

Exploring the commonality of Chinese and British e-commerce business logic based on the scope of market segmentation in design management

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Abstract: Design management varies in content from country to country, due to different stages of development and in economic and cultural contexts. It has the ability to change the way one looks at oneself, bringing success and infinite added value to a business (Hands, 2009) not only working for the business but also contributing to the whole design-oriented field of society and regulating and guiding design rules. As the market develops and market segmentation begins to guide the direction of companies, this paper investigates the issue of corporate direction based primarily on market research by design managers and management planning of design products.

1. Introduction

With the rapid development of communication technology, society has entered the information era and the amount of information people are exposed to has increased dramatically. For example, under the premise of new brand competition, the old Chinese bicycle brand "Permanent" has made a breakthrough by launching a new low-carbon and environmentally friendly brand "Permanent C". With the combination of the name "C", and the accumulation of the original brand reputation, C is the acronym for low-carbon clean travel and a new cycling concept, and through design surveys the brand is upgraded and positioned according to the concept of low-carbon and environmentally friendly living in the 21st century.

The specific workflow of design management, design thinking provides a management framework that enables a cycle of product model optimization and development based on user feedback. This process includes

1. Investigating market demand, the current state of society and identifying the main problems that the design addresses.

2. Planning the design.

3. Forming a team of designers to communicate with existing designers.

4. Following up on the team's progress and advancing the design process in accordance with the five steps of design thinking: empathy, requirements definition, ideation, prototyping and actual testing.

5. Being responsible for the coordination of the design work until completion.

The specification of design products through research and insight into the current state of the market is one of the guidelines necessary for design management to comply with. As industrial technology develops and is able to meet the needs of consumers for a wider range of products, the market is gradually being segmented. Professor Phillip Kotler saw market segments as having similar needs and desires. (Sinclair,2014) Market segmentation has gradually evolved in two directions in guiding the development of business, namely the supermarket segmentation theory and the anti-market segmentation theory.

Hyper-segmentation theory suggests that existing market segments can be sub-segmented to provide personalized one-to-one service to customers. This approach can increase the loyalty of the matching group to the brand. For example, Procter & Gamble entered the Chinese market and launched

several product lines based on geographical, psychological and behavioral factors of consumer motivation in the north and south, quickly capturing the total market share in China. However, the pursuit of excessive personalization may bring more management and production burdens to the company.

The idea of anti-market segmentation theory is not against market segmentation, it is to reduce costs and gain a larger market by subsuming the common needs of most consumer groups and merging overly segmented niches. For example, the skin care brand picks up the face, according to the product efficacy of each efficacy of only one product launch, no longer launch the same efficacy products different product lines, reduce marketing costs of individual goods turnover is larger.

2. Questions raised Network consumer market research pre-profile analysis comparison

As the world's number one economy in e-commerce, China's e-commerce economy is mature and still experiencing explosive growth in users and turnover. The China E-Commerce Report 2020 shows that China's e-commerce transactions reached RMB 37.21 trillion in 2020, an increase of 4.5% year-on-year, with RMB 27.95 trillion in merchandise e-commerce transactions. The UK is the third largest e-commerce market in the world, with online retail sales reaching US\$142 billion, behind only China and the US. According to the European Ecommerce White Paper 2020 published by sale supply, there are over 57 million online buyers in the UK 2024 this number is expected to grow by 7% to 61 million. Due to the epidemic, Edge by Ascential's estimate of UK e-commerce revenue generation in 2020 is £78.9 billion. E-commerce in the UK has been developing for a longer period of time than in China, the world's number one e-commerce economy. By looking at the current situation and comparing the different market segments in China and the UK, we explore whether the UK's e-commerce logic is adapted to China, whether the Chinese e-commerce model can operate in the UK, and the issues that need to be faced.

