

Research on the Marketing Strategy of Cross-border E-commerce Business Conducted by Merchants of Alibaba.com

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Abstract. In recent years, with the continuous expansion of the scale of cross-border e-commerce industry, China's cross-border e-commerce has entered a stage of rapid development. Due to the higher cost of offline operation and the repeated COVID-19 outbreak, more and more traditional foreign trade enterprises have begun to transform into cross-border e-commerce. As one of the earliest cross-border e-commerce platforms in China, Alibaba.com has become the first choice for foreign trade enterprises to develop cross-border e-commerce business. Therefore, the marketing strategies used by merchants of Alibaba.com in cross-border e-commerce business are very useful for practitioners of other platforms or new merchants. This paper will observe the four aspects of visual marketing, product marketing, advertising marketing and independent marketing of Alibaba.com merchants in the past year, analyze the marketing effect and summarize the marketing strategy. The results show that in terms of brand marketing, most businesses can choose the appropriate style for store decoration according to their own brand characteristics and grasp the characteristics of B2B business. In the aspect of product marketing, businesses in the display of product characteristics and advantages, but also focus on showing the strength of the company. Most merchants can focus on customer needs, to attract customers to buy the product. In terms of advertising marketing, most businesses can reasonably choose advertising products according to their own needs, but there are also problems that it is difficult to achieve the desired effect after advertising. Therefore, when promoting products, businesses should be careful to choose the products to be promoted, so that advertising promotion can achieve the desired effect. In terms of self-active marketing, the RFQ section and feeds section provided by Alibaba.com platform can help merchants carry out independent marketing, without passively waiting for buyers' enquiries like the traditional foreign trade process. This pattern is very useful for reference. It is hoped that the research results of this paper can provide some help and reference for practitioners in the cross-border e-commerce industry.

Keywords: E-commerce; Marketing strategy; Alibaba.com; Cross-border e-commerce.

1. Introduction

Cross-border e-commerce refers to the use of e-commerce platforms by trading goods in different countries to realize the electronation of traditional trade and store goods in remote warehouses through cross-border logistics, which is an international trade activity. In recent years, the transaction scale of China's cross-border e-commerce industry has been expanding and is in a high-speed development stage. According to the "Report on China's Cross-border E-commerce Exports 2022" released by Zhejiang E-commerce Promotion Association, China's cross-border e-commerce imports and exports in 2021 reached 1.98 trillion yuan, up 15% year on year, among which, exports reached 1.44 trillion yuan, up 24.5%. Such rapid growth has fully demonstrated the market vitality of China's cross-border e-commerce exports.

With the rapid development of online shopping, the recurrence of the epidemic, and the rising costs of offline store rent, e-commerce has become a breakthrough in the transformation of traditional trade. Data showed that over the past five years, China's cross-border e-commerce related enterprise registrations have risen year by year, with 10,900 new enterprises in 2021, up 72.2 percent year-on-year. More and more enterprises have joined the cross-border e-commerce industry. Cross-border e-commerce can help merchants and manufacturers to avoid the rat race in China and sell their products abroad.

China's cross-border e-commerce has the manufacturing foundation of "global supply base" and high-quality supply chain resources. Although China's labor cost has increased in recent years, it is still low compared with the labor cost of developed countries. In the future, the lower labor cost will still be a big advantage of China's manufacturing industry in the division of labor in international trade. At the same time, as the only country in the world with all the industrial categories in the United Nations Industrial classification, China's manufacturing industry has completed upstream and downstream supporting facilities and perfect infrastructure, providing abundant and high-quality products for cross-border e-commerce.

Alibaba.com was established in 1999 as the first business segment of Alibaba Group. Alibaba.com has become the main platform to promote the digitalization of foreign trade, serving more than 26 million active corporate buyers in more than 200 countries and regions. It shows and promotes suppliers and their products to overseas buyers, and then obtains trade opportunities and orders. It is one of the first-choice platforms for export enterprises to expand international business. In 2021, the transactions completed by small and medium-sized enterprises on Alibaba.com increased by 46% year on year. By opening the digital foreign trade service capacity to more merchants, accelerate the transformation into a digital foreign trade full-link service platform, resulting in a significant increase in value-added service income, the growth rate reached 38%. Under the influence of COVID-19, Alibaba.com can still achieve such a high growth rate, which further proves its important position in China's foreign trade market.

