The Research on Marketing Model Innovation of Private Enterprises in Xi'an in the Time of Internet Plus

Chun Li Huang

Abstract. With the encouragement and support of the Xi'an municipal government, private enterprises in Xi'an are achieving rapid and sustainable development in recent years. Based on a large sample survey, this article mainly analyses what is the impact of “Internet+” on marketing of private enterprises, and discusses the current problems of marketing mode of private enterprises in Xi'an. Finally, at existing problems, suggestions to further improve private enterprises marketing innovation are made. This thesis intends to provide some references on marketing innovation of private enterprises in Xi'an.

Keywords: Internet; Marketing; Private Enterprises

I. Introduction
“Internet+” strategy is one of the four proposals which are put forward by Ma Huateng on the National People's Congress in 2015. On the morning of March 5th, 2015, Premier Li Keqiang made a report of government work and put forward the “Internet+” action plan for the first time on the twelve session of the National People's Congress on the third meeting. “Internet+” creates a new ecological development by using information and communication technology and the Internet platform, depending on the deep integration with various industries. After the two sessions, “Internet+” became a popular word for that time, which causes the thinking of all walks of life. Dong Jun, who is Xi'an mayor, stressed on adapting to the development of the times, giving full play to the advantages of resources, thought sought to further energize the integration of the Internet and the development of the
industry, to ensure that the national “Internet+” strategy implemented in Xi’an.

There is a large amount of private enterprises in Xi’an. The private enterprises are playing an important role in increasing the employment of Xi’an, creating tax revenue, providing wealth, social stability, and play an increasingly important role. Combining with “Internet+”, how can private enterprises in Xi’an become bigger and stronger? The marketing department is the profit center of the private enterprise, and the marketing effect directly affects prosperity of the private enterprises. For marketing department, the golden age of the traditional marketing model is over; the new marketing model of Internet thinking will become mainstream.

By studying the current situation, problems and innovation path of Xi’an private enterprise marketing mode, it will help private enterprises break through the current development bottleneck, with the innovation of the marketing strategy to drive the enterprise management innovation, enhance the economic efficiency of private enterprises, and improve the overall competitiveness, so as to promote the economic development of Xi’an and Shaanxi Province.

II. Theory and Practice Research on Marketing

1. Foreign research
Firstly, research on marketing model
This research focuses on the concept, type and creation of marketing model. The foreign studies of marketing model began in 1960s.

The related research has experienced three periods: innovation oriented marketing model period, relationship oriented marketing model (4C model) period, competitive oriented marketing model (4R model) period.

Secondly, the research on marketing innovation
This research is concentrated on the innovation theory, the function and regulation of marketing innovation.

For example, J.A. Schumpeter (1999) puts forward the theory of innovation. He said that the innovation of Economics mainly referred to marketing innovation. Cathleen Johnson (2002) believed that marketing innovation is the performance of business competency, which can weaken the competitors, create new value for the customer, and create new wealth for enterprises. He said that marketing innovation provides new ideas for enterprises, which includes concept and product innovation, theory and method innovation.

Thirdly, research on enterprise network marketing
Theodore Leavitt ventured the opinion of global marketing. Schultz put forward the idea of integrated network marketing outsourcing. Jackson
proposed the concept of relationship marketing. Sanger Fetter believed that enterprise marketing is a part of enterprise strategic innovation and an aspect of enterprise capability. The ability creates wealth for the enterprise, creates new value for customers, and finally wins the competition. These studies promote the theoretical research of enterprise network marketing, and help in positioning and guidance of marketing. However, most of these studies are theoretical research and frame analysis, and lack the specific research on network marketing innovation of private enterprises.

2. Domestic research
Firstly, research on enterprise network marketing

Researchers have performed a panoramic, and depth exploration, which focused on the elements of the marketing model and the type of the marketing model.

For example, Chen Jing (2007) believed that the marketing model is the specific marketing activity form or marketing activity process. It mainly includes three factors: marketing concept, marketing organization and marketing technology. Marketing model is a system, not a means or manner. At the same time, there are a large number of articles which propose specific types of marketing model.