2.1 The current state of online consumption and delivery methods in China

China's local e-commerce trading platforms have matured, and the types of e-commerce platforms are beginning to trend towards market segmentation. For example, Taobao has the advantage of having a full range of products for the general public, Jingdong focuses on electronic devices and brand self-supporting for consumers who buy electronic devices or have brand requirements, Jindo focuses on small goods and high-cost performance targeting low consumption groups such as university students, and Alibaba serves sellers who buy goods in large quantities, etc. The above All of the above are e-commerce trading platforms in China at this stage, with different positioning to face different consumer groups. Taobao's reputation has declined in recent years, as the platform has subdivided the market into various product categories and is able to provide customers with personalized products. However, Taobao does not provide services to match the hyper-segmented product categories, for example by not managing merchants properly and allowing sellers to make illegal and false reviews. Other platforms that target specific consumer segments are better able to cater to customers' needs and win market share by identifying and categorizing their needs.

The delivery methods mentioned in this paper are mainly transportation couriers for physical goods purchased online. China is the third largest country in the world in terms of land area, and the network organization of courier companies is complex and cumbersome due to its vast land area. Online merchants mainly rely on third-party transport companies to complete the delivery of goods, but Jingdong operates a high value of goods to improve the service system platform to complete the delivery service independently. The main transport link is the receipt of express mail, regional processing centres sorting and sealing hair, transport express mail is divided into branch transport, trunk transport, delivery to complete the "last kilometer" the link consumption costs are the highest. Due to the large population of China's centralized living characteristics of almost every community has a special courier collection point in the face of multiple service companies, receiving process: courier transport companies will place express mail to the service point, the service point registered in the library according to the contact information sent to the recipient pick-up code, the recipient can be

free time in the service point to show the pick-up code to take out the express mail. Shipping process: Consumers can place an order online and choose to collect it at home or place it at the nearest service point by themselves. The fact that different carriers use the same process reduces the cost of operation time for consumers to a certain extent.

2.2 UK Online Consumer Delivery Methods and Analysis

Amazon and eBay are the first and second largest e-commerce companies in the UK, dominating the UK online consumer market with 417 million and 245 million monthly activities respectively. In addition, Wish and Etsy also account for a significant amount of market traffic. Like the Chinese e-commerce trading platforms, the UK e-commerce platforms also have their own main characteristics. For example, Wish sells most of its products in flash sales, and most of its products are shipped directly from China to consumers; Esty focuses on the sale of handcrafted products; FWRD specializes in high-end fashion; Sophra is a make-up e-commerce company; and Look fantastic is a famous skin care website. .

Delivery of goods online in the UK is done by the platforms themselves or by third party carriers. Due to the size of the country, the delivery network in the UK is simpler than in China, with some of the centuries-old brands operating their own online trading platforms being able to deliver orders around London on their own. Integrated trading platforms with higher volumes and dispersed delivery addresses rely on third party carriers to complete deliveries. Royal Mail has a sole 99% share of the £4.5-6 billion postal market in the UK, with 14,500 post office locations enabling 94% of the country's population to have a post office within one mile of where they live, and senders need to go to a post office to fill out a postal order mail packet. DHL and TNT are more secure as global service companies, offering home collection but still needing to print or order labels on their own. Unlike China, the UK's shipping and delivery chain is delivered to the recipient's home or placed directly next to the recipient's mailbox without the support of a third-party courier collection service point.

2.3 Comparison of the current state of online consumer delivery in China and the UK

To provide a better comparative illustration, an analogy is proposed that at this stage China's e-commerce trading platform is a department store with integrated merchandise, positioning the store according to the consumer population. The UK's trading platform is specific to each product section in the mall, and e-commerce transactions are not just dependent on third-party trading platforms, but are centrally managed and branded by the industry, such as sports brands Adidas and Nike, high luxury brands Dior, skincare websites look fantastic, etc. In the UK, the delivery method for goods is logically simple, with the trading platform or third-party shipping company connecting to the consumer. The main delivery method in China has a more complex hierarchy of merchandise trading platforms to courier carriers and service sites that receive couriers on behalf of the recipient as a third-party service connecting the recipient to the courier carrier. China's integrated trading platform focuses on enhancing the range of goods and consumer demographics, while the UK trading platform is segmented to meet the consumption needs of different customers providing personalized choice and optimizing the consumer experience. China optimizes the service hierarchy in the delivery process to improve transport efficiency, while the UK online consumer delivery method has a flatter service hierarchy.

