

# Analysis of Brand Loyalty Under the Network Environment

-Take Anhui Three Squirrels E-commerce Limited Company for Instance

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**Abstract**—The rapid development of the Internet makes online shopping become one of the main ways for people to go shopping, mobile online shopping becomes the people's first choice for its convenience. The online consumers' shopping habits and shopping styles are changing day by day, as a result, if an enterprise want to win in the fierce competition, it must pay attention to brand management and build brand loyalty among consumers in order to acquire trusts and supports from them. This research take Three Squirrels as the object of study, aiming to learn something good and find out its shortcomings from the process of which the enterprise constructs brand loyalty by studying the present situation of the enterprise under the environment of network. Finally, this paper brings forward some countermeasures and advises to cultivate consumer brand loyalty.

**Keywords**—Internet thinking; Individual consumption; Brand loyalty; Three Squirrels

## I. INTRODUCTION

According to the 40th "Statistical report on China's Internet development" published by China Internet Network Information Center, China's Internet popularizing rate is 54.3% and the amount of Internet users reached 751 million as of June 2017. BigData-Research shows that the scale of China mobile online shopping users is nearly 500 million, which increased by 2.1% over last quarter in the second quarter of 2017. And this indicates that China's online transaction size is huge. In web environment, the meaning of brand loyalty and training strategy of it are very different from those in traditional marketing environment. Corporate brand loyalty has a significant impact on the acquisition of corporate profits, and some studies have shown that the profits of enterprises will be increased by five times the increase of corporate brand loyalty. While paying attention to and promoting brand loyalty, the enterprise should also respond to changes in market environment and consumer's demand flexibly, making effective training strategies of brand loyalty to improve the brand competitiveness and create a long-term stable and healthy development of the brand.

## II. ANALYSIS OF CONSUMER BRAND LOYALTY OF THREE SQUIRREL INC UNDER THE NETWORK ENVIRONMENT

### A. Development status of the Three Squirrels

Anhui Three Squirrels E-commerce Limited Company was founded in 2012. It has realized the organic integration of Internet and casual snacks, and is the first enterprise located in pure Internet food brand in China. The company's products have been sold all over the major e-commerce platforms, and the construction of its warehousing center and distribution center is also quite perfect.

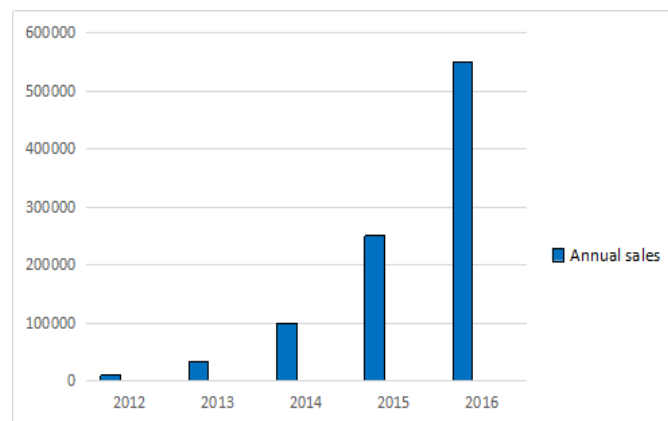


Fig. 1 Three Squirrels' sales statistics from 2012 to 2016

As is shown in Fig.1, Three Squirrels has always been in good situation since its inception and constantly set up a sales miracle. During several years, it has acquired gratifying achievements whether in sales scale or sales growth. Three squirrels reached about ¥30 million in sales in 2012, and its sales in 2013 has broken through ¥326 million. In 2016, it achieved more than ¥5 billion omnichannel sales. Three Squirrels is deserved to be the leader in all Internet snack brands with the largest sales volume.

## B. Strategies for fostering brand loyalty by Three Squirrels

### 1) Making cartoon brand image and cater to consumer's likes

The brand logo of the Three Squirrels is three lovely and lively little squirrels. They have their own name and each name represents a typical character. The brand logo is anthropomorphized and IPed, succeeded in attracting consumers. But not only that, the "Three Squirrels Inc" has developed "three squirrels" brand logo into a completely adorable brand image and story and continues to strengthen the brand cartoon image in packaging, publicity and other aspects, giving consumers memorable visual experience. The Three Squirrels' unique adorable culture deeply remains in the hearts of consumers. The company also generates products related to squirrels, such as squirrel cartoon, squirrel comic and squirrel big film, retaining customers through peripheral products. As a result, it has increased customers' stickiness and deepened corporate image successfully [1].