Secondly, research on enterprise network marketing and new media marketing

These studies are focusing on network marketing theory, network marketing model and new media marketing, of which the study of new media marketing is still very few in academe. For example, the book "Network Marketing" by Li Li mainly begins from the origin of network marketing, systematically analyzes the concept of network marketing, and expounds the common mode of network marketing, network marketing system and the general characteristics of network marketing products, etc.

Thirdly, research on private enterprise marketing innovation

The studies of this aspect concentrated on marketing innovation theory and marketing innovation strategy, of which case studies are the majority. Such as, the article "A Case Study on Marketing Innovation of Shenzhen Chi Chuang Electronics Co., Ltd." by Huang Xinyuan, the article "Research on the Marketing Innovation of JinJiang Inn" by Wang Xinqi, etc. These studies can be used as a reference for the marketing innovation of private enterprises. But most of these articles are case studies, didn’t mention the factors of marketing innovation and general suggestions for private enterprise marketing innovation.

III. The Impact of “Internet+” on the Marketing of Private Enterprises

Firstly, consumers become participants from bystanders.

In the “Internet+” age, consumers become creators, contributors and
reviewers of products instead of traditional marketing product spectators. For example, some clothing manufacturers encourage consumers to participate in product design. Each consumer has the right to provide DIY creative ideas for the products. Finally, businesses decide whether to adopt the ideas or not. This greatly increases the interactivity, consumer interest and desire to buy.

Secondly, the marketing breaks restrictions of time and space, becoming borderless marketing.

In the “Internet+” age, marketing achieves the freedom of time and space, the freedom of scale and form. Such as, consumers can watch TV programs at any time. Marketing coverage is from personals to the world.

Thirdly, marketing has turned into user voluntary participation and share marketing from the traditional push marketing.

In the “Internet+” age, consumers often interact with businesses and net friends, and share their purchase experience on WeChat circle & some forums. Marketers may consider brand placement in the interaction process, and carry out viral marketing communications.

Fourthly, the new media marketing planning becomes popular.

Fifthly, with the influence of traditional media on marketing becomes weaker and weaker, the digital influence of new media is becoming larger and larger.

Democratization of information is the necessary requests in the “Internet +” age. Marketers must change the traditional marketing approach, strive to become an important participant in the public discussions, and use a variety of possible digital tools to influence rather than dominate the direction of the topic.

IV. The current situation and problems of the marketing mode of Xi’an private enterprises

We made a questionnaire survey, field investigation and individual in-depth interview among private enterprises in Xi’an. In this study, 20 private enterprises in Xi’an are selected as survey samples. The investigation mainly includes the current marketing mode type, marketing model characteristics, marketing execution effect, and restricting factors of private enterprise development in Xi’an, etc. The data obtained are computed and analyzed via STATA Version 12.0. The results are as follows.

First, the overall situation.
Table 1. The overall situation of Xi'an private enterprises.

<table>
<thead>
<tr>
<th>Number</th>
<th>Type of enterprise</th>
<th>Total (households)</th>
<th>Year-on-year growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>all types of market players in Xi'an</td>
<td>746703</td>
<td>17.03%</td>
</tr>
<tr>
<td>2</td>
<td>private enterprises in Xi'an</td>
<td>231908</td>
<td>24.14%</td>
</tr>
<tr>
<td>3</td>
<td>Xi'an individual industrial &amp; commercial households</td>
<td>482035</td>
<td>16.33%</td>
</tr>
<tr>
<td>4</td>
<td>newly registered private enterprises in 2016</td>
<td>53132</td>
<td>23.20%</td>
</tr>
<tr>
<td>5</td>
<td>newly registered individual industrial &amp; commercial households in 2016</td>
<td>84822</td>
<td>23.26%</td>
</tr>
</tbody>
</table>

In 2016, nonpublic economic added value of Xi'an accounted for 52.8 percent of GDP, which has become a main force propping the economic and social development of Xi'an.