3. User research Information analysis

3.1 Target group Reasons for selection

The target group for this research is Chinese postgraduate students studying for their masters in the UK. This group is mostly post-95 or post-00, who have grown up in the information age revolution, are more receptive and can use the internet to get used to new things, and have experience of online consumption in China. They are currently studying in the UK and have access to UK e-commerce and express shipping during their studies. As a group that has received different consumer experiences in both countries, the information provided is of high analytical value for this question.

3.2 Research methods Information acquisition

The research was conducted using three methods: questionnaires, app data sharing and one-to-one interviews to share narratives of experiences. The questionnaire was used to obtain basic information about the tendency to buy products online, personal subjective feelings, factors influencing consumers' purchases, and domestic and international consumption preferences, while the app data sharing required the respondents to share their main online consumption app bills and consumption categories to obtain information to help understand the extent of consumer demand for e-commerce market segments. Through one-on-one interviews, respondents shared their different consumption experiences in China and the UK, analyzing the differences in the online consumption process between China and the UK and gaining insights into their personal consumption preferences.

According to the results of the questionnaire, all Chinese students agreed that value for money was an important reason for choosing to spend online, with 60% of them saying that timeliness of shipping was one of the factors to be considered in the online shopping process and 33% of them choosing to spend online because of the large choice of styles and the ability to return and exchange goods. However, more than half of the international students believe that the domestic e-commerce business model and express delivery methods are not suitable for the UK consumer ecosystem, and are skeptical and more comfortable with offline credit card payment methods. According to the data shared through the online shopping app, online shopping in the UK tends to favour electronic devices, food, clothing, shoes and bags, and not daily necessities, which are more time-sensitive. According to the one-on-one interview based on the questionnaire and the information obtained from the app, Liu and Zhang, who had studied in the UK for less than a year without communication, jokingly described the lifestyle in the UK as a "primitive society", saying that postal delivery was inconvenient and lacked manual services, and that couriers needed to print their own purchase labels. They said that they had experienced a lot of necessary steps in life that they had not tried before, which were interesting but wasted a lot of time. He said that the excessive electronic communication technology in China has reduced his control over his life, and that in the UK, there is no need for a mobile phone to run out of battery and no signal to seriously affect normal life.

3.3 Information analysis Product design orientation

The data from the preliminary research and interviews shows that in China many of the steps in life are replaced by online technology or third-party service companies, reducing the cost of time and bringing convenience, but to a certain extent too much reliance on electronic devices and lack of control over one's life reduces the sense of security in life, which is why users are concerned about the impact of a dead mobile phone on their normal lives. After experiencing two different consumer experiences, consumers felt that in addition to value for money, timeliness and product variety, which are factors that apply to most online e-commerce platforms, the ability to adapt to the local consumer ecosystem in the UK and to make adjustments to local geographical, social and demographic factors is an important factor for planners and designers to consider. Consumers have fewer options for online purchases of goods that require high levels of timeliness, reflecting the fact that online purchases of everyday goods do not have the same advantages as traditional offline purchases, that the UK courier transport industry is less cost effective in terms of timeliness, and that there are more options for the variety of goods available in existing traditional physical supermarkets. Two students who had been studying in the UK for less than a year described the 'primitive society' as being based on the discomfort of having to adapt to the cumbersome steps of life, and the convenience of living in China with third party services.

The implementation of the Chinese e-commerce model in the UK needs to take into account local human and geographical factors, local labor costs, the timeliness that affects the extent to which people rely on everyday goods, and the existing rules and regulations of the courier and shipping industry that require more tasks to be completed by the consumer. Due consideration should be given to reducing the reliance on high-tech electronic communication technology to give users a greater sense of security of use.

4. E-commerce market segmentation marketing strategies

4