### 2) Provide excellent service more than they expected and continuously improve customer satisfaction.cartoon brand image and cater to consumer's likes

Three Squirrels is filled with "host culture". Its customer service people call customer "owner" and provide adorable personalized service for their owners. Three Squirrels not only set up a global customer satisfaction center to deal with pre-sale and after-sale problems, but also establish the evaluation mode for customer service personnel with the goal of "make customers satisfied" [2]. Three Squirrels fully understand the consumer through large data collection, mining and analysis, providing the most personalized service to consumers. In addition, they not only focus on the online store, but also began to set up offline physical store which was named "three squirrels feeding shop" from September 2016. Feeding shop provides consumers with exquisite shopping experience, making consumers feel like they enter into the forest when they are inside the shop. Employees wearing the same clothes can be seen everywhere in this shop, and each employee's waist is hung with feeding bag full of toys and snacks. Every Saturday, the shop will also hold a fun Cosplay dance, or a concert, or other activities for the offline consumers.

### 3) Interact with customers to enhance customer stickiness

The customers are in need of care, to exchange ideas with others, sharing feelings, which is seeking ownership experience. The Three Squirrels build SNS, such as "micro-blog", "WeChat", "QQ", "renren.com", "mop.com Tianya", to interact with customers in real time. These activities include evaluation, playing games, roasting public hot spots, activity announcements, etc. With a variety of creative ideas, they establish a love like sweet relationship with customers and then enhance customer loyalty to the brand [3]. Customers will turn to become a fan of the products and brands to spread their recognition to the people around, then people around to spread again. So not only can they obtain continuous and wide communication effects, but also stimulate the fans again and even repeated consumption behavior. The interactive

communication between Three Squirrels and consumers enhances customer's participation and vitality, catering to the Internet thinking and gaining keen preference of online shopping young consumers. So that customers have a sense of belonging to the enterprise brand and are in very close contact with the brand.

## C. The existing problems

### 1) Lack of innovation and upgrading, and the advantages are greatly diminished.

The unique super expected service of the Three Squirrels is a great innovation, but any innovation will inevitably be imitated by competitors. The sales of Three Squirrels remain the first in the industry, but the former advantage has become less obvious. Through beyond the expected service, Three Squirrels has established a good reputation in the consumer, so that their sales revenue has increased rapidly. But now almost all Internet business competitors imitate them, leading to consumers have become numb to this increasingly homogeneous, over expected service. Therefore, the Three Squirrels need to constantly improve and upgrade their competitive advantages in the service, at the same time, finding a new breakthrough and exploring other innovations to bring surprise and shock back to consumers.

### 2) OEM mode leads to product quality problems

Three Squirrels' production, processing link is not done by the enterprise, but outsourcing to other enterprises. If they make omissions in the supervision and inspection, the products may not only have insufficient taste, but even the quality of them will not meet the standard requirements. In August 15th this year, the State Food and Drug Administration announced that Three Squirrels was found to be disqualified for the pistachios produced in January 22, 2017, which not only made it suffer a certain economic loss, but also had an impact on its brand reputation. Although the food OEM model can help enterprises to rapidly expand the scale in a relatively short time, however, enterprises can not manage and control all the links involved in purchasing, processing and production. Management flaws lead to the emergence of certain problems, so that product quality can not be well guaranteed.

### 3) Coverage of target consumers is narrow

The leisure food market has target consumers that range in age from 20 to 60. While the target consumers of the Three Squirrels are mainly concentrated in the vast number of young people. Older consumers generally don't shop online, but will choose to go to the store to buy things in person. Consumers with more spending power have been neglected by the Three Squirrels. In order to seize a larger share of the leisure food market, the Three Squirrel should consider how to use the rationalization of marketing means to expand consumer groups at different ages based on the existing target population. A clear brand positioning makes the Three Squirrel quickly recognized by young people, but also restricts enterprises to expand to other levels of consumer groups [4].

### III. COUNTERMEASURES AND SUGGESTIONS OF CULTIVATING CONSUMERS' BRAND LOYALTY IN NETWORK MARKETING

Comprehensive analysis above shows that brand loyalty is very important for any enterprise. In the process of building brand loyalty, the enterprise will find a unique and feasible method, but it may also face with some problems. Through the case study of the Three Squirrels, in view of the related problems, it is suggested to cultivate consumer brand loyalty from the following aspects.