The current marketing mode of the private enterprises in Xi'an mainly includes the traditional marketing mode, telephone marketing mode and new media marketing mode. From the point of view of marketing strategy, the private enterprises in Xi'an mainly use cost leadership strategy, product differentiation strategy and target concentration strategy. According to different development goals and development stages, different strategies are adopted. When the enterprises face the choice of marketing mode, they usually consider some influential factors, such as, product positioning, marketing goal, etc.

According to the research result, more than 60% of private enterprises are being prepared to reduce the traditional media advertising budget, and substantially increase the digital media advertising budget. Furthermore, online advertising and outdoor TV advertising have become the primary investment objective of these budgets. Mobile phone is considered to be the most potential digital media by private business owners. “Internet +” has brought the opportunity of digital marketing for private enterprises in Xi'an and the value of diversification. Some traditional industries are also restructuring. For example, many bookstores in Xi'an joined the e-book sales platform, sell e-books with the help of electronic book sales agencies or integrated B2C e-commerce platform. Such as Dangdang, Jingdong mall, Amazon, etc.

Second, the current problems

At present, the existing marketing problems of private enterprises in Xi'an are as follows.

The traditional marketing model seriously restricted the development of enterprises and weighed on profit growth.
The wider problems remain, which are the old business philosophy, lagged marketing management and lack of innovative marketing talents.

In the “Internet + ” age, marketing presents the characteristics of interaction, participation and sharing. But the marketing methods of private enterprises don’t catch up with era step.

Technology has created a huge digital media channel. Most of the traditional media will be digitized. Consumer buying habits and consumer behaviors are changing at any time. Continuation of the old marketing model will enable enterprises into the predicament.

With the increase of mobile phone users, mobile marketing becomes a new driving force for market development. Nonetheless, the majority of private enterprises in Xi’an are lack of R & D capabilities, comparatively little money and effort directed at the mobile marketing.

V. Suggestions of marketing model innovation

Several suggestions on how to develop innovative marketing model around business goals are as follows.

Firstly, private enterprises should use STP analysis, which includes segmenting, targeting and positioning, to define the development strategy.

Before making marketing strategy, private enterprises should analyze the macro–environment, competitive situation of industry, demographic variables, psychological variables and customer behavioral variables, etc. After that, based on data analysis, the private enterprises will understand the overall situation of the competitive market and customer demands, and position the target market.

Secondly, the selling point analysis of the product or the service.

The private enterprises should analyze competitor's activity and the competitive force of their own products, and then make marketing decisions.

Thirdly, choose the appropriate marketing model.
1. Combination of old and new media

Using SWOT analyzing method, the private enterprises can analyze competitive pattern and their competitiveness, and then determine respective investment proportion in traditional marketing and new media marketing.

2. The path choice of new media marketing

Please focus your minds on the following problem.
The first step is to choose the suitable social media.

When choosing micro-blog, WeChat, SNS, comment community, blog, podcast and other new media marketing, enterprises must consider the impact of these media, consumer use habits of media, marketing effect of different media, and then choose appropriate media.

The second step is to choose the suitable new media marketing type.
(1) To carry out mobile marketing.
Private enterprises can consider mobile phone advertising, location services (LBS), mobile payments and two-dimensional code marketing, etc.

(2) To carry out search engine marketing.

Private enterprises can carry out search engine marketing, which includes search portal, vertical search, regional search, map search, image search, video search, search engine optimization, search engine keyword advertising, etc.

(3) To carry out virtual game marketing.

Private enterprises can consider online game marketing, such as implantable advertising in the game, advertising games, web games and so on.

(4) To do business electronically.

Private enterprises can conduct a variety of patterns of goods sales behavior on the digital network media, such as B2B, B2C, C2C, etc.

The third step is to choose the suitable new media marketing methods.

According to the characteristics of different products, private enterprises can consider the use and integration of viral marketing, emotional marketing, and topic marketing and other marketing methods. When choosing the specific marketing communication mode, private enterprises can resort to specific mode such as new media content communication with KOL, online and offline continuous heat around the spokesperson, all-encompassing communication by cross border cooperation, etc.

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References