

JD's Marketing Strategy and Business Model Analysis

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Abstract: JD is a comprehensive online retailer in China, one of the most popular and influential e-commerce websites in the field of e-commerce in China. It sells millions of high-quality products from tens of thousands of brands in 12 categories online. JD takes "products, prices, and services" as its core, committed to providing consumers with high-quality goods and discounted prices and leading the online retail market through continuously optimized services. In the current era, with rapid technological development, diverse marketing strategies, and business operation models emerging one after another, and fierce brand competition, JD.com has kept up with the trend of economic development and achieved remarkable achievements under the pressure of huge competition and updating iterations. JD's unique marketing strategy and business model have contributed to its success. We have studied and analyzed JD's secret to success from the perspectives of 4P and 4C.

Keywords: JD, Integrated online retail company, Application of Marketing Theory, Brand marketing strategy, Business Model Analysis

1. Introduction

Jingdong is a well-known domestic e-commerce platform, through the connection of merchants and consumers online sales mode, through the control and adjustment of product quality and price, the national high-speed transportation and distribution as a platform to select and sell goods, to provide convenience and guarantee for consumers' shopping. In this paper, by raising the question of "How does JD.com achieve its current achievements", we analyze JD.com's marketing strategy and business model towards the 4P and 4C theory in marketing, analyze the internal operation mode of JD.com from the perspective of the company in the 4P way, and conduct a comprehensive systematic analysis of JD.com's personal brand image from the 4C station in the eyes of external consumers. The rest of the article is organized as follows, the first section abstract extracts the key to the entire paper through the analysis of the background and the summary of our results, the second section introduces the introduction of the entire company and the research problems and methods and the rest of the article to roughly explain the content of the article, the third section reviews the analysis of the overall market background and research progress to highlight the different characteristics of the article, the fourth section is the analysis part of our paper, analyzing the overall marketing and business model of JD.com. Fifth Street provides a general summary of our article's conclusions, culminating in an introduction to our contributions and citations.

2. Review

2.1. Marketing Strategy

Our article is mainly related to the alternative marketing strategy that JD.com mainly relies on. In this research question, Jiang Zhenjian, Dong Fengjuan, and Tang Yixuan all came up with the: "The media field contains great business opportunities" "TV drama plots and advertisements are very It fits well, and they can also promote the advertisement while leaving a deep impression on the audience", "The precise marketing strategy has attracted the consumption of the campus center, and also improved the social popularity" and other conclusions [1].

Our article is mainly based on the existing distribution model of JD.com. In this research question, Kangning Zheng, Zuopeng Zhang (Justin), and Bin Song all came up with indicated that e-commerce enterprises are facing new challenges in their logistics and distribution models, and big data plays a role in JD's selection of enterprise distribution models and other conclusions [2].

Our article mainly takes Jingdong Mall as an example and conducts research on B2C e-commerce marketing strategies from the aspects of products, prices, locations, promotions, etc. In this research question, both Yuan-Yuan LAN, and Xiao-Ting came up with Jingdong The mall has certain defects in product quality, pricing, logistics time, and new customer development. In order to improve marketing strategies, Jingdong Mall should improve product quality, implement low-price strategies, optimize logistics systems, improve promotion levels, and other conclusions [3].

Our article mainly focuses on It ends with guidelines on how research in marketing could reinvent itself to the benefit of both academics and practitioners. In this research question, Evert Gummesson has come up with Seminal developments over the past decades in services marketing, quality management, relationship marketing, and CRM are treated as special cases although they intervene in all types of marketing. Marketing management has become stereotyped on a derelict foundation in commodity-like textbooks and other conclusions [4].

Our article mainly focuses on Developments in the last decades have inspired this paper to study how the B2B marketing theory has evolved. In this research question, both Amjad Hadjikhani and Peter LaPlaca came up with the transition from an economic foundation to one Built on the behavioral sciences, and the recent wider applicability of B2B marketing theory towards other marketing fields is viewed in this paper as an exciting journey and other conclusions [5].

