



**RESEARCH ON E-COMMERCE OPERATION STRATEGY OF  
APPAREL ENTERPRISES – A CASE STUDY OF SHANGYI APPAREL CO.,  
LTD.**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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APPAREL ENTERPRISES – A CASE STUDY OF SHANGYI APPAREL CO.,**

**LTD.**

**Thematic Certificate**

**To**

**WANG SENQI**

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Requirement of International Master of Business Administration in International  
Business Management

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## ABSTRACT

**Title:** Research on E-commerce Operation Strategy of Apparel Enterprises  
-- A Case study of SHANGYI Apparel Co., LTD

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**Degree:** Master of Business Administration

**Major:** International Business Management

**Advisor:** .....

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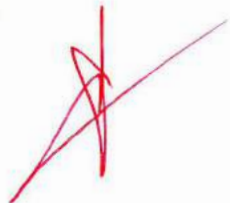
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With the rapid improvement of Internet technology and e-commerce theory and practice development, the e-commerce model has materialized and expanded. It has gradually become a new marketing technique based on the Internet and achieved relatively significant application results. The apparel industry has also begun to apply e-commerce models in marketing to meet consumer demand for self-pursuit, fashion, and individualization. However, affected by various factors, apparel e-commerce is still in its infancy, and there are still deficiencies in popularity and scale. Therefore, to continuously promote their development by applying e-commerce models, apparel companies need to improve their business operations strategy constantly.

This study gathered research on e-commerce operation strategies of apparel companies as a focus. By applying the literature analysis method, this research summarized domestic and foreign e-commerce operation strategies at home and abroad, laid a solid theory for this research foundation's development, and determined the research direction. In order to thoroughly analyze the e-commerce operation strategies of clothing enterprises, this study used SHANGYI company as a research case. For clarity, this study took the apparel enterprise as the research object to collect traffic data, visitor data, and customer service data. Then, this study made a comprehensive analysis of all the collected data and summarized the existing problems of SHANGYI company and its e-commerce operation. The results found the following: 1) The problems were mainly manifested in the uncertainty of customer target group and product positioning; 2) E-commerce store promotion cost was high, the flow source was unstable and unreasonable; 3) Promotional activities and price wars caused overall profit reduction; 4) The sales platform of e-commerce stores was relatively simple, and the mode was single; and 5) An imperfect member management mechanism. Therefore, this study suggested: 1) The apparel company should optimize its product and target customer positioning; 2) optimize its marketing and promotion

methods; 3) develop the B2C+O2O model; 4) comprehensively raise interest rates; 5) expand its online sales platform and establish a membership system. On this basis, it urges SHANGYI company to make reasonable use of the online platform and combine the online and offline sales channels based on solving the problems of e-commerce operation strategy to promote the healthy and stable development of SHANGYI company.

**Keywords:** Apparel enterprises; E-commerce; Operating



## 摘要

题目：服装企业电子商务经营策略研究--尚义服装有限公司案例研究

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近年来，随着互联网技术水平的快速提高，在电子商务理论与实践发展中，电子商务模式得以出现与发展，并逐渐成为了以互联网为基础的新型营销方法，且取得了比较显著的应用效果。在此背景下，服装行业在营销中也开始应用电子商务模式，从而满足广大消费者提出的追求自我、时尚化、个性化的消费需求。但是，受各种因素的影响，服装电子商务的发展仍处于初步阶段，在普及程度与规模上仍存在不足，因此，为了能够通过应用电子商务模式推动自身的发展，服装企业仍需不断完善电子商务运营策略。

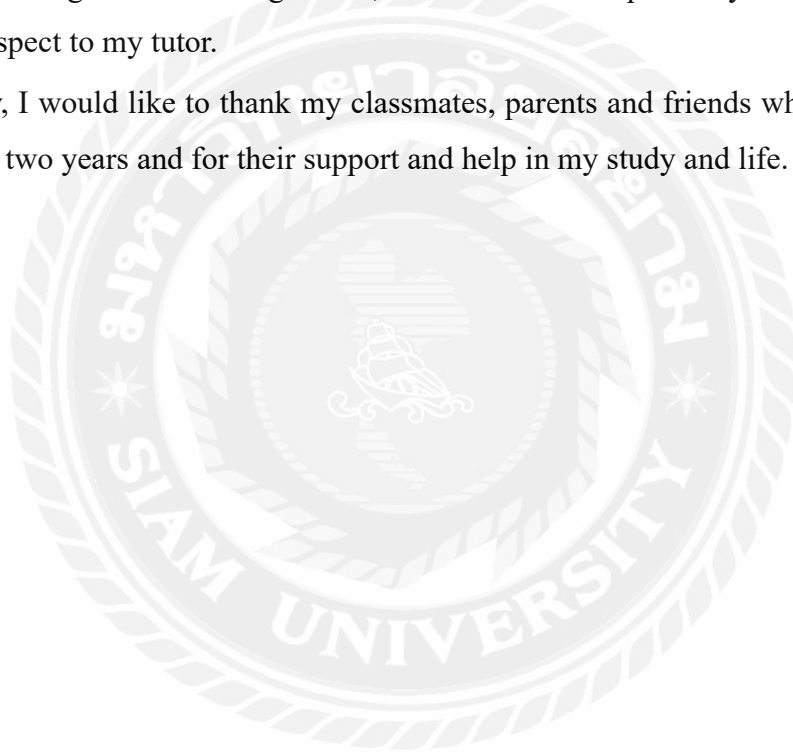
本研究以服装企业电子商务运营策略研究为课题，通过应用文献分析法，汇总国内外学者针对服装企业电子商务运营策略提出的研究成果，总结国内外研究现状，为本研究的开展奠定坚实的理论基础，并确定研究方向。为了能够深入分析服装企业电子商务运营策略，本研究以 SHANGYI 服装有限公司为研究案例，即本研究以此服装企业作为研究对象，采集流量数据、访客数据、客服数据。之后，本研究对采集到的各方面数据进行全面分析，总结 SHANGYI 服装企业在电子商务运营方面存在的问题，主要表现在客户目标群体与产品的定位不确定；电子商务店铺推广成本高，流量来源不稳定、不合理；推广活动与价格战引发整体利润降低；电子商务店铺的销售平台较为简单、模式单一；会员管理机制尚不完善。对此，本研究根据 SHANGYI 服装公司存在的电子商务运营策略问题表现，提出该服装公司应优化产品与目标客户定位，优化营销推广方法，发展 B2C+O2O 模式全面提高利率，扩展在线销售平台，建立会员体系。在此基础上，促使 SHANGYI 服装公司在解决电子商务运营策略问题的基础上，合理利用线上平台，将线上与线下销售渠道相结合，推动 SHANGYI 服装公司的健康、稳定发展。