#### *A. Provide more than expected services and retaining consumers*

Enterprises used to spend a great deal of cost to attract new customers, however, according to the survey, the cost of developing a new customer is 5 times as much as the cost of maintaining an old customer. Enterprises should keep the old customers in an important position, not only to provide customers with the necessary products and services, but also make every effort to make customer satisfied. Customer satisfaction, loyalty to the enterprise brand also increased accordingly. Customer demands can be divided into realistic demands and potential demands. Enterprises can not only capture the actual needs of customers, but also learn to explore, discover and even guide the potential needs of customers. Potential demands in the future are likely to become the real needs of customers. Enterprises will discover new markets as they tap potential demand from customers. Enterprises should carry out all activities around the consumer, attentively, intimately, standing in the consumer's position to provide customized service. Only in this way can the enterprise earn the consumer's goodwill and trust to the enterprise brand. In traditional marketing environment, consumers have no equal dialogue with employees, but the situation is different under the network environment. Therefore, enterprises need to make the service become vivid to grasp the customer's heart and make the customer get higher level of satisfaction, feeling surprised and unexpected.

#### *B. Construct consumer information database to realize precision marketing*

Building a comprehensive, multi-channel, systematic consumer database, whether for pre-sale services or after-sale service, is going to get a very useful marketing treasure-house. In the era of big data, enterprises can grasp abundant consumer data. Enterprises should collect and sort out these data, and use these data within a reasonable range to make them a source of value for enterprises. The accurate grasp of consumer psychology and consumer behavior, the production and sale of goods to meet consumer preferences, and developing targeted business decisions, marketing plan and product portfolio to improve service efficiency and realize precision marketing, will be a good starting point to cultivate brand loyalty under the background of big data. In addition, the enterprise can also find business opportunities through data analysis.

#### *C. Establish omni-channel development model*

It is far from enough only to focus on online channels for Internet online traffic growth is slowing down. Online brand gets into the offline physical store, which can enhance the user

perception of the brand, providing consumers with product or service experience that online virtual environment cannot provide. The development of offline channels can promote the growth of online sales, as well as, enhance customer stickiness and improve consumer brand loyalty. But this model is not applicable to all Internet business brand. If the business does not need to increase the experience of products, focusing on online not offline is feasible. As for the traditional retail business, it is self-evidently important to develop online channels under the impact of the Internet. Building a whole channel sales layout can win sustained competitive advantage for enterprises. Online channels play the role of display, and offline channels play the role of experience. The Internet store's generalization ability is stronger, and the offline store has real service experience that online store can not provide. This full channel integration makes consumers get quality products and satisfactory service, so as to enhance the consumer loyalty to the brand.

#### *D. Focus on the quality of products and services*

A good brand can promote the enterprise with a better long-term development. Quality is a guarantee of survival for the enterprise, and more is the foundation of corporate brand development. Consumer loyalty without guaranteed good product quality is also short-lived. In order to cultivate consumer brand loyalty for long-term stability, the enterprise cannot ignore the product itself. Because the product quality reflects the core competitiveness which promote the enterprise to occupy the market and continue to operate. The market-oriented economy is increasingly developed, and innovation plays a more and more important role. But enterprises can not blindly innovate while ignoring the most essential part. They should make efforts to improve product quality level based on the enhancement of innovation capabilities. No matter how what changes in the marketing environment happened and what kind of brand strategy the enterprise make, product quality can not be ignored. Rely on the advantages of the Internet, many companies rise to fame. But they began to pay less attention to product quality later, which is not desirable.

#### *E. Create brand community and build emotional connection*

In the more and more intelligent era, the relationship among people, equipment and services becomes closer and closer. Every consumer is in the strong network of relationships. The interactive relationship established through the social network of enterprise and consumer groups can not only strengthen the information communication between enterprise and community members, but also attract and retain consumers at the greatest extent [5]. Every consumer's views and evaluation of the corporate brand will be affected by group opinion. Enterprises need to establish a complete brand community, finding efficient communication way with consumers and being closer to the consumer's mind. At the same time, enterprises should tap the key opinion leaders in the brand community, to spread its brand marketing content again through the influence of opinion leaders, thus creating a good brand image and brand reputation among consumers. Then, form a strong emotional connection and enhance consumers' sense of belonging to the enterprise. Finally, realize benign development of brand community [6].

#### IV. CONCLUSION

Combining the influence of network environment, this paper analyzes the Internet brand Three Squirrels from consumer's brand loyalty perspective. It finds out the advantages and problems in the process of brand loyalty building, and puts forward the training strategies and suggestions on brand loyalty. The main conclusions are as follows: the rapid development of e-commerce in the Internet era makes the marketing environment faced by enterprises is very different from the traditional marketing environment. In the network environment, consumers' attention is dispersed, and the degree of preference for a brand is weakened. There are fewer consumers who always fixed to buy a certain brand, so that enterprises could no longer retain consumers easily. And this kind of situation make a threat to the long-term stability of the enterprise development. The enterprise must fully understand the operational characteristics of the new market and grasp the consumer's new demand characteristics. And they should always regard the customer's brand loyalty as a business focus, so as to improve the core competitiveness of enterprises and make enterprises in a dominant position.

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