

Theoretical Approaches to the Concept of Marketing Strategies

Xiaojie Wang¹, Natalia Karmina²

¹E-mail: 1032208720@rudn.ru, ²E-mail: nkarmina@mail.ru

¹Department of National Economy, Peoples' Friendship University of Russia (RUDN) Moscow, Russia

²Candidate of Economic Sciences, Senior Lecturer of the Department of Advertising and Business Communications, Peoples' Friendship University of Russia (RUDN University), Moscow, Russia

Abstract – The world economy has entered an era characterized by an unprecedented increase in global competition. It is becoming increasingly difficult for modern business to retain a significant place in the market, therefore, marketing focused on the consumer and his needs is becoming a priority area of efforts. Effective marketing solutions provide the company with a stable demand for its goods and services, which in turn guarantees the business a constant profit and a stable position in the market. The use of Internet technologies as a tool for implementing marketing strategies has become very popular today. Recently, the following areas of Internet marketers can be distinguished:

- organization of sales via the Internet, organization of online stores;
- offer of goods and services by functional types of organizations;
- Internet advertising is a special medium for the dissemination of Internet services.

However, as practical experience shows, often the offer of Internet services does not become successful, since consumers do not find effective and efficient mechanisms for establishing long-term attachment to certain types of Internet spaces. Therefore, recently, marketing specialists have created specialized spaces on the Internet, within which the client-consumer participates in the construction of certain types of joint activities, which becomes a method of building long-term, stable relations between the client and the Internet service provider.

Keywords-component; Information Technology, marketing, marketing strategy, competition, marketplace, online platform, brand, reputation, rating, social media.

1. THE CONCEPT OF STRATEGIC MARKETING

One of the main tools for strategic management of any company is a marketing strategy.

Marketing strategy has been the subject of scientific research since the 1980s.

In the scientific literature, there are many definitions that are devoted to marketing strategies. Some authors define marketing strategy as a set of interrelated activities with the help of which the company hopes to achieve its objectives. So O. Walker in his book "Marketing Strategy: MBA Course" defines a marketing strategy as "effectively distributed and coordinated market resources and activities to fulfill the company's objectives in a specific product market" [1]. F. Kotler gives the following definition: "A marketing strategy is a logical scheme of marketing activities, with the help of which a company fulfills its marketing objectives" [4].

Some authors regard marketing strategy as planning a marketing mix. For example, J. O'Shaughnessy believes that a marketing strategy is a concept of how a product, price, promotion and distribution should function in a coordinated manner [3].

Campbell D., Stonehouse D., Houston B. define marketing strategy as developing an effective marketing plan for a specific target market.

Marketing strategy is the general marketing program for target markets. It includes the main directions of the company's marketing activities and the tools of the marketing mix (marketing mix), with the help of which marketing activities are developed and carried out to achieve the set goals [4].

2 GOALS OF STRATEGIC MARKETING IN THE INTERNATIONAL MARKET

The global economic crisis caused by the pandemic has forced companies to compete fiercely for each customer.

The marketing strategy is becoming more and more popular due to the expansion of the virtual environment, the growth of the target audience, the activation of online sales, the development of modern promotion methods and targeting tools. As a result, Internet marketing has become an integral part of a comprehensive long-term development plan for many companies. Online promotion technologies work primarily with the demand generated at the moment, allowing you to quickly attract the target audience and at the same time minimize costs, helping companies to stay in a rapidly changing market with collapsed demand and heightened competition.

International marketing is a full-scale activity of a company in the field of marketing in foreign markets. In international markets, marketers of companies are engaged in forecasting, research and development, production and sales of products, advertising support for products or services, and the implementation of after-sales customer service.

Strategic marketing in the international market fulfills 3 main tasks:

- a) considers the foreign market as a potential exit and analyzes it in detail;
- b) analyzes the characteristics of the foreign target audience and assesses its interest in the product;
- c) satisfies the needs of foreign customers with the company's products.

Entering the international market is usually driven by certain internal motives. Any company, making such a decision, must assess the feasibility, prospects, desired results from activities in this market.

Marketing strategy in the international market often uses successful strategic solutions implemented in the national market. When preparing a marketing strategy for the international market, a company should determine strategic goals and objectives, select a target audience, ensure the correct positioning of products and then monitor marketing activities. At the same time, international marketing has certain peculiarities.

To be successful in entering the international market, the following key factors must be analyzed in the company's marketing strategy (Table 1).

Such a comprehensive analysis will significantly reduce business risks, and fixing decisions in the marketing strategy will help the company prepare a specific strategic action plan. But there are three most common mistakes that can nullify all efforts:

Application of templates. Each company has its own path - if something worked for one of them, it might not work for the other. In each case, it is necessary to adapt the marketing strategy to the current circumstances and make the necessary changes in a timely manner.

