

# Research and Analysis on Promotion Strategies for Retail E-commerce Platforms

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**Abstract:** Nowadays, under the background of new retail, online e-commerce platform shopping has become the main choice for market participants and consumers to purchase, and merchants use a variety of promotional tactics in an ingenious way. This paper researches and analyzes the retail e-commerce platform market, consumer demand and consumer satisfaction, as well as the Double Eleven promotional strategy and then provides effective suggestions for the development of live marketing for enterprises. During the period of investigation and research, the outbreak of the COVID-19 epidemic had a huge impact on the e-commerce industry. Therefore, this paper investigates and analyzes the development of e-commerce and the new models of promotion in response during the epidemic.

**Keywords:** E-commerce platforms, promotional methods, consumers' satisfaction, live streaming e-commerce, etc.

## 1. Introduction

According to "2020 Big Data Report of China E-commerce Industry" released by the Qichacha Big Data Research Institute, it shows that there are a large number of retail e-commerce platforms, and Internet e-commerce consumption has become the mainstream way of sales today. Merchants in every E-commerce platform use a variety of promotion strategies to compete for market share and increase turnover, followed by the advantages and disadvantages of different promotion methods. This paper researches and analyzes the retail e-commerce platform market, consumer demand and consumer satisfaction, as well as the Double Eleven promotional strategy and provides effective suggestions for the development of live marketing for enterprises. During the period of investigation and research, the outbreak of the COVID-19 epidemic had a huge impact on the e-commerce industry. Therefore, this paper investigates and analyzes the development of e-commerce and the new models of promotion in response during the epidemic.

## 2. E-commerce Sales Methods

### 2.1. New type of promotion - E-commerce Live Streaming

Advantages

#### 2.1.1. More intuitive content presentation

Compared with the graphic display of traditional e-commerce, HD video of e-commerce live streaming makes the display of goods more intuitive and clearer, which increases people's desire to buy, thus driving the sales of goods.

#### 2.1.2. Cheaper consumer prices

Most of the current e-commerce live deliveries are based on strategies of low price, and consumers can place orders and purchase through large coupons in the live streaming room. Compared with traditional e-commerce sales that only make promotions in large scale platform activities, consumers are more cost-effective to purchase in the live broadcast room.

#### 2.1.3. Higher user trust

As the stars and internet celebrities who generate their own

flow of fans become the host, it can not only bring a lot of visitors to the merchant, but also increase the sales of the goods. When the host demonstrates the professionalism of a certain industry, selling goods on live streaming, fans and other users will then improve their trust in the brand.

#### 2.1.4. Easier goods selection for users

By matching items in advance, merchants can provide users with new ideas on how to use the items, which saves the user's time and increases their favorable impression of the brand. If in a graphic display of a traditional e-commerce, it's not so intuitive.

## 2.2. Consumer Satisfaction with Live E-commerce

The live shopping process can be divided into several key nodes such as advertising, live broadcasting, commodities, payment methods, logistics, and after-sales service, etc. According to the survey of consumers satisfaction at different nodes, it is found that the highest level of consumers satisfaction is in the payment process, reaching 79.1 points; the lowest is in advertising, with a score of 64.7. Overall, consumers' satisfaction with all aspects of live shopping has not reached 80 points, with obvious concerns about false advertising and the goods sources.

## 3. Analysis of Consumer Demand

### 3.1. Factors Valued by Consumer Demand

With the new consumption era coming in China's, the "new consumer" phenomenon is rising. Under the influence of rapid economic development, consumer attitudes began to change. When consumers have increased income and have money to improve their quality of life, they are no longer blindly pursuing brands, but seek to be different and cost-effective instead.

In the new era of consumption, users are generally willing to spend more on goods with high-quality and service experience. Over 40% users agree with these two consumption concepts. Personalized products and paying more attention to environmental protection are also the consumption concept that are more agreeable by users in new era of consumption.