2.2. Management strategy

Our articles are mainly related to Brand marketing strategy. In this research question, Haydee Calderon, Amparo Cervera, and Alejandro Molla all came up with It has been elaborated that, when formulating a brand strategy, marketing strategies take into account consumer perspectives rather than just objective issues, thus providing a broader range of brand value conclusions [6].

Our article mainly takes JD.com as an example. It is about how the company should implement supply chain management when facing supply chain disruption. In this research problem, both Zuojun Max Shen and Yiqi Sun came up with a study that provides an example of using practical operational Indicators to analyze supply chain resilience and suggests firms pay attention to operational flexibility and collaboration beyond supply chains to deal with a large-scale supply chain disruption, such as the COVID-19 outbreak and other conclusions [7].

Our article mainly takes JD.com as an example and explains how JD.com builds an emergency supply chain, in order to provide some suggestions and references for the emergency supply chain to improve emergency supply chain management. In this research problem, both Yonghui CAO and He JIANG came up with Jingdong and started the construction of an intelligent supply chain very early.

The conclusion is that the excellent flexibility and flexibility of JD's digital supply chain has shown significant advantages in the epidemic [8].

Our article is mainly related to The traditional automobile industry is also facing the great challenge of industrial upgrading, so it is necessary to apply the Internet to the innovation of automobile marketing management mode, in this research question, there are Shufen Guo, Lizong Zhu, Suping Jiang, Biqing Li obtained this paper introduces the combination of "Internet" and automobile industry, and on the basis of the classical marketing 4P theory, expounds the idea and technological innovation brought about by "Internet" in automobile marketing management in conclusion [9].

3. Analysis

We used 4P and 4C marketing theories to analyze JD's current marketing strategies and business models, combining both the corporate and customer perspectives, in response to the research on how JD achieves its current achievements.

3.1. Market strategy analysis based on 4P

Promotion: Jingdong's unique marketing strategy is one of the important factors to achieve its current success. Jingdong pays more attention to the publicity and marketing on the network, Jingdong Express, Jingdong Direct investment, Jingdong Sea investment, Beijing picks customers, Beijing selects booths and other marketing promotion methods, according to the user's shopping behavior, category attributes, and other dimensions of the customer's accurate orientation.

At the same time, Jingdong cooperates with third-party media to cover mainstream social media resources and mobile information resources, which reduces the cost of advertisers in different media, helps advertisers seize the flow dividend of new resources, and provides customers with the maximum discount. On specific holidays, Jingdong also has discounts, full reductions, second kill, and buying activities, which not only improve the sales of products but also greatly reduce the time for products to enter the market and stimulate consumers to buy.

Price: Price not only represents the purchase price of the initial customer but also represents the value of profit from the product during the life cycle. I will try to analyze how JD.com implements a low-price and high-quality marketing model and optimizes price composition from the perspective of money, time, cognitive activities, and behavior.

First of all, in terms of pricing, JD.com attracts customers' attention through various discounts and discounts and conducts sales at a price that is close to wholesale in real life and slightly lower than the market price.

Secondly, in terms of time, shopping on JD.com is convenient and fast. By organizing merchants to sell online, it saves a lot of time to go to the store to buy things. Furthermore, in terms of cognitive activities, JD.com categorizes and divides different products so that we can clearly understand the characteristics, positioning, quality, feedback, and usage of the products, enabling consumers to clearly understand the products.

In addition, in terms of behavioral efforts, Jingdong Mall has optimized and upgraded the format of the webpage and website, so that consumers can fully communicate with merchants, and the comprehensive coverage of products saves consumers the effort to find products and keeps them comfortable. shopping experience. In addition, JD.com can realize personalized pricing and targeted push based on customer browsing data to ensure that prices are fully in line with consumer habits and capabilities and to promote transactions.