**关键字：**服装企业；电子商务；运营

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# 1. INTRODUCTION

## 1.1 Background

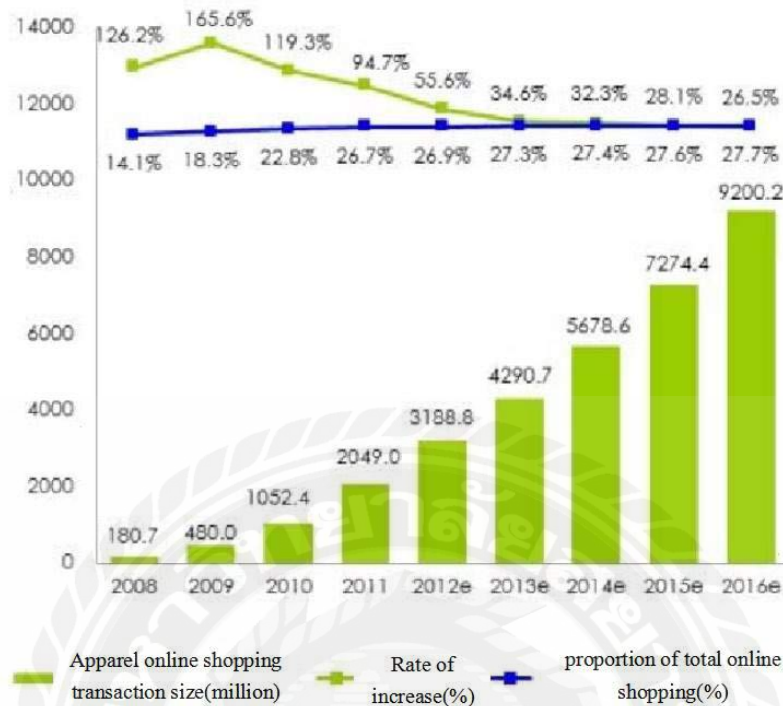
In recent years, under the influence of the slow development of the domestic market and economic sluggishness, the Chinese apparel industry has caused competition in the apparel market to encourage competition and sluggish consumption. In the 1980s, e-commerce emerged under the impetus of the revolution of information technology and computer, and the sharing cost and transmission of information were controlled and reduced, which also became an important factor to promote the development of e-commerce. Since the emergence of e-commerce, its development situation is very rapid. The total sales volume of e-commerce in the world has been increasing rapidly year by year. In just 5 years, the total sales volume of e-commerce has exceeded 200 times. In China, e-commerce has also grown dramatically. In 2012, for example, China's e-commerce sales were only the third largest in the world after those of the United States and Japan. As for the apparel industry, e-commerce, as a new marketing mode, also brings great challenges and impacts to the traditional garment industry. At present, the apparel industry has the most obvious influence on e-commerce. According to the "2011-2012 China Apparel Online Shopping Market Research Report", in 2012, the transaction scale of China's apparel industry e-commerce online shopping market exceeded 300 billion yuan, with a growth rate of about 56%, which was significantly higher than the overall level of online shopping. In addition, e-commerce is characterized by high convenience, low transaction cost, and simplified transaction process. Therefore, compared with the traditional clothing industry marketing model, e-commerce has stronger competitiveness.

In the e-commerce field, the most widely used garment is the one that takes the first place in online shopping. The traditional retail apparel industry is in jeopardy under the influence of e-commerce apparel enterprises. By analyzing the "2011-2012 China Apparel Online Shopping Market Research Report", it can be seen that the budgeted sales performance of China Apparel's online shopping platform in 2012 is about 318.88 billion yuan, an overall annual growth rate of 55.6%, which is higher than the overall network rate of shopping; It occupies 26.9% of the online shopping market, and is firmly in the largest category of online shopping.

According to the research and analysis report of the McKinsey Global Institute in March 2013, the United States currently spends 120 billion dollars a year on online shopping, but China already spends far more than the United States on online shopping. If the trend continues, the total amount of online shopping can reach 650 billion dollars by 2020. That represents about \$260 billion in additional sales generated by retail activities. If the calculation method is still based on the proportion of clothing online shopping market which accounts for 26.9% of the total online shopping, then the total proportion of China's online clothing market will reach the target of 17.485 billion yuan by 2020. At the same time, it can be found in the research report that the steady pace of economic development is guaranteed by the



fact that online shopping accounts for 60% of the new consumer spending in China's medium-sized cities and up to 40% in first-tier developed cities. 2008-2016 China's apparel online shopping transaction market size is shown in Figure 1-1:



**Figure 1-2 2008-2016 China's apparel online shopping transaction market size**

Through the research and analysis of Zhengwang Consulting's survey report on online shopping in 2016, it can be found that about 77.5% of online consumers have bought clothes online. Based on this ratio, it can be estimated that the total number of clothing consumers who buy online far exceeds the total number of other kinds of goods, which is about 150 million. According to the survey of the total amount of online shopping in 30 cities, it can be found that 31.9% of the total amount of online shopping is accounted for by clothing, which is much higher than 7.4% of the online shopping amount of clothing last year. Proportion of consumers buying different products online is shown in Table 1-1:

**Table 1-1 Proportion of consumers buying different products online**

Project	2005	2016	Compared to last year
Apparel	66.3%	77.5%	Increase 11.2
Furniture/household products	35.1%	36.3%	Increase 1.2
Cosmetics	17.1%	13.9%	Drop 3.2
Digital and electrical products	32.5%	42.7%	Increase 10.2
Jewelry valuables	8.1%	3.8%	Drop 4.3
Books/audiovisual products	34.5%	24.3%	Drop 10.2

In this context, SHANGYI company began to carry out e-commerce operation activities through the Internet, and publicized this kind of marketing mode on the Internet, so as to achieve the product sales target, and achieved certain results.

However, SHANGYI company still has problems in the application process of its apparel e-commerce operation strategy, which makes it unable to play its due role as an e-commerce platform and limits the overall development speed and level of SHANGYI company.

## **1.2 Significance of the study**

The content and scope of e-commerce will be expanded with the progress of the industry. The concept is characterized by dynamic development, and the opening of online stores in traditional industries has become an inevitable choice for their future development. This study analyzes the operation status and existing problems of SHANGYI company's e-commerce by applying data tools, and introduces the analysis results and methods into the process of improving SHANGYI company's e-commerce operation strategy, so as to broaden the company's vision of making full use of the e-commerce platform. Therefore, it is of great theoretical significance to study the e-commerce operation strategy of SHANGYI Company.

By analyzing the development of SHANGYI company's e-commerce platform, this study analyzes the deficiencies of the existing operation scheme under the network distribution and network retail mode. Mining operation data, based on this, putting forward measures to optimize operation strategies, and then laying the foundation for SHANGYI company to improve the advantages of e-commerce operations, and also providing a certain reference for other related enterprises.

## **1.3 Objective of the study**

Optimize the external promotion and operation process, optimize the basic operation process of e-commerce stores, so as to improve the diversification of promotion methods. According to the member management mechanism, analyse customer information, grasp customer needs, and strive to improve customer loyalty to SHANGYI clothing products.