The services and convenience offered by e-commerce platforms nowadays make consumers more inclined to shop online. And with the perfect e-commerce customer service

system, the consumer's reasonable claims can be responded and solved in time.

**Table 1.** Satisfaction with the Whole Process of Live E-commerce Shopping

Entire process of live streaming shopping		Satisfaction indicators	Score
1	Advertising	Satisfaction with regard to false advertising	64.7
2	Host	Trust in the host	75.3
3	Commodities	Satisfaction with commodities	77.8
		Concern about the sources of goods	67.7
		Degree in counterfeit and inferior	72.7
		Degree in goods which are not the right one	73.6
4	Payment methods	Satisfaction with order payment method	79.1
5	Logistics	Satisfaction with logistics timeliness	77.2
6	After-sale service	Satisfaction with after-sales returns and exchanges	72.0
		Feedback of satisfaction with comment message	75.6
		Satisfaction with complaint handling results	72.1

### 3.2. The Standard for Consumer to Select E-commerce Platforms

According to the big data, it can be seen that Jingdong Jingzao and Suning Jiwu, the logistic systems relying on the two e-commerce giants, Jingdong and Suning, are the most satisfactory to users in terms of logistics and distribution services, the satisfaction rate of 7.38 and 6.91 respectively. Therefore, most consumers will choose to shop on Jingdong because of its good logistic services. Jingdong's promotional methods are the major reason to attract consumers to purchase there. The first is single product promotions. The second, gift promotion. The third, full-price reduction promotion. The last, promotion of a free gift at the full price.

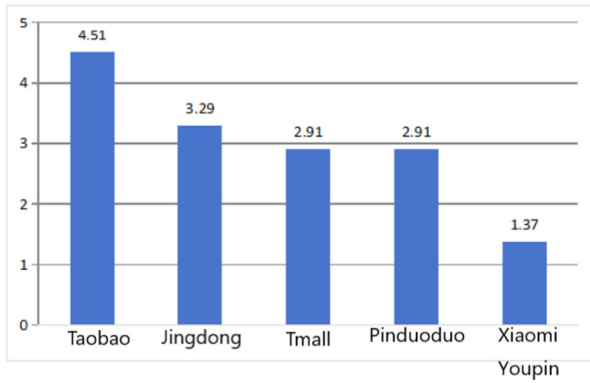
Xiaomi YouPin focuses on the goods of Xiaomi's own category. Thus, Xiaomi is very professional in this kind of goods to easily gain users' trust and higher recognition, reaching 6.75. And Xiaomi's core competing power in the boutique e-commerce industry is their technological innovation. In addition, Xiaomi has placed corresponding advertisements on major websites, both TV commercials and online ads, which increased their popularity and sales.

Taobao Heart Select comes with the heat of Taobao and Tmall, publicizing and promoting during its launch, which attracts a large number of fans in a short period of time. E-commerce products of Ali have accumulated a large number of users' consumption preferences and demands through big data, accurately grasping the needs of users to attract consumers.

### 3.3. Satisfaction Survey on E-commerce Platform Consumer

In order to study the consumer satisfaction of live e-commerce platforms, we conducted a questionnaire survey intentionally. From the questionnaire, it can be inferred that discounts and full-price reduction are more effective in attracting consumers to make purchases. Online consumption satisfaction is greater than average, that is to say, most people are satisfied with online spending.





The chart above shows the frequency of e-commerce platforms being used. It can be seen that Taobao is used the most, Xiaomi the least used, Jingdong accounts for the second and Tmall is the same as Pinduoduo.

Survey data show that the overall perceived satisfaction of respondents with the current state of the live e-commerce industry is 79.2 points, and overall satisfaction with the shopping experience is 81.9 points. Recognition and satisfaction of consumers are good in general, but there is still much room for improvement. At the same time, there are some consumption risks associated with live e-commerce shopping. Due to poor quality control by merchants, hosts of

livestream sales also produce wrong guidance, making consumers purchase goods that are not suitable for them. Because of the optimization of the interactive experience, consumers are easily vulnerable to the live streaming atmosphere and the hosts frequently tells them of gradually decreasing inventory, which causes them impulsive spending. Owing to asymmetry of information and merchants faking in the live stream, consumers may be deceived by false information or exaggerated advertising, then purchase counterfeit goods and "three noes" products.