Currently, there are more than 200,000 registered sellers and more than 20 million buyers on Alibaba.com. In such a fierce competitive e-commerce industry, if merchants want to come out ahead, get more attention and customers, they not only need the good quality products and affordable prices, marketing and communication strategies are also very important.

2. Literature review

With the rapid development of cross-border e-commerce industry, many small and medium-sized enterprises operating traditional trade want to transform into cross-border e-commerce enterprises. As an important link in this transformation, cross-border e-commerce platform naturally attracts many scholars to study it. According to Yao Yao's research, she believes that the rapid development of cross-border e-commerce cannot be separated from the support of cross-border e-commerce platform, which is an important medium for cross-border e-commerce trading activities. The cross-border e-commerce platform simplifies the transaction process of traditional foreign trade, reduces production and transaction costs, and increases the transaction frequency and number of enterprises [1]. While studying the development of cross-border e-commerce platforms, Guo Huixian mentioned that cross-border e-commerce platforms can be divided into three types: platform type, self-run type and hybrid type. Generally speaking, platform-type cross-border e-commerce platforms are more well-known and have more products; Self-run cross-border e-commerce platforms are generally established by enterprises to sell their own products. Among them, the platform cross-border e-commerce platform can guarantee the product quality best [2].

Of course, enterprises that want to transform into cross-border e-commerce cannot be achieved by simply entering a cross-border e-commerce platform. There is a big difference between cross-border e-commerce and traditional foreign trade. Li Dezheng, Li Rongyao and Li Xuehua referred to in the research, in the traditional way of foreign trade, the buyer and seller usually conduct trade negotiation in the way of email, and finally sign a contract to reach a deal. The whole process takes a long time. However, in cross-border e-commerce, buyers and sellers trade online. As long as the sellers is familiar with the trading rules of the platform, have a professional operation team and grasp certain strategies, they can quickly seize many business opportunities and reach a deal [3]. This fully reflects the importance of operational and marketing strategies in cross-border e-commerce transactions. However, many small and medium-sized enterprises in cross-border e-commerce marketing have shown a lack of professionalism, the traditional foreign trade marketing thinking is still not changed.

Just as Liu Bin said in his research, the marketing mode of cross-border e-commerce is relatively simple, and the market's adaptability is insufficient. Traditional international trade pays more attention to the communication with customers on the terms of the transaction, using exhibitions, E-mail and other ways to let customers know the enterprise. But now, the "individuation", "uniqueness" and "customization" of cross-border e-commerce products have increasingly become the development trend of small and medium-sized foreign trade enterprises [4]. Therefore, if the marketing strategy is insufficient, it is likely to be difficult to obtain the expected revenue in cross-border e-commerce transactions, and even difficult to recover the cost.

Therefore, it can be seen that it is necessary to study the marketing strategies of merchants on the cross-border e-commerce platforms. Good research can help merchants point out the problems and shortcomings of existing marketing strategies, and also provide suggestions and references for new merchants who are about to enter the cross-border e-commerce industry. According to the research of Zhang Chen and Wang Ru, attention should be paid to improving product differentiation and product quality in cross-border e-commerce marketing [5]. Guo You mentioned in the research that in the process of e-commerce marketing management, enterprises need to rely on big data technology to systematically study various marketing activities, channels, costs and effects, and carry out scientific analysis of the marketing effects generated by different marketing activities and channel combinations. Finally, based on the scientific analysis results, according to the specific needs of relevant consumer groups, marketing plans will be issued to promote the overall development of e-commerce marketing management [6]. Yao Biling mentioned in her research that cross-border e-commerce operation is aimed at mining overseas customers and improving the conversion rate and repurchase rate of visitors. It is necessary to integrate the buyer's thinking into the whole stage of cross-border e-commerce operation, and all teams of the enterprise work together to maximize the operation efficiency [7]. But on the other hand, Yu YunBao also stressed that in the study of cross-border electric business platform should perfect the relevant product quality and marketing solutions, and improve product innovation, focus on product quality, improve the brand effect, but the platform shall ensure that commodities and platform propaganda of consensus, not for marketing, deliberately beautify the consigned goods, deceive consumers with inferior goods [8].