Table 1 - Analysis of key factors

Factors	Definition
economic	determine the need of a particular country for products, as well as assess the prospects and profitability of entering the international level
Political and legal	help to clarify the features of the regulation of foreign exchange transactions and identify differences in the work of state bodies
Cultural	provide an opportunity to identify prohibitions, customs, norms of behavior and business etiquette of an international target audience

Concentration on one channel. It is better if the strategy covers as many promotion channels as possible (email newsletters, online and offline advertising, content marketing, etc.).

Lack of control. You can only measure the success of a marketing strategy by its results. If you do not track the consequences, you may not notice weaknesses. As a result, it will not be possible to improve the strategy and exclude ineffective actions.

A balanced marketing strategy helps to choose a promising direction for business development, in which all resources are working at full capacity and give a positive result.

3 ANALYSIS OF VIPSHOP MARKETPLACE ACTIVITIES IN THE INTERNATIONAL MARKET

This article reviews the activities and strategy of Vipshop Holdings Limited. Vipshop was established in 2008 as an e-commerce company in China. Marketplace specializes in discount sales of quality branded products. The proprietary online platform Vipshop has the Vipshop mobile app and the vip.com website. The marketplace also offers warehousing, logistics, procurement, research and development, consulting services. Vipshop's business concept is based on flash selling technology. It is a system for selling a limited number of products with a big discount, up to 90% of the original price for a limited period of time.

The company's full year 2020 net revenue increased 9.5% year on year, up to RMB 101.9 billion (US \$ 15.6 billion) from RMB 93.0 billion in the previous year.

The total turnover for the full year of 2020 increased by 11% year on year to 165.0 billion yuan, up from 148.2 billion yuan in the previous year.

Full year 2020 gross profit increased 2.9% year on year to RMB 21.3 billion (US \$ 3.3 billion), up from RMB 20.7 billion in the previous year (Figure 1).

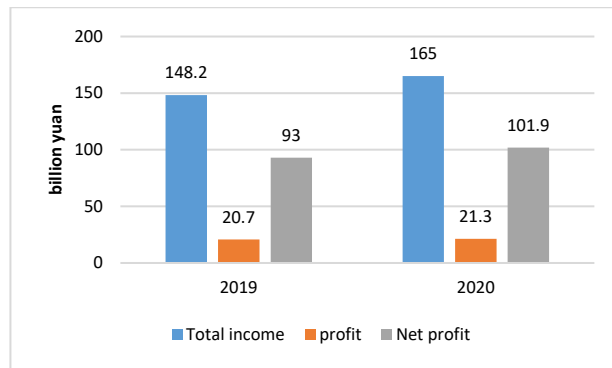


Figure 1. Financial performance of Vipshop for 2019-2020 [5]

The key position of the marketplace is to create thrill and excitement from the shopping process.

Attractive prices are achieved through wholesale and seasonal discounts, negotiations and partnerships with suppliers of branded goods, as well as through savings in warehouses. Vipshop offers a wide range of products, from cosmetics, apparel to household goods, by popular domestic and international brands (over 29,000 brands) (Figure 2).

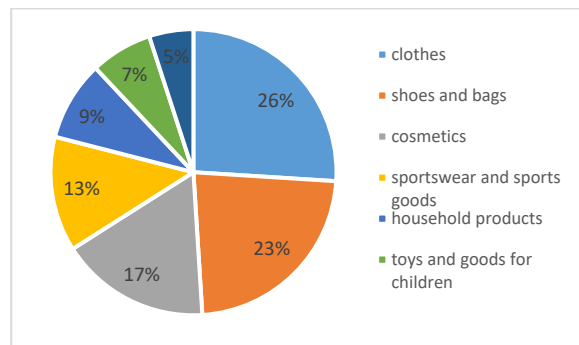


Figure 2. Products on the Vipshop site in 2020 [5]

As of the beginning of 2020, the online platform had 331 million registered users, of which 61 million people. - active users, including 46.1 million people. - regular customers (Figure 3).

The marketplace partners are brand owners, distributors and resellers. As of the beginning of 2020, there are 17,000 trading partners. Vipshop's own logistics network consists of regional logistics centers and local distribution centers located in key regions of China. Also, to support Vipshop's cross-border business, the network has several bonded warehouses in China.