## 4. Case Study on E-commerce Platform Promotion

As the world's biggest consumption season after the epidemic, Double 11 2020 Shopping Carnival is particularly important for consumers and businesses or e-commerce platforms. Data of this double eleven are numerous, relying on its own unique campaign policies and marketing strategies, each e-commerce platform successfully achieved the goal of stimulating sales performance and fostering consumption growth. Therefore, this study selected some representative platforms to introduce, compare and analyze.

### 4.1. Campaign Strategies of E-commerce Platforms

#### 4.1.1. Tmall Double 11

	10.21	10.29	10.31	11.1	11.4	11.6	11.11
Time Nodes	First forecast	First warming-up		First formal activity	Second forecast	Second warming-up	Second formal activity
			Tmall Double 11 Opening Ceremony			November 10th Double 11th Carnival Night	
Shopping Benefits	Installment interest-free, 10,000 coupons issued together (official subsidies of 3 billion yuan), Tmall Wonder Box, Shopping over the world, Hundred popular stars emptying shopping cart, Thousands of goodies to buy first (up to 50% off on booking), Buying famous brands for 1 yuan a day						
Interact-ive Games	Tmall Double 11 Super Star Show Cat, Splitting 2 billion red envelopes National Star Show Cats, Upgrading to receive red envelopes, Teaming up to win red envelopes						

Unlike previous years when the rush started at zero hour on Double 11, this year, the battlefield stretched out for Tmall's Double 11, dividing into two waves of activities. The first activity begins with a pre-sale on October 21<sup>st</sup>, and formal activity proceeds from November 1<sup>st</sup> to November 3<sup>rd</sup> (final payment); the second activity begins with a pre-sale on November 4<sup>th</sup>, and formal activity is carried out on November 11<sup>th</sup>.

According to Ali, 2020 is the year with the largest number of businesses participating, at least 250,000 brands and 5 million merchants at home and abroad taking part in Double 11. 2020 has also become most heavily funded double 11 in the platform's history. A total of 4 billion cash red envelopes, 10 billion category subsidies, and 20 billion branded coupons with large value were issued, and the promotional effort was twice as that of 2019.

In the form of marketing, a new force that cannot be underestimated arose in 2020---- live streaming selling goods on various major platforms. Among the abundant live streaming hosts, Wei Ya and Li Jiaqi, the first day of their live pre-sales were up to 3.221 billion yuan and 3.327 billion yuan respectively on 21st, the total approaching 7 billion yuan.

In terms of interactive form, Tmall launched the "Super Star Show Cat" campaign. The approximate play of the activity is that users earn MeowBucks to upgrade StarShowCat, to partition 2 billion red envelopes. Compared to previous years of "house building" that can be called as "Olympiad level", the interaction of this time is simpler and easier to follow, also attracting a lot of young consumers to participate to a certain extent.

#### 4.1.2. Jingdong Double 11

Time Nodes	10.21	10.31	11.1	11.8	11.9	11.11	11.12	11.13
	SELL IN ADVANCE		SPECIAL GOODS PERIOD		PEAK PERIOD		RESALE PERIOD	
Shopping Benefits		TENS OF BILLIONS CONSUMER COUPONS	SUPER SEC-KILL DAY		11.10“2020 JINGDONG LIVE STREAMING SUPER NIGHT”			
			THE NUMBER ONE SUBSIDIES (300-40,1000-60)					
	LIVE STREAMING: 300 CELEBRITIES GO INTO THE LIVE STREAM, MORE THAN 500 PRESIDENTS' CREATIVE LIVE STREAMS							
Interactive Games	ONE BILLION YUAN FOR ALL BUSINESSES, OPENING A SMALL STORE TO WIN DIVIDENDS BIG CHALLENGE OF SHOPPING BUSINESS CIRCLE, WIN AND GET A RED ENVELOPE.							