These studies show the industry status of cross-border e-commerce platforms, problems in cross-border e-commerce marketing and suggestions for improvement. As one of the first cross-border e-commerce platforms in China, Alibaba.com has also been studied by many scholars. According to Huang Weiya's research, Alibaba.com uses big data analysis to carry out cross-border precision marketing, so that consumers can understand the recent market conditions of target products in the shortest time, and also help sellers achieve the overall growth of sales [9]. Wang Xiaohong, Xia Youren and Mei Guanqun are put forward, such as Alibaba international station to launch of a new generation of digital foreign trade operation system, through the collection of international and domestic manufacturers, service providers and consumers, connects the supply side and consumption effectively, Unicom international and domestic market, formed by E-business platform as the core digital industry ecosystem [10]. Although scholars have conducted comprehensive studies on Alibaba.com, few have studied its merchants' strategies in cross-border e-commerce marketing. As a very successful cross-border e-commerce platform in China, the marketing strategies of these merchants are of great reference value for foreign trade practitioners on other platforms or merchants who are willing to enter Alibaba.com. Therefore, this paper will study the marketing strategy of Alibaba.com merchants and analyze its existing problems and advantages, hoping to provide some reference for cross-border e-commerce enterprises and other cross-border e-commerce platforms.

3. Methodology

In the past year, this study observed the brand marketing, product marketing, advertising marketing and self-active marketing of Alibaba.com merchants, analyzed the marketing effect and summarized the marketing strategy. In visual marketing, this paper mainly observed store layout, rotating posters,

product display, etc. product marketing mainly observe product description, customer positioning; advertising marketing is mainly observed brand advertising, drainage methods, in-store activities; self-active marketing is mainly to observe the behavior of merchants in the active access to business opportunities. The observation includes the marketing services and marketing activities provided by Alibaba.com and analyzes the different performances of different merchants in the activities. Marketing effectiveness is measured by the number of visitors and orders.

4. Results

In terms of brand marketing, the shop decoration style is unified, highlights the top-selling products, and the product display is logical. The store will choose the similar color for the banner, background and font—or colors that will not have a strong sense of conflict when matched. The choice of color will be determined according to the style of the store's main products. For example, stores selling men's sportswear and watches tend to choose dark colors, while jewelry and light industrial products tend to choose light colors. Most stores highlight their main product in their banner with a simple description. These banners are attached with links. If customers are interested in such products, they can directly click the banner to reach the details page of the products. During the product display, the store will display the products by category. At the same time, spot and customizable products will be displayed separately. Each category will have banners, and products under this category will have a main image or a video to show the products.

In the perspective of product marketing, through a variety of forms to show the characteristics and advantages of the product, the product information is clear. As one of the important factors to attract customers to the product details page, the main picture is undoubtedly very important in e-commerce marketing. The main image of most businesses is clear and highlights the product. The background color is mostly solid. Some products that are lighter in color, such as clear packaging boxes or sterling silver jewelry, choose a black background. In addition to pictures, many businesses also choose to display their products in the form of video. The video content mainly shows the appearance of the product, introduces the material of the product, how to use the product, or the scene of the production of the product in the factory.

As a supplement to the main picture, most supplier will choose to display products from multiple angles in the sub-pictures. In addition, the specifications and dimensions of the goods will also be marked in the sub-pictures, or the details of the goods will be displayed. In terms of product details, the supplier will introduce all product information in concise and clear text, accompanied by relevant pictures. Some suppliers also use tables to present information. At the end of the product details page, suppliers will display the manufacturing plant, company certificates, service procedures, etc.

In advertisement marketing, there are various forms of advertisement, and merchants can choose the appropriate marketing means independently. As the advertising product that most merchants choose to buy, the P4P (pay for performance) can be simply divided into two kinds: search advertising and recommendation advertising. Search advertising can elevate product listings to the top of search results when buyers search for relevant product information. For new products released within 90 days, merchants can choose the "New Product Growth" program to promote the new products. For merchants that want to determine their core products in a number of products, they can choose the "Product Test" scheme to measure the performance of the product in the website. The "Hot Product Boost" scheme is suitable for merchants to focus on the core products marketing, concentrated investment to create hot products.

Recommended advertising is to Cross-store Recommendation, APP Message Push, Shopping Cart and other recommended scenes interspersed with product information to promote products. Merchants can buy recommended ads to target sellers who have searched for, clicked on, or viewed their products. Based on Alibaba's big data algorithm, it helps merchants accurately find buyers who are interested in their products.