Optimize the e-commerce distribution operation strategy of SHANGYI Company, optimize the punishment policy, training support, price system, product distribution and other aspects, and fully optimize the problems between dealers and brand owners and dealers.

## **1.4 Research Problems**

- 1:The relationship between customer target group and product positioning.
- 2:Reduce the promotion cost of electric shop.
- 3:Increase sales platform and sales model.

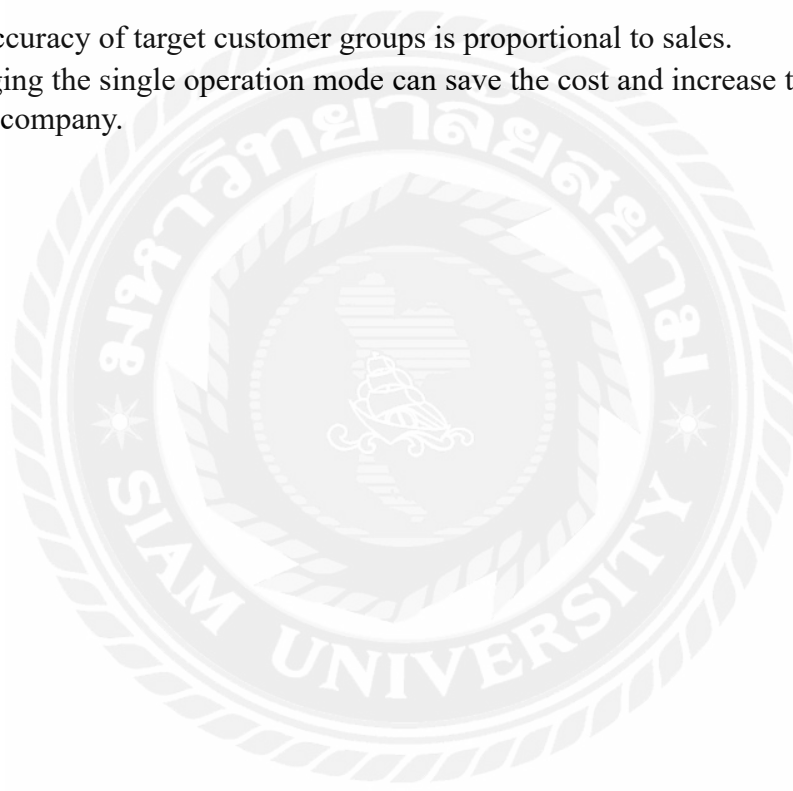
## 1.5 Scope of the study

This paper collected the SHANGYI company's average customer conversion, unit price, trade visits and sales input values, to analysis the SHANGYI company electrical store brand clothing sales trend over the past year, including sales revenue, sales platform views, actual transaction conversion rate and the average consumption amount of four core data, to provide a basis for the specific solution and optimization strategy for e-business operations.

## 1.6 Hypotheses

H1; The accuracy of target customer groups is proportional to sales.

H2; Changing the single operation mode can save the cost and increase the benefit of SHANGYI company.



## 2. LITERATURE REVIEW

### 2.1 Research status abroad

Western developed countries began to study and develop e-commerce in the 1990s, and different scholars have done different studies in this respect, which are mainly reflected in the following points:

(1) Research results of e-commerce classification. Different foreign scholars put forward different viewpoints when analyzing the classification of e-commerce, which is mainly divided according to the content of e-commerce. Turban E (2016) concluded that e-commerce included information flow, product flow, capital flow, business partners, customers, suppliers and enterprises, and different categories could be combined according to the relationship between elements. Vakeel (2017) pointed out that B2C mode includes information intermediary, matching, service provider, electronic distributor, market and other parts. B2B mode included community service provider, service provider, intermediary marketer, transaction broker, content supplier, electronic merchant and portal website. Driven by e-commerce, O2O, G2B, B2G, C2B, C2C and other modes are proposed. Lee (2017) pointed out that with the development of O2O model of e-commerce, the reputation evaluation system need to be improved. Therefore, this paper puts forward a reputation evaluation management system that can dynamically, timely and accurately provide information evaluation information and historical information of merchants.

(2) Research results of e-commerce model. In this research area, most of the research focuses on finance, infrastructure, customer relations, product innovation and so on. Rahman (2016) pointed out that for small and medium-sized enterprises, e-commerce could guide enterprises to create more cash flow through the combination of technology and strategy. Gupta (2017) and other scholars believed that in order to maintain the stability of income sources and create new income, enterprises should carry out sales and production, transferring the enterprise's relationship capital and creating value to the customer target group or customer, and building the company's cooperative network and internal system based on this. Romagnoli (2017) concluded that the e-commerce model was the driving force mechanism for the development of the enterprise, and the process of formulating the strategy also reflected the specific method of the enterprise to obtain profits, as well as future development plans.

(3) Research results of e-commerce operations. In the western developed countries, the research on e-commerce operation focuses on the enterprise website operation based on Internet, focusing on database, server and file management. The diversified development of e-commerce mode has made e-commerce more mature. Some scholars in western developed countries have also pointed out that the operation of e-commerce should take users as the starting point, so as to help enterprises master the consumption habits and visiting behaviors of users. Through the use of rich

marketing promotion model to achieve product sales targets, and then improve the product buyback rate and website visits. Nizami (2017) pointed out that since the traditional enterprises benefit from the sales and manufacturing of products, and the traditional manufacturing economy era had gone and gradually entered the information economy and service era. Therefore, the original enterprise operation mode could not meet the practical needs, which required the combination of the new e-commerce operation mode and enterprise development. Vassiliadis (2017) made an in-depth exploration of the characteristics and essential concepts of e-commerce operation strategies, understood the problems existing in the online management mode, and put forward corresponding improvement plans, so as to ensure the realization of strategic goals of the e-commerce operation system.

## **2.2 Research status in China**

The research achievements of e-commerce in China are mainly reflected in the classification, mode and concept of e-commerce, as well as the development strategy, promotion strategy and network marketing strategy of modern enterprises. The details are as follows:

(1) Research status of e-commerce classification, model and concept. In recent years, domestic scholars have deeply analyzed the types and concepts of e-commerce, put forward representative viewpoints, and conducted in-depth analysis of its models. Zhang Xiaoguang (2017) studied the status quo of the classification of e-commerce models in western developed countries, this could innovate e-commerce models constantly, and innovation was the essence of e-commerce economy. Meanwhile, Wang Kanliang analyzed the basic attributes of electronic commerce mode, put forward the classification standard of electronic commerce mode, and introduced the specific innovative ideas and methods of electronic commerce in modern enterprises. Dong Hui (2016) pointed out that the development of Internet economy and information technology made enterprises face up to the pressure brought by market competition. At the same time, e-commerce had an impact on the management of human resources, finance and other aspects, and could improve the innovation of management methods and management ideas, and then enhanced the profitability and competitiveness of enterprises.