Same as the Tmall Double 11, Jingdong Double 11 campaign-front started from pre-sale on October 21<sup>st</sup> in advance. The entire promotion period of the activity is divided into "pre-sale period, special period, peak period, and resale period".

In the form of marketing, from October 21<sup>st</sup>, Jingdong has category days in different fields every day, such as Sports Day, Digital Day, Book Day etc., attracting consumers to participate in the activities in advance with shopping benefits like billions of consumer vouchers and No.1 subsidies. The campaign strategy and a series of benefits also highlights the advantages of Jingdong in specific categories.

In the form of interaction, 300 stars were specially invited to go into live streaming and more than 500 presidents conducted creative live streams. The stars effect was utilized to attract fans to spend money and the president go live to show the sincerity of the sale and the authenticity of the products, providing consumers with a better and more comprehensive understanding of the products, to get rise to a desire to buy their products. In addition, similar to the activity launched by Tmall to raise a cat to partition 2 billion yuan, Jingdong has also started a campaign to “divide 1 billion among all people opening small stores”.

## 4.2. Case Analysis on Double 11 Sales

### 4.2.1. Sales Data of E-commerce platforms

#### Tmall Platform

From November 1<sup>st</sup> 0: 00 to November 11<sup>th</sup>, 0 : 30, real-time turnover in Tmall Double 11 Global Carnival Season reached 372.3 billion.

Tmall data shows that at around 0:25 on November 11, Tmall Double 11 ushered in the summit. Order quantity peaked at 580,000 orders per second, a new record has been broken once again, about 1,457 times more than Tmall's first Double 11 in 2009. By 00:30, it surpassed the 268.4 billion yuan of the first day in 2019, establishing a new record. At 0:35 a.m., about 340 brands in the Tmall Double 11 Global Carnival Season broke through 100 million yuan in turnover, including Apple, Huawei, Haier, Midea, Gree and other brands that have already exceeded 1 billion yuan.

#### Jingdong Brands

November 11<sup>th</sup>, 0:00-0:09 am, in just nine minutes, Jingdong announced that the accumulated sales of orders during the 11.11 Global Consumption Season exceeded 200 billion yuan.

The sales amount of many brands has made great breakthroughs on the Jingdong platform. In the cell phone category, Huawei, Xiaomi, led by a number of brands have broken 100 million successively. The turnover of Huawei has reached 100 million within 7 seconds. Compared with

previous years, The turnover of various brands has achieved year-on-year increase with more than 100%.

### 4.2.2. Comparative Analysis on Merchants' Sales and Promotion Methods

#### Midea

According to the official microblog of Midea Group, news showed on Nov. 12<sup>th</sup>, during Double 11 2020 (Nov.1<sup>st</sup>-Nov.11<sup>th</sup>), the total online sales of Midea exceeded 11.3 billion yuan, ranking 1<sup>st</sup> in household electric appliance industry for eight consecutive years in three major platforms of Tmall, Jingdong, Suning.com. Based on data from Midea Group's official microblog, its full range of intelligent products sales grew 63% year-on-year, with an intelligent platform of over 60 million users. In addition, the total amount of direct-led transactions reached over 1.4 billion yuan by the entire network in Media live-streaming room, more than 400 million people watching live.

Midea utilized traditional promotional tactics. First, through big data analysis, personalized recommendations were performed, to meet the diverse needs of consumers. Then it captured the most core demand of consumers in double eleven shopping, with the main focus to give benefits to members. Once become a member of Midea Mall, people can directly enjoy discounts on the whole range of goods. In the simplest and most direct form, to provide benefits for every member in Midea Mall. At the same time, Midea conducted a large offline promotion, advertising on billboards in major subway stations, which perfectly pulled off the double eleven promotion without tricks. There was no false advertising, and all the preferential policies can be realized one by one. It enabled consumers to build trust in the brand of Midea, so as to win the choice of more consumers.