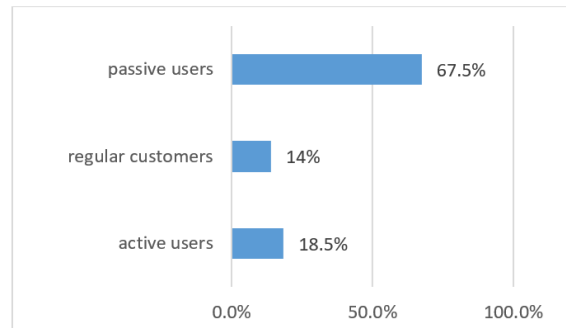


Figure 3. Users of the online platform Vipshop at the beginning of 2020 [6]

The online retail market is highly competitive. Vipshop's main competitors in China are Alibaba Group Holding Limited, Pinduoduo, and other online retailers in China. In the marketing strategy of the company, the competitive advantages of Vipshop for the international market are fixed:

- a) good reputation among consumers and brands;
- b) the breadth and quality of product offerings for buyers of different age groups and income levels;
- c) efficient pricing;
- d) user-friendly online platform.

To improve the quality of services provided and increase the customer base, Vipshop partners with reputable companies in the IT industry (Tencent) and online retail (JD.com, Inc.). As one of the largest e-commerce platforms in China, VIPS not only does not compete directly with its main competitors, but also builds good partnerships with them.

Vipshop is very strict about the quality of the assortment presented on the platform. In 2018, the company launched a series of measures to verify goods for authenticity. Vipshop strictly checks all documents that the company provides at the registration stage. For imported goods, the supplier must also provide customs clearance documents.

4 ANALYSIS OF THE MARKETING STRATEGY OF THE VIPSHOP MARKETPLACE

Vipshop marketplace is constantly working to improve its marketing strategy. The strategy helps to predict, anticipate and anticipate negative situations for the company in advance, and, most importantly, simulates positive options for business development.

1) Vipshop's marketing strategy is based on 3 main principles, they are the main reasons for success:

- the company puts the client first;
- the company launches new brands and innovations;

- the company remains patient.

Marketplace is constantly improving delivery methods. This is a great lesson for business: always think about the customer and not be afraid to innovate.

2) Vipshop refines the email strategy and sends different emails to each customer based on their purchase history, location, age, website views, etc.

Vipshop tracks customer data, for example:

- what product the client is viewing;
- what product the client orders;
- what promotional emails the customer clicks on the products;
- what products the customer stores in his cart without purchases, etc.

Vipshop regularly sends out cart abandonment reminders, product recommendations. This way, Vipshop can drive a lot of traffic to its website, which helps to maximize conversions.

3) Vipshop customers directly influence the marketing of the marketplace.

The best advertising strategy for Vipshop is word of mouth. The key to generating referrals from clients is investing in quality customer service. Vipshop believes that there is no point in attracting more customers by spending large amounts of money on advertising. The client may not stay for long. The marketplace invests first in customer service and then increases customer retention to improve its bottom line.

4) Vipshop regularly spends time analyzing its business.

Marketplace always takes a step forward to evaluate its business model, and this is one of the main reasons for its success.

5) Vipshop has an excellent product review system.

Product ratings and reviews are very important in a customer's decision to buy a particular product. Vipshop has specific guidelines for creating customer testimonials that a customer must follow in order to publish their testimonial on the site. Reviews are automatically sorted based on "Most Helpful Customer Reviews," but a customer can click on the link to see all the reviews, good and bad.

Vipshop always asks the question "Was this review helpful?" This is a common user feedback mechanism that allows the marketplace to keep high-quality and popular items in stock and discard those that don't sell well. Due to this, the company exits every year with high profits.

6) Vipshop develops its loyalty program. The marketplace relies on customer experience to build brand loyalty. Submitting discounts alone will not be beneficial. Marketplace has changed the rules of the game as it provides its customers with many benefits, such as:

- delivery on the same day;
- flat fee for delivery of goods;
- specials on prime day.

7) Vipshop marketplace uses social media to promote products and help customers.

Vipshop uses the Facebook platform to inform customers about new product suggestions as well as respond quickly to negative reviews. When a customer asks a question, Vipshop representatives answer it quickly, and if there is a problem, they always try to help the customer.

8) Vipshop has its own influencer program and is ahead of its competitors in this.

People with the appropriate YouTube, Instagram, Twitter or Facebook account are encouraged to create their own storefront on Vipshop with a custom URL to host all featured products. For this, clients receive a commission, it is profitable and convenient for them to work with the marketplace.

Summarizing the above, we conclude that in comparison with other types of media marketing, for example, print, radio, television, Internet marketing technologies are growing very quickly. Internet marketing is gaining more and more popularity in various businesses, which increases the growth of sales and companies' profits.

5 CONCLUSIONS

So, in 2021-2023, experts predict a further increase in the popularity of online trading due to the development of the market, the purchasing power of the population, and the spread of Internet technologies. The online trading market will continue to develop, so marketplaces will become one of the most popular formats for online sales.

The success of Vipshop's marketing strategy can be a lesson for all businesses, not just e-commerce or online businesses. A balanced marketing strategy allows the company to select priority development goals, focus its activities on the optimal target market segments and form a package of solutions that increase the competitiveness and stability of business in an international format.

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