(2) Research status of e-commerce development strategy. With the rapid development of e-commerce, domestic scholars begin to analyze the development strategy of e-commerce in depth and summarize the development trend of e-commerce. Ding Yizhi (2014) believed that the establishment of e-commerce operation scheme should be implemented in the way of introducing traffic and controlling marketing and promotion expenses to improve the income level. Li Tao (2015) referred to a large number of reference materials, the concept of e-commerce was summarized. He pointed out that e-commerce operation and taking the electronic market as the platform presented information flow, service flow and product flow in the process of value creation, and this operation process was the operation process of

e-commerce. Yang Xiaokun (2016) analyzed the strategies of merchants and consumer behaviors in electronic transactions, he believed that e-traded commodities had four characteristics, namely, time sensitivity, information load, tangible and intangible, and degree of standardization, which directly affected the operation strategy of e-commerce.

(4) Research status of promotion strategy and network marketing. In order to meet the development needs of the Internet and promote the development of e-commerce, domestic scholars have intensified their research on promotion strategies and network marketing. Lu Yang (2017) found that the advent of the Internet era had changed the external environment in which enterprises were located, and in this process, the promotion methods and network marketing methods in e-commerce operations had also been developed and improved. Based on this, Deng Meiqiu deeply studied the specific methods to improve the innovation of network marketing channels under the mode of e-commerce. Mei Jing (2017) believed that modern e-commerce enterprises in China were facing the impact of changes in the external environment, which urged them to innovate marketing strategies. The practical and innovative e-commerce marketing strategies included conversion pricing marketing, demand game marketing, online word-of-mouth marketing, online store marketing, reverse marketing and so on. At the same time, in the analysis, Zhang Bosong, Zhang Yaming and other scholars pointed out that in the era of economic globalization and network borderless, domestic e-commerce companies need to adhere to the development strategy of “going out” to improve their competitiveness in overseas markets.

### **2.3 E-commerce in China**

To sum up, the research on e-commerce operation strategy in western developed countries mainly focuses on e-commerce model and e-commerce classification. In addition to focusing on the e-commerce model and classification, Chinese scholars also analyze the basis for enterprises to choose sound e-commerce strategies. The existing researches mainly focus on the theoretical aspects and take the practical case analysis as the support. However, the operational scheme based on practice has not been fully studied yet, lacking the comprehensiveness of the research. In particular, there is a lack of systematic research on e-commerce operation strategies of small and medium-sized enterprises, lack of comprehensive research literature, and have not yet formed an authoritative theoretical system of e-commerce operation strategies, unable to play a guiding role of the theoretical system.

## **3. REACHERS METHODS**

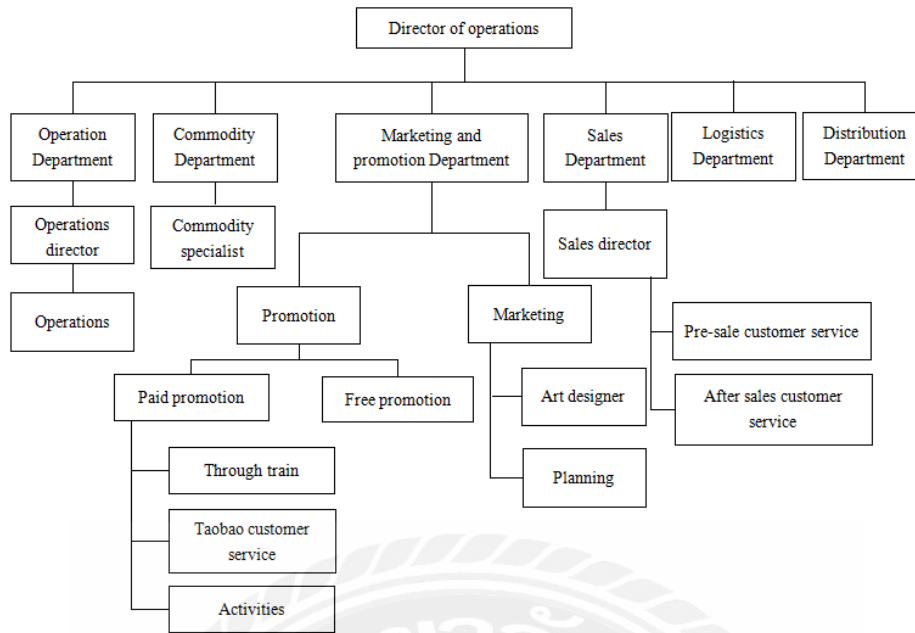
### **3.1 Qualitative research**

Qualitative research consists of multiple methods such as interviews, observations, and case studies. The original data include sites, notes, interview records, dialogues, photos, audio recordings, or memorandums. The purpose of qualitative research is to describe and explain things, events, phenomena and people and to better understand the research of the problem under study. Qualitative research is an exploratory research, which obtains the deeper reaction information of people's thoughts, feelings and other aspects through special technologies. It is mainly used to understand the attitude, belief, motivation, behavior and other related issues of target population

Using abstract and general methods of induction, deduction, analysis and synthesis, from Summarize the basic characteristics of SHANGYI company's e-commerce operation on the basis of typical case analysis

### **3.2 Selection of research objects**

Since its establishment, SHANGYI company has always been committed to providing consumers with professional labor protection products, camouflage suits, practical apparel and other products, and occupies an important position in the consumer market of the apparel industry. The number of SHANGYI company's e-commerce operation team is less than 30, and the manager of the entire e-commerce operation center is the operation director. At the same time, the e-commerce operation center consists of six departments: Distribution Department, Logistics Department, Sales Department, Marketing Promotion Department, Commodity Department, Operation Department. The organizational structure of the e-commerce operation center of SHANGYI company is shown in Figure 3-1:



**Figure 3-1 The organizational structure of the e-commerce operation center of SHANGYI company**

### 3.2 Collection of flow data

SHANGYI company store's flow data mainly include e-commerce platform page stay time, bounce rate, collection volume, access depth, visitor volume, page views and so on, and traffic data analysis is to analyze the above data. Statistics results of SHANGYI company traffic data in shown in Table 3-2:

Table 3-2 Statistics results of SHANGYI company traffic data

Month	Average miss rate(%)	Average visit depth(%)	Store daily average PV(%)	Store daily averageUV(%)
1	63.14	2.08	3537	2681
2	60.22	2.67	3626	2578
3	55.38	3.01	6048	4308
4	56.71	3.01	5802	4022
5	53.15	3.23	8038	6543
6	46.23	3.67	18061	11821
7	58.35	3.08	8015	5283
8	47.46	3.14	11147	9164



9	50.64	3.49	17289	10618
10	47.85	3.53	15376	11014
11	52.01	3.17	8185	6012
12	55.47	3.00	5221	3428

(1) The store daily average PV is the average number of page views of the store in a day, and the store daily average UV is the average number of visitors to the store in a day. In general, there is a roughly proportional relationship between daily average PV and daily average UV.