#### Perfect Diary

By 00:31 on November 11, 2020, Perfect Diary's accumulated sales in double eleven broke half a billion yuan, ranking No. 1 in the color cosmetics industry.

During the campaign, Perfect Diary used strategies of content co-creation, differential media coverage and personalized content recommendation. Opened up the all channels of new media marketing, with the marketing of whole network content, promotions of amateurs, KOL and celebrities, etc. A large number of advertising campaigns were posted in all six major social media platforms, including Weibo, WeChat, and TikTok, performing users experience and interaction, as well as sharing of expert knowledge.

During the activity, Perfect Diary and Tmall officially conducted joint sales, adopting promotions of traditional full-price reduction, full-price discounts and others. The first category was to use Cat Super Card discounts for further savings after coupons, and in the end, consumers can also

acquire a cashback card with certain amount. The second category was to enjoy the corresponding discounts when buying multiple items, the more the number of purchases, the more discounts.

The advantage of Midea is that it is a large, well-established company with many years of foundation and experience in the household appliance industry. Its product resources and sales channels are more extensive than those of other companies, with their own established supply chain and the base of loyal and long-lasting consumers. Therefore, they can boldly try new sales strategies on the basis of existing ones. And the advantage of Perfect Diary is that it's a young brand. Under the help of the fast-moving era, it created a new trend of the times through their own attempts. It has an earlier awareness of the advantages of the network era than other enterprises, so

it occupied a place in the major online platforms very early.

At the same time, the two enterprises maintained good brand images. In the activities, Midea adhered to the brand integrity, truly understand the purpose of consumer purchases, by reasonable use of traditional discount promotions to give members great shopping benefits, meeting the needs of consumers. Perfect Diary also clings to the route of popularized national beauty products, not deliberately raising the price. Through the activities of full reductions, full gifts, cash back and other preferential promotions to form a super high cost-effective performance to meet the needs of the mass consumption.

### 4.3. Promotion Methods of E-commerce Merchant

**Table 1.** Individual Item Promotions

free gift with purchase	By giving consumers new products in small packages, small items with lower amounts, and buying x pieces and getting x pieces free, etc., consumers can quickly familiarize themselves with the products and stimulate their desire to buy.
time-limited purchase	By restricting purchases in a certain period of time, consumers will buy the product in advance. A sense of crisis will motivate them to buy and increase the order rate for limited-time goods.
special price	The same commodity is less expensive than the market price, which is more attractive and appealing to consumers, thus, causing to occupy a larger market share.
sell in advance	Some newly invented goods can be pre-sold to find out if there is a market for the goods. They are not put into production until after a certain amount is reached through pre-sale, which effectively avoids the risks that exist in production.
Higher price purchase	On the basis of the original purchase, as long as a little cost is added, the goods with higher price can be acquired.

**Table 2.** Multi-product promotions

full price reduction	The buyer's purchase is immediately reduced by how many yuan after they meet the amount and quantity of the products. Different amounts or discounts are available for different amounts, setting up the corresponding full-reduced value according to the step amount of consumption. The higher the purchase amount, the greater the discount to motivate users to increase the amount of a single purchase.
full price gift	Consumers receive another free item from the merchant when they spend over X yuan.
full price discount	X discount for X amount of money
set of coordinated items	Multiple commodities for the same purpose are packed together.

## 5. Future Trends and Recommendations on Retail E-commerce Platforms

### 5.1. Prospects for the Development of E-commerce Platforms

The development of the e-commerce industry not only enables the local economy to transform and upgrade, allowing rapid increase in productivity, but also to promote the employment and start business for farmers. E-commerce will also change the traditional advantages and competitive patterns between regions and cities, providing new possibilities for leap-forward development in underdeveloped regions.

