensure positive and interdependent interaction between department managers and top management. In addition to encouraging support for new ideas, this situation will also create a friendly environment for creative negotiation. Other than the culture of the management model, the management philosophy of Alibaba is another key point of its success. The most popular idea is the wisdom of the East and the operation of the West. This was led by the concept of Jack Ma that lack of China's business corporation capability, such as family work, small book principle, and narrow-minded. Different from China's guarantee with people to maintain the business, western always has a clear system of standards to guarantee the business. So, Jack ma complete Westernization without hesitation [7]. Overall, the use of different strategies by Alibaba Group shows the effectiveness of a high-quality company, that when the investigators analyze them, no matter in external strategies or internal strategies, Alibaba Group shows a positive behavior that is enough to define their success.

3 Conclusion

To be in conclusion, Alibaba's success is closely related to its sophisticated internal and external marketing means. Whether from the product, strategy, or internal management, Alibaba has human and logical strategic means. This has also led to Alibaba's strong competitiveness and influential success in the domestic market. Lastly, this paper focuses on theoretical analysis, But the data is relatively lacking which leads to a not deep enough analysis.

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