(2) The average visit depth is the number of page visits that the user visits continuously to the store of SHANGYI company, which can weigh whether the store has the ability to attract consumers, and take the buyers who stay to place orders as an important indicator. Therefore, the higher the average depth of access, the higher the probability of forming a trading relationship between buyers and sellers. The visiting depth of SHANGYI company's flagship store is in a balanced state compared with the same-industry level stores, but it is lower than the average visiting depth, which indicates that SHANGYI company should take optimization measures to improve the transaction success probability of e-commerce stores and realize sustainable development.

(3) The average miss rate represents the percentage of the total number of visits to the entrance of the e-shop that consumers enter the e-commerce store through different channels, and the number of visits by consumers who leave after only visiting one page. The entrance to SHANGYI company's e-commerce store includes the classification page, product details page and the store homepage. By analyzing the theory of jump loss rate, it can be known that the lower the value, the more successful the web page is. This is because the low jump rate indicates that the products of SHANGYI company's e-commerce store are highly attractive and the transaction success rate is high. On the contrary, a high jump rate indicates that consumers are not interested in the products of SHANGYI company, and the transaction success rate is low. The jump rate of SHANGYI company indicates that the three entry pages are in a certain degree of clearance status, which can attract consumers.

(4) The data traffic of SHANGYI company's flagship store comes from the external Taobao flow, independent access traffic, free Taobao flow and paid Taobao flow. Among them, Taobao paid flow accounted for a higher proportion of data flow, followed by independent access traffic and Taobao free flow data, while Taobao external flow accounted for a lower proportion of flow data. Distribution of the proportion value of the flow source of SHANGYI company's flagship store is shown in Figure3-2:

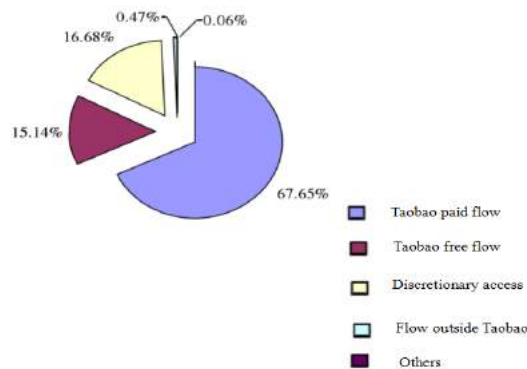


Figure3-2 Distribution of the proportion value of the flow source of SHANGYI company's flagship store

### 3.3 Collection of visitor data

(1)Geographical distribution of visitors. SHANGYI company has a high brand awareness in Shandong province, which is because it has opened more than ten physical stores there. As a result, most of the visitors to SHANGYI company's e-commerce stores are from Shandong province. Guangdong and Beijing ranked third and second, each accounting for less than 10 per cent of total visitors. The number of visitors to SHANGYI company in areas such as Annex, Shanghai and Liaoning is less than 3%. The regional distribution of visitors to SHANGYI company's e-commerce stores is shown in Figure 3-3:

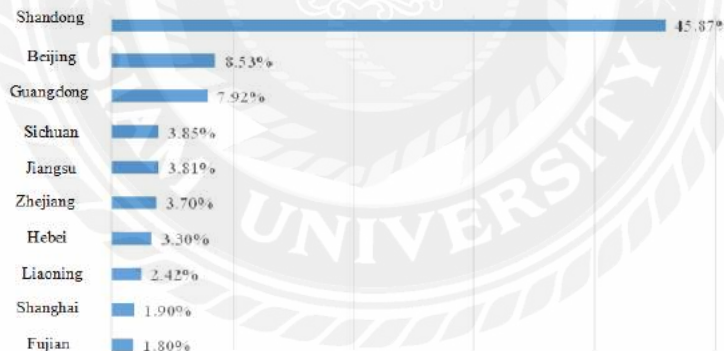


Figure 3-1The regional distribution of visitors to SHANGYI company's e-commerce stores

(2)The consumption level of visitors. Taobao platform uses 8%, 17%, 50%, 17% and 8% as the registration criteria for the consumption level of online brand store consumers. The levels of consumption corresponding to each item are low level consumption, partial low level consumption, medium level consumption, partial high level consumption and high level consumption. By analyzing the consumption level of SHANGYI company's apparel brands and searching SHANGYI company's apparel brand products, it can be known that 54% of consumers are moderate consumption level, 34% are relatively high consumption level, and 9% are high consumption level. The consumption level of visitors in these three categories is respectively 50%, 17%,

and 8%. SHANGYI company's visitor consumption level is shown in Figure 3-4:

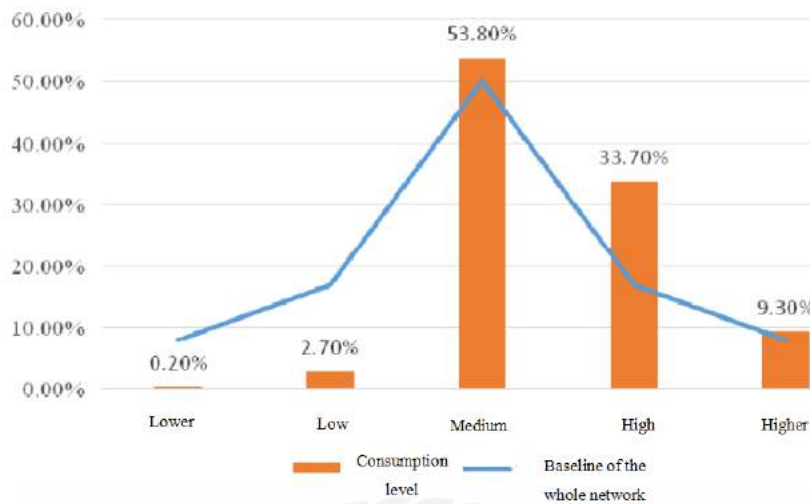


Figure 3-4 SHANGYI company's visitor consumption level

(3)The percentage of visitors' age and gender. The visitor group of SHANGYI company includes 32% men and 68% women. At the same time, the age of interest and preference for SHANGYI company's apparel products is mostly distributed in the 25-39 age group. The percentage of visitors' age and gender is shown in Figure 3-5:

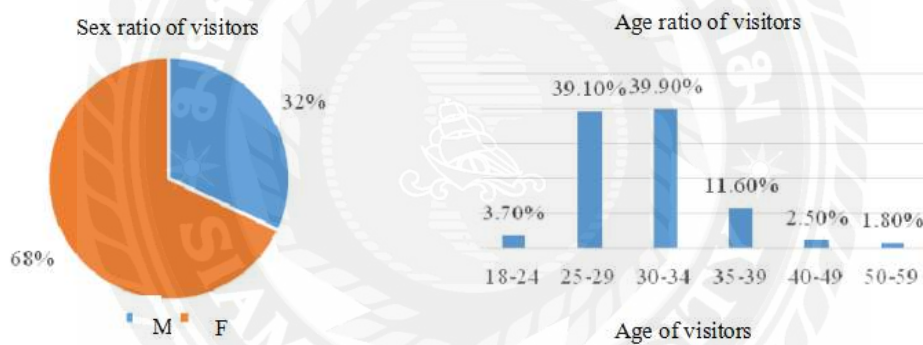


Figure 3-5 Percentage of visitors' age and gender

### 3.4 Collection of customer service data

By analyzing the feedback of SHANGYI company's e-commerce store payment rate, inquiry sheet conversion rate, inquiry sheet unit price and other indicators, it has learned that the customer service reception of the e-commerce store of this company plays a key role, and its ability to facilitate the transaction is obviously higher than that of the peer customer service. Comparison and statistics of customer service data of SHANGYI company's e-commerce stores and same-level stores is shown in Table 3-3:

Table 3-3 Comparison and statistics of customer service data of SHANGYI company's e-commerce stores and same-level stores

Pre-sales indicators	E-commerce shop	Same-level stores	Compare results
----------------------	-----------------	-------------------	-----------------

Query conversion rate(%)	54.2	53	Surpass1.2%
Average transaction volume by enquirer(Piece)	1.30	1.15	Surpass10.86%
Inquiry price(yuan)	51.75	48.24	Surpass6.87%

In terms of sales and after-sales service of e-commerce stores, SHANGYI company has achieved higher results than stores in the same level and in the same industry. In particular, the attitude of its customer service to buyers has been affirmed, which indicates that SHANGYI company's customers have a high level of after-sales service experience for e-commerce stores. At the same time, SHANGYI company's level is also higher than the average level of same-level stores in the apparel industry in terms of the probability of independent completion of refund, probability of refund dispute, time required for completion of refund and so on. Therefore, SHANGYI company has a high level of competitiveness in terms of after-sales service. Statistical analysis of customer service data of SHANGYI company's e-commerce stores and same-level stores is shown in Table 3-4:

Table 3-4 Statistical analysis of customer service data of SHANGYI company's e-commerce stores and same-level stores

After-sales indicators	E-commerce shop	Same-level stores	Compare results
Probability of refund dispute(%)	0.03	0.05	低 33%
Time required for automatic completion of refund(Day)	2.48	3.14	低 22.42%
Automatic completion probability of refund(%)	100	99.76	高 0.24%
DSR score for service attitude	4.78	4.75	高 0.51%

## 4. DATA ANALYSIS

### 4.1 Data analysis

Based on the data collection of business staff section and other e-commerce stores, sorting out the average customer unit price, transaction conversion rate, number of visitors and sales input value of SHANGYI company in the past year. SHANGYI company e-commerce store core data statistics is shown in Table 4-1:

Table 4-1 SHANGYI company e-commerce store core data statistics

Month	Average customer price(yuan)	Transaction conversion rate(%)	Number of visitors	Sales revenue(yuan)
1	51.13	1.76	85152	83635.42
2	53.81	1.46	74308	63701.00
3	36.08	2.07	136017	111428.4
4	55.08	1.60	120018	117110.5
5	35.07	2.62	205125	203343.1
6	26.34	3.04	376879	323565.1
7	27.20	2.04	166123	95648.27
8	27.37	2.75	267520	223728.1
9	55.26	2.42	320447	464175.2
10	48.27	2.48	361458	464175.2
11	55.15	2.06	172686	208457.2
12	37.41	1.68	108416	73818.61

SHANGYI company's sales trend of e-commerce store brand apparel in the past year is shown in Figure 4-1:

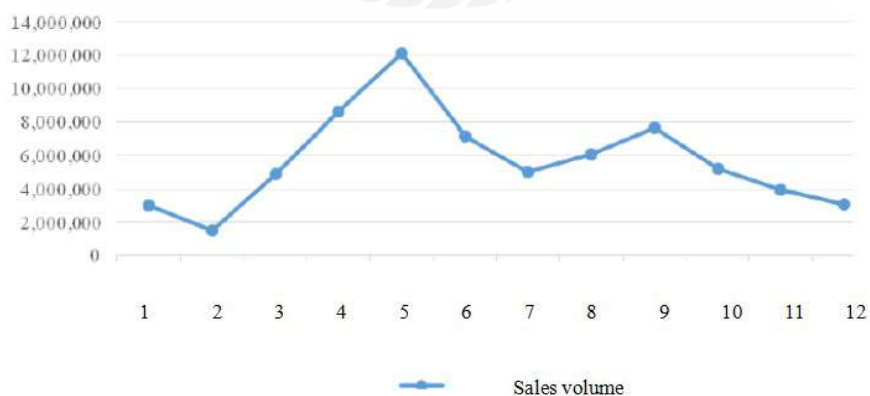


Figure 4-1 SHANGYI company's sales trend of e-commerce store brand apparel in the past year

According to the data information in the above table, making in-depth analysis of the data fed back from the actual development of SHANGYI company's e-commerce store, and then drawing the following conclusions:

(1) Sales revenue represents the operating revenue created by e-commerce stores in a certain range, in general, the monthly sales revenue of e-commerce stores of SHANGYI company is the same as the monthly sales revenue of e-commerce stores in the apparel industry. At the same time, due to the influence of some holidays, such as the Spring Festival holiday, store holidays and the suspension of express delivery, SHANGYI company's e-commerce store only accepts orders and does not deliver goods, making the sales income during the Spring Festival period significantly lower than the average monthly sales income.

(2) There is a positive relationship between the number of visitor views and the number of visitors. For this reason, SHANGYI company can increase the number of visitors by considering how to increase the number of e-commerce store views. From the data in the above table, it can be seen that in June, September, and October, SHANGYI company's e-commerce stores increased the number of through trains and participated in cost-effective activities to increase the overall number of e-commerce store views, which positively affected visitors stimulate their desire to buy.

(3) According to the actual transaction conversion rate of SHANGYI company in the past year, the overall development trend of its conversion rate is relatively stable, both at about 2%. Compared with the conversion rate of sellers of the same grade, it is slightly lower than the average. However, during the promotional activities such as Juhuasuan on Taobao platform, the conversion rate of SHANGYI company will be significantly increased, while it will be significantly decreased within a period of time after the event.

(4) Order price refers to the average consumption amount of a consumer in SHANGYI company's e-commerce store. The order price of SHANGYI company's e-commerce store is affected by the store activity planning and season. For example, in June, July and August, the single price of SHANGYI company's e-commerce store is at the lowest level. This is because during June, SHANGYI company participated in the Juhuasuan activity, major promotional activities and so on, and the discount of apparel products is significantly higher than that of other months of the same year. The apparel products sold in July and August are mostly summer clothes, whose prices are lower than those of winter clothes, lowering the price of guest orders within that time range.

The operation management staff of SHANGYI company's e-commerce store should pay attention to the feedback situation and development trend of the above four core data, and understand the problems in the process of SHANGYI company's e-commerce operation based on this, so as to provide a basis for proposing specific solutions and optimization strategies for e-commerce operation.