Previously, the competition between e-commerce platforms was between two companies, Jingdong and Alibaba, but now the industry pattern has changed dramatically. New retail approach of Tmall, enabling people experience offline shopping, connects the real economy more closely with consumers, and has also become a new highlight for

consumption growth.

With the further mature of marketing model in the short videos and live streaming, and further applications of artificial intelligence and big data technologies, e-commerce marketing has become more diversified in terms of both technology and pattern. More and more businesses and e-commerce players are utilizing short videos as a primary marketing method, and precise marketing is also applied in a wider range of scenarios. From advertising, content marketing, and marketing campaigns to new media fans marketing, strategic crowd operations, and brand rejuvenation, based on big data, precise marketing has gradually sunk into various application scenarios and industry segments, thriving as a mainstream approach in e-commerce marketing.

Research found that 50% of consumers' shopping interests and 25% of their purchases are influenced by social or content apps, which has significantly improved over the past few years. And COVID-19 epidemic has accelerated this transformation in consumption pattern. When epidemic has just ended, about 36% of consumers will shop through new

online channels.

Social e-commerce has become a new battleground for consumption brand growth in 2020. A report from the Kantar Worldpanel Consumer Index shows that the Pinduoduo platform increased by 218% year-on-year in the first half of this year, which was largely contributed by those young families with middle and high income living in the first and second tier cities.

## 5.2. Recommendations for the Development of E-commerce Platforms

The world of e-commerce is changing every year with new trends and growth milestones. As customers and businesses has adapted to the popularity of online retail, their shopping preferences and methods are becoming better. As a result, e-commerce trends are in a constant state of change. And upon investigation and research, it is found that the current retail promotions are very plentiful. But consumers aren't completely accepting the promotions of merchants. They are selectively favoring full price discounts, limited time reductions, etc. instead. Compared to the promotional methods of higher-price purchase, pre-sales and free gifts, real price reductions are what consumers are really looking for.

Through the general feedback from consumers in the questionnaire, it can be seen that the main force of consumption at present is the post-90s and post-00s. And due to their financial problem, there will not be a large number of large-amount purchases. Therefore, discounts and promotions are very popular among them. However, many merchants do not adopt the true sense of the preferential promotions, making consumers disgusted and reducing the desire to buy.

Consequently, through the data above, businesses should make use of behavioral data of consumers, to truly observe the actual needs of consumers and segment of the market users, helping brands to meet individual needs of consumers through appropriate promotions. Try to conduct positive transformation in promotional methods, refinement to improve product quality, prevention of false promotions from causing consumers fatigue to decline brand favorability and innovative changes to adjust to the new competitive environment and consumer markets.

## 6. Conclusion

Under the background of new retail, e-commerce platforms for online shopping are now the main choice for market

sellers and consumers for purchasing. With the rapid development of e-commerce for the current situation, businesses need to take advantages in the big era to adopt appropriate, suitable promotional methods for the improvement of product sales. Study believes it inevitable for e-commerce platforms to promote their products. However, more promotions with simple and easy-to-understand rules should be chosen such as full-price discounts and low prices for a limited time. Try to avoid methods such as pre-sales, forward inviting new users to get cash, which are troublesome and exist false advertising a certain degree. Concise and achievable promotions can better build a positive image of the brand, and win the trust of consumers to the brand easily to get better publicity.

In the meantime, with the further mature of marketing model in the short videos and live streaming, and further applications of artificial intelligence and big data technologies, e-commerce marketing has become more diversified in terms of both technology and pattern. Short videos, e-commerce live streaming and other new promotional and publicity methods have emerged. E-commerce businesses should seize the opportunity to carry out diversified channels of publicity and promotional methods.

In summary, e-commerce retail platforms should choose diversified marketing models and channels, and select promotional methods that are easy to understand and more acceptable to the mass, to ensure platform credibility. E-commerce retail platforms should be familiar with the conditions applicable to various new marketing patterns, and on this basis, pick out promotional methods flexibly in line with their own needs.

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