The Super September is known as the Double 11 of the foreign trade industry. It is a large-scale shopping activity provided by Alibaba.com for B2B buyers and sellers worldwide every year. This year is the sixth edition of the event since it was first held in 2017. There is a certain threshold for participating in the Super September and merchants can choose whether to participate in it. The Super September is divided into the main venue and different sub-venues. All merchants who have registered for the Super September must attend the main venue. For the sub-venue, merchants can participate according to their own strength and needs. For example, Easy Return venue requires the merchants to show the ability to return goods in line with the requirements, while Live venue featuring real-time interaction requires the live rooms of the merchants to meet the requirements. In terms of participation, most merchants chose to participate in the Super September.

In the part of self-active marketing, Businesses can use various forms of self-active marketing to actively obtain business opportunities. RFQ (Request for Quotation) means buyers fill in the information of goods to be purchased on the RFQ and entrust this platform to find suitable suppliers. When suppliers find suitable purchasing needs, they can make quotation directly to buyers. On Alibaba.com, any importer can use the RFQ service to publish purchasing information for free, while exporters can quote their product through RFQ as long as they pay dues to the platform and become members. As one of the most effective ways to close a deal, many suppliers will choose the appropriate RFQ to quote on the platform.

Feeds is a marketing plate for merchants to show their products, enterprise strength and other business dynamics. Through Feeds, merchants can interact with buyers and gain their attention and trust. All-star merchants can open Feeds for free. They can post up to four Feeds a day, which can include product inspection videos, limited-time discounts, coupons and more. Many merchants take their Feeds operations very seriously and post product-related videos on it every day.

5. Discussion

In terms of brand marketing, merchants need to find their own positioning, decide the style of store decoration according to the characteristics of their main products and target customers. The reason why merchants choose uniform colors in store decoration is mainly to achieve visual comfort and style consistency. Different colors will give people different impressions, so merchants need to choose the suitable color when decorating the store. For example, light pink can give people a feeling of tenderness, and silver and gold jewelry fits well with it, which can show the beauty of jewelry, so it will be very suitable for the shop whose main products are jewelry. On the display of products, merchants will choose to highlight their top-selling products, because these products can best reflect the strength of merchants and product quality. Banner is the most prominent position in the store, which can be seen by all customers who visit the store at the first glance. It is the most suitable for placing pictures and information related to the top-selling products. Attaching a link to the banner allows customers to go directly to the product details page, saving their time and impressing them with efficiency.

In product layout, spot and custom products are displayed separately, because the two kinds of products need to show different point to customers. Spot display need to focus on the product itself, merchants should pay attention to create visual impact, so they will use pictures and videos to display the top-selling products. For custom products, the focus point is on the strength of the company, including production capacity, service provided, and so on. Such a layout can show the professionalism of the merchants and win the trust of buyers.

In general, in terms of brand marketing, merchants need to pay special attention to distinguish between B2B and B2C store positioning. Because B2B buyers are rational merchants, the first transaction is more difficult. They will pay more attention to product quality, store service and production strength, etc. Therefore, the store decoration should be different from B2C type, need to show more about product quality, store production strength and service. Especially for the first-time

customers, they don't know the situation of the merchants well enough, so the cost of trust will be higher. In that case, the shop decoration needs to have a bright spot, show the alienation.

Product details page as the most viewed part by the customer, is the main site of product marketing. Simple and generous main picture will show more professionalism, can bring more clicks to the details page. And video can deliver more information, more realistic, easier to gain the trust of customers. The product description section should reflect the detailed information of the product, shipping cycle and service process. Since most of this information contains data, it is better to use a concise presentation. Tabular can makes the information clearer. By attaching pictures to the details, customers can quickly correspond to the product and make the presentation more understandable.

Demonstrating the manufacturing factory and company certificate can show the strength of the supplier. Because demonstration of the company strength is so important in B2B marketing, this section can be 30% or 40% in the product details page. The clearer the display of production and processing, the more customers can clearly understand the process and gain more trust.

Generally speaking, in terms of product marketing, merchants need to focus on customer demand and reasonably design the content of product details page to attract customers' interest, stimulate customers' consumption, and finally make customers feel at ease to buy.

The reason why P4P has become the advertising promotion product that most merchants choose to buy is that it has the following three advantages: high efficiency, controllability and pertinence. High efficiency means that after purchasing P4P, it can immediately increase the number of visitors of the product and achieve a good effect. Controllability means that the merchant can control the cost by controlling the length of time and the level of quotation, to avoid exceeding the budget. Pertinence refers to the free choice of the keywords, so that the marketing effect can more accurately affect the product. A variety of search advertising and recommendation advertising programs give merchants the freedom to choose the advertising programs they need the most at the moment and allocate their budgets flexibly.