## 4.2 Performance issues

Since the establishment of SHANGYI company, its e-commerce store has gone through the initial stage and growth stage, and gradually entered the mature stage. However, during this process, SHANGYI company also has some problems in e-commerce operation. Through the analysis of e-commerce operation data and operation strategy, it is found that its problems are mainly manifested as follows:

### (1) Uncertain customer target group and product positioning

The customer target group of SHANGYI company's flagship store and its products are suitable for adults aged 30-40 years. The product pricing meets the consumption level of ordinary residents, and the price of clothing products is mostly between 200-400 yuan. However, due to the age division of the target group of similar apparel customers on Taobao platform, 25-30 years old is a relatively awkward age group. Therefore, when visiting the e-commerce store of SHANGYI company, some visitors will give up browsing pages and purchasing behaviors because they cannot determine the target group of customers. At the same time, some consumers are more inclined to choose e-commerce stores that are in line with their age stage and with more specific target groups in the process of buying clothes. Therefore, the clothing sales volume of SHANGYI company will be significantly lower than that of other clothing brands of the same grade and the same industry, resulting in the serious overstock problem of some sizes and styles of clothing. At the same time, some brands of SHANGYI company's e-commerce stores have larger sizes, which are only applicable to some consumer groups. By analyzing the relevant data of store consumers of SHANGYI company, it is known that 32% of the consumers are male consumers, and the age group with higher preference is distributed in 25-39 years old. Based on the above analysis results, SHANGYI company lacks the required accuracy in positioning and grasping consumer target groups and product age groups, which requires it to make corresponding adjustments in the process of optimizing e-commerce operation strategies.

### (2) High e-commerce store promotion cost, unstable and unreasonable flow source

By analyzing the flow data of SHANGYI company, it can understand that most of the traffic of the company's e-commerce store is closely related to the proportion of paid promotion on Taobao, while only 15% of the flow belongs to free flow on Taobao. And Taobao external flow proportion is less than 1%. According to the survey, there is no search volume for some keywords contained in the product title of SHANGYI company's e-commerce store. In addition, e-commerce operation management personnel fail to pay sufficient attention to the significance of optimization keywords and have not fully promoted related products. Such factors are the main reasons that the internal free flow of Taobao in SHANGYI company's e-commerce shop is lower than that of other brands in the same industry. In addition, due to the lack of e-commerce promotion work outside Taobao station, as well as the lack of free flow of shops in Taobao station and other factors, it has increased the

difficulty of SHANGYI company to promote the clothing brand and increased its total promotion expenses. Because most of the paid traffic of SHANGYI company comes from the through train, but the keyword bidding of brand clothing is relatively high, which causes huge consumption and increases the promotion cost of through train.

(3) Overall profits reduced with promotion campaigns and price wars

In the face of fierce competition in the garment industry, SHANGYI company is affected by its own lack of brand originality, resulting in the serious lack of uniqueness and originality of existing brand apparel, and obvious problems of homogenization. Therefore, in the process of selling products, e-commerce stores may easily enter into a vicious price war, which will affect the profit of clothing products. Although the promotional activities and paid promotion activities carried out by SHANGYI company will bring significant orders and flow, the employment of Taobao customer service and the placement of through trains all require high costs as a prerequisite. In addition, it is required to reduce the price of goods when participating in the official gathering and cost-effective activities held by Taobao. Therefore, from the overall perspective of the promotion activities and price war of SHANGYI company, the operating profit of its existing e-commerce stores is low.

(4) Simple e-commerce store sales platform with a single model

At the present stage, SHANGYI company has only a small number of Taobao distribution stores, Taobao enterprise stores and Tmall flagship stores, and only takes the official Taobao platform as the e-commerce sales platform. At the same time, although Taobao's customers visit SHANGYI company's e-commerce store with high traffic, Taobao's official platform itself faces fierce competition in the same industry. This requires SHANGYI company to open more e-commerce platforms by trying to choose B2C platform which is different from Taobao official platform, so as to increase the total sales revenue based on the continuous expansion of sales channels.

(5) Imperfect member management mechanism

At present, SHANGYI company's e-commerce store only adopts a simplified management method for members, and the classification standards are not clear. For example, members of different levels can enjoy vague membership discounts. In addition, SHANGYI company has yet to give full play to the role of a customer database, not with the characteristic of customer purchase behavior data, in-depth analysis and generalization makes e-commerce marketing promotion and customer maintenance system is in a state of isolation from each other, which can reduce the consumer target groups of the viscosity, there is no guarantee that consumers turn heads and purchase rate of SHANGYI company apparel products.



## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Conclusions**

The conclusions of this study are as follows:

(1) When developing the e-commerce operation plan, it is necessary to determine the target customer group and the applicable scope of the product, and determine the applicable age stage of the product. Based on the analysis results of SHANGYI company's current e-commerce operation data, it is proposed that the target customer group should be targeted at the consumer group aged between 25 and 40. At the same time, in terms of e-commerce operation and promotion, SHANGYI company should control the dependence on through train, but optimize the external promotion operation process, optimize the basic operation process of e-commerce stores, so as to improve the diversification of promotion methods. According to the member management mechanism, SHANGYI company should pay attention to analyze customer information, master customer needs, and strive to improve customer loyalty to SHANGYI apparel products.

(2) Optimizing the e-commerce distribution operation strategy of SHANGYI company, from the aspects of punishment policy, training support, price system, product distribution and so on, and fully optimizing the solution to solve problems between distributors and between brand owners and distributors.

(3) This study proposes that SHANGYI company should strengthen the connection between online and offline channels and apply B2C+O2O e-commerce operation mode. The third party platform will be technically connected with offline stores, and the consumer target group of physical stores will be transformed into potential customers of e-commerce stores.

### **5.2 Recommendations on operation strategy**

#### **5.2.1 Optimize product and locate target customer**

The consumer purchase data of SHANGYI company in recent years shows that most of the consumers of the company's apparel products are male, and some female consumers also bring sales volume and flow to the store. Therefore, when SHANGYI company is adjusting its target customer group, it will be very narrow if the target customer group is targeted at male consumers. With the gradual relaxation of the two-child policy, the number of elderly parents will increase day by day, and the elderly will also become an important group of clothing consumers. To this end, SHANGYI company needs to expand according to the age changes of domestic and foreign market consumer groups.

## 5.2.2 Optimize marketing promotion methods

Because SHANGYI company will generate higher cost in the process of promoting e-commerce platform, and the flow of Taobao is low and free, e-commerce stores need to gradually reduce the dependence on the original online through train, but more promote the sales work outside the station, and optimize the e-commerce operation platform. During the optimization of marketing and promotion methods, SHANGYI company shall do the following:

(1)Reducing the reliance on the traditional online through train, and fully improving the degree of diversification of marketing promotion methods. On the basis of the application of the through train, it should use the marketing activities of Taobao, Jingdong, Vipshop and other network platforms, and take part in the official activities. Taking the initiative to participate in category activities organized by the similar clothing industry, and cooperating with more appropriate third parties to find cooperative activities that are conducive to their own marketing.