Place: JD.com is a platform for manufacturers and end customers to form a channel, but at the same time JD.com also launches a self-operated model to become a merchant for sales. I will analyze it in terms of channel length and distribution strength.

First of all, in terms of the length of the channel, the self-operated model is a model in which merchants go directly to buyers. JD.com usually works hard to find manufacturers to obtain the lowest price in terms of quality assurance and saves intermediate costs through self-sales and promotion. The self-operated model has successfully shaped the strong image of quality and guarantee of JD.com, enabling end consumers to obtain better products and services.

Secondly, in terms of distribution intensity, JD.com stores more products at outlets for sale and has courier stations and warehouses all over China to facilitate shopping and fast delivery and deliver products to final consumer groups through logistics. Through strict selection and quality control of merchants, the formality and guarantee of the platform are highlighted, so that consumers can increase their trust in JD.com.

Product: JD.com's main product is the JD.com Mall app, which has reached a mature level and still maintains a solid position in the fierce competition in China's e-commerce market. Jingdong's key business is commodity retail, if it is an online order, the platform will pick up the goods from the nearest retailer according to the customer's location and use its own express delivery business for the fastest delivery, and promise back to the customer the fastest delivery, but at the same time customers can also choose to pick up at the pick-up point, Jingdong has carried out two pickup routes to provide customers with more choices. Allowing customers to receive their favorite items in less time will make them feel happy and build trust in the platform, which is a big way for JD.com to retain repeat customers.

Jingdong is also remarkable in customer service, providing quality assured goods and meticulous after-sales service on the whole platform, such as Jingdong Mall provides consumers with genuine licensed goods, machine invoicing, and after-sales service at the same time, but also launched "price protection" and "extended warranty service" and other measures, these measures not only for themselves, but also for the entire Chinese e-commerce industry to set a benchmark for integrity management, but also to leave more customers for themselves.

3.2. Suggestions based on 4P

Compared with Pinduoduo, the domestic competitive e-commerce platform, Jingdong's product prices are relatively high and its target customer groups are relatively small. The competitors have a large number of consumer groups and high-cost performance. So I think JD.com should continue to improve the pursuit of relatively high cost performance while ensuring quality, which will attract more consumers.

When it comes to advertising and marketing, JD.com is in a hurry. Many users reflect that Jingdong's pop-up marketing advertisements are too frequent, the closing method is more difficult, customers' purchase desire has been reduced, and their impression of the brand has become worse. According to this, I think Jingdong should not only limit the way of advertising marketing to pop-up ads but also make efforts in various types of advertising marketing. At the same time, Jingdong should timely deal with the difficulties of pop-up window closure and the problem of too frequent pop-up ads, and use some innovative or artistic means to carry out advertising marketing from a new perspective to replace the "brainwashing marketing" that frequently pops up again and again.

4. Market strategy analysis based on 4C

Customer solution: For JD.com, the key to marketing is to solve customer needs. I will analyze how to discover and solve customer needs from two aspects: Market-driven, that is, the marketing model

that enterprises actively lead consumers, and Market-driven, that is, the marketing model that companies meet consumer needs.

First of all, from a market-driven point of view, JD.com will update customer positioning in real-time based on customer search and browsing records to make product recommendations, use data to analyze customer needs to promote marketing, and discover products that consumers are more suitable for and prefer. Anticipate customer needs in advance.

Furthermore, from the market-driving analysis, the search page on JD.com's website can search for anything customers want and recommend products that most accurately meet their needs. JD.com is also equipped with a professional customer service center and after-sales service to solve consumers' problems with products and improve customer satisfaction.

Customer cost: From the perspective of customers, Jingdong tries to reduce the cost of customers and improve the possibility of sales. Jingdong reduces customers' money costs through various promotion methods such as discount promotion, gift promotion, gift card promotion, points promotion, gift sharing promotion, full reduction promotion, and so on. Through online customer service, Jingdong eliminates customers' doubts and reduces the time cost of customers' consumption.

Promotion is also a major strategy of Jingdong in reducing customer costs. Through different forms of online and offline promotion, Jingdong not only promotes the brand, but also understands the consumer orientation of customers, so as to develop a series of marketing strategies, reduce the physical and time costs of customers, and enable customers to have a better consumption experience. Selection is a particular focus of Jingdong, Jingdong has its own set of "gold standards", that is, products need to be recognized by consumers, products to be high quality and products need to be competitive in price. High-quality selection reduces both the customer's outcome cost and the customer's internal cost. Jingdong's investment ensures the high quality of its services and products.

At the same time, Jingdong also sacrifices part of its profits to give profits to customers, so as to achieve a certain degree of low prices, and to offset part of the disadvantage of price comparison with customers' psychological expectations of product quality. Jingdong balances the relationship between input cost and result cost, which not only reduces the harm and insufficiency caused by products but also makes profits to a certain extent.

Communication: Jingdong communicates effectively with all target customers, tries its best to meet customers' purchasing needs, and enhances brand trust. Jingdong's all-weather customer service has the advantages of fast response, good service attitude, and positive handling of problems. At present, the service includes online customer service, telephone customer service, and logistics customer service. Jingdong provides consumers with pre-sales consultation, after-sales service, logistics problem-solving, and other problems. Quality service can not be separated from the training of talents, Jingdong has a relatively perfect talent training system, to help employees establish the right values and work attitude.

Convenience: The biggest convenience provided by JD.com for customers is the convenience store project, mainly to upgrade small stores, empower JD.com's brand, supply chain, operation, technological innovation, and other capabilities to small stores, and provide modular scenario-based operation services, so that store owners can make differentiated choices according to the needs of consumption scenarios, and then realize the upgrade of stores' categories, image and operating capabilities.

Jingdong convenience store installs an intelligent store management system that integrates commodity management, customer management, and marketing services. The system uses the advantages of big data for intelligent replenishment and intelligent loading, supports intelligent replenishment and intelligent selection of stores according to consumer portraits, and opens up with Jingdong. Convenience GO mini program to realize the integrated management of data, membership,

and inventory of physical stores and JD Convenience GO, and store owners can manage goods, money, and customers through a mobile phone.

Jingdong's brand and logo not only bring Jingdong convenience store brand upgrade but also endorse high-quality stores. The red line of Jingdong convenience stores for stores is not to allow counterfeit and shoddy goods, and gradually cultivate their habit of purchasing goods on the treasurer. In terms of fees, Jingdong convenience stores are exempted from store franchise fees, training fees, management fees, and other subjects, and only retain warranty money, which is used to urge store owners to ensure regular, legal, and continuous operations, so as to protect the legitimate rights and interests of consumers.

4.1. Suggestions based on 4C

JD.com caters to the needs of high-end consumers. Most of them actually adopt a market-driving marketing model. Compared with the domestic competitive platform Douyin, which adopts a market-driven marketing model, short videos make consumers anxious and interested, thereby creating demand. Let customers place orders through the popularity and recognition of Internet celebrities. Therefore, JD.com needs to better guide consumer demand and psychology, and move closer to creating demand in order to continuously improve.

At present, Jingdong still has significant problems communicating with customers. The customer service of Jingdong sometimes has problems with poor call transfer and customer service does not deal with delays in dealing with customer problems. Based on this, I think Jingdong can regularly send special questionnaires on customer satisfaction to collect customer suggestions. At the same time, Jingdong can increase the rewards and punishments for employees or regularly train and lay off customer service staff.

5. Conclusion

This article introduces "the reasons why JD.com achieves its current achievements", and on the basis of the classic 4P and 4C theory, expounds on the innovation and changes brought by JD.com for customers, provides customers and leads customers from multiple angles, as well as more intelligent and diversified sales methods and marketing strategies, as well as suggestions for improvement in promotion and price.

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