Super September is an important event for B2B buyers and sellers around the world, many merchants starting early to prepare for the event. Super September is divided into a number of sub-sessions, the buyer can access the corresponding sub-sessions according to their own needs. This form can also help merchants more accurately contact the target customers, improve the transaction efficiency. As each venue has a certain threshold of entry, the strength of merchants and the quality of products are guaranteed. As a result, buyers are more comfortable with their transactions, and it takes less time for merchants to gain their trust. In addition, the logistics service provided by Alibaba.com can guarantee the efficiency of logistics and avoid the profit loss caused by logistics for merchants and buyers.

While these advertising schemes can significantly increase exposure, there are still problems in the long run. The ranking of P4P booth is determined by the bidding level, high ranking means high exposure and high click, while P4P charge mode is CPC (Cost per Click), which leads to higher ranking cost. But a high number of clicks does not guarantee a high conversion rate, or actual transaction volume. For some new companies or small companies, high exposure is desperately needed, but the high cost may be out of their reach. The P4P booth they won probably just blew through their budget quickly but didn't has the desired effect. This issue suggests that businesses should be careful about which products they promote, especially on a limited budget, and be sure to choose products that have shown high conversion rates in previous sales.

When traditional export enterprises are looking for foreign import enterprises, most of them will passively wait for inquiries from the other side, and then go through several links such as offer and counteroffer before reaching a deal. In this way, fewer customers are found, and the turnover rate is very low. But Alibaba.com RFQ function plate can help merchants quickly look for customers, so that merchants do not have to wait for inquiries online passively like the traditional foreign trade operation process. This section enables businesses to occupy more initiative in obtaining business opportunities, but also means that businesses can obtain more business opportunities through some quotation strategies. For example, the RFQ detail page is carefully analyzed before the quotation, and

the visit information that the buyer has browsed is collected and recorded, so as to judge the buyer's real intention to purchase the product through this information. Choosing customers with strong purchase intention to quote can improve the success rate of the transaction.

Feeds is a very important information channel for buyers. By observing what merchants post on their feeds, buyers can get a sense of the stability of their production. For sellers, Feeds is an important means to maintain customers. If merchants want to maximize the marketing effect of Feeds, first of all, they should keep a unified brand image and publish regularly when publishing information. Secondly, the release time should be consistent with the target customers' working hours, so that it is easier for customers to see, and merchants can also interact with customers in time. Finally, merchants can classify information according to different product categories to facilitate customers to understand the products they are interested in.

6. Conclusion

In this paper, through the recent year Alibaba.com merchants' marketing activities were observed, summed up the overall marketing strategy of merchants. From the perspective of brand marketing, most merchants are well aware of the importance of store decoration in brand marketing and can carry out store decoration according to their own product characteristics and brand style. The choice of color can achieve the visual effect of harmony and unity; When the product is displayed, it can highlight the main products and show the strength of the company. At the same time, according to the characteristics of B2B customers, efficient brand marketing. From the aspect of product marketing, most businesses can use clear and concise pictures and simple text description to show the features and advantages of the product and show the productivity and quality service of the company. Merchants through grasp the needs of target customers, designed the product details page reasonably, to attract customers to buy products. From the perspective of advertising marketing, Alibaba.com provides a variety of advertising programs to meet the needs of merchants to promote. However, when buying advertising programs, merchants should also be careful to choose the products to promote. In order to ensure the expected promotion effect at the same time, to prevent excessive cost input. In terms of self-active marketing, merchants can take the initiative to offer prices to buyers through the RFQ plate of Alibaba.com. By analyzing the RFQ released by buyers, merchants can choose the suitable buyers for quotation, without passively waiting for buyers' enquiries. In addition, as a self-marketing section provided by Alibaba.com to merchants, Feeds play an important role in interacting with buyers and maintaining customers. Most merchants continuously post updates on their Feeds to promote products and companies in order to gain more exposure. In general, Alibaba.com merchants can be based on the marketing services provided by Alibaba.com and develop their own marketing strategies according to their own positioning. In today's increasingly fierce competition in cross-border e-commerce industry, only by having a clear grasp of the target market and adopting wise marketing methods can merchants win the trust of customers and gain more profits.

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