(2)Strengthening the efforts to optimize the basic work of e-commerce stores and increasing the free traffic in Taobao. To this end, SHANGYI company should select the way of flow comparison and traffic view, master the peak flow rule and the premise of the peak flow in the e-commerce store, so as to make a reasonable arrangement for the shelf and shelf time of the products in SHANGYI company's e-commerce store. Optimizing the title of SHANGYI company's store products. For example, selecting a certain long tail word in the title of clothing products that are in the unsalable category, and regularly adjusting and selecting the key words in the title of products. Re-planning the order of keywords to increase the probability of consumers searching for such apparel products and increase the probability of product exposure.

(3)Strengthening the marketing and promotion of apparel products outside the station. Optimizing the existing marketing and promotion methods of SHANGYI company's off-site apparel products. For example, promoting the off-site forums and giving full play to the role of signature files. Not only to send the post outside the station, but also reply to the way of benign interaction with potential consumer groups.

(4)Exerting the positive effect of micro marketing. SHANGYI company's e-commerce flagship store should pay more attention to both services and products, starting from consumer demand, and then making full use of WeChat, Weibo and other micro-marketing platforms and methods to help SHANGYI company form a good marketing system.

## 5.2.3 Develop B2C+O2O model and raise interest rates in an all-round way

In the process of adjusting and optimizing O2O mode and B2C mode, SHANGYI company needs to adjust its overall organizational structure accordingly, reform its offline and online ERP systems, and improve its logistics system. Due to

the low brand awareness of SHANGYI company, in the early stage, SHANGYI company should not build an independent APP, but play the role of a third-party platform, such as WeChat and micro-tao platform. The third party platform will be technically connected with the internal system of SHANGYI company, so as to achieve the goal of content online, and the target group of consumers in offline physical stores will be settled on the online e-commerce platform to become the loyal fans or members of the clothing brand of SHANGYI company. In addition, SHANGYI company also needs to strengthen the promotion of e-commerce stores, and achieve a benign conversion between offline and online target consumer groups through new product push, coupon release and other means. The offline physical store of SHANGYI company can contribute to the implementation of e-commerce marketing business. For example, it can provide consumers with automatic order pick-up in the nearest store, or consumers can go to the offline physical store for apparel experience. Two-way integration of offline physical stores and online e-commerce stores. O2O mode +B2C mode schematic diagram is shown in Figure 5-1:

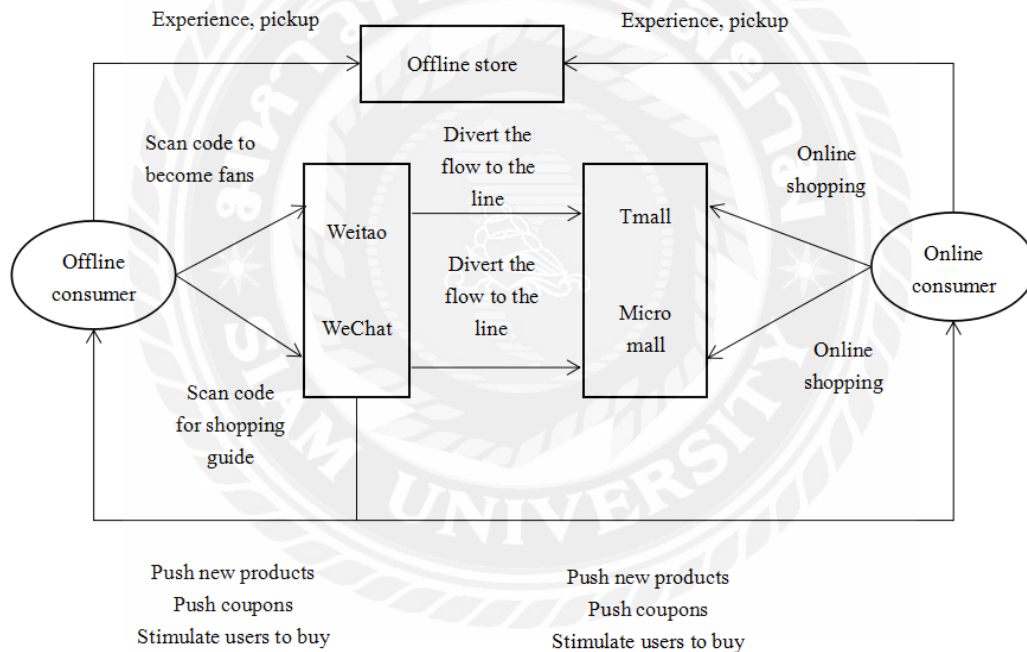


Figure 5-1 O2O mode +B2C mode schematic diagram

#### 5.2.4 Expand online sales platform

SHANGYI company plans to successfully enter WeChat Mall, Vipshop, Taobao, Jingdong and other e-commerce platforms in the near future, and further expand and extend the e-commerce platform business on this basis, and integrate the existing e-commerce platform marketing methods optimization. Among them, Taobao and Vipshop mainly adopt value strategies to achieve product promotion, so as to achieve the effect of small profits and high turnover. On the other hand, e-commerce platforms such as Jingdong mall and Tmall mall pay more attention to the promotion of SHANGYI apparel brand, and deepen the consumer target group's impression of

SHANGYI brand through off-site marketing, promotion tools and activities. Through the above methods to expand the online sales platform, SHANGYI company can improve the popularity of its own brand in the e-commerce platform and even the traditional apparel market, and provide a platform and possibility for it to obtain higher sales revenue. In addition, SHANGYI company can also use WeChat, Weitao and other platforms to develop O2O marketing mode. Therefore, while giving full play to the characteristics of “We-Media”, SHANGYI company can form a unique e-commerce circle and achieve the goal of economic income generation of fans.

### 5.2.5 Establish a membership system

To establish the membership system, SHANGYI shall first make comprehensive statistics of customers' basic information. For example, it shall record customers' contact information, consumption preferences, regions and other information, classify different consumers in detail, and carefully deal with customers' basic information. Then, according to the basic information of customers, SHANGYI e-commerce platform can understand the characteristics and needs of customers, and plan more targeted activities on the basis of the characteristics and needs of customers, so as to encourage consumers to buy SHANGYI company's products again. SHANGYI company also needs to give full play to the advantages of e-mail, SNS, QQ group, mobile phone text messages and other channels to conduct diversified interactions with customers. During holidays or during the customer's birthday, send blessing messages to customers, which can send marketing messages to promote SHANGYI apparel products. This kind of marketing method will not cause the customer's repugnance, but also can realize the marketing promotion goal, guides the consumer to purchase the SHANGYI company's clothing product successfully. SHANGYI company shall establish and improve the after-sales service system and communication channels to ensure that consumers can have a sense of identity and belonging to the clothing brand of SHANGYI company within a limited time. This method has a significant impact on improving consumers' brand loyalty and store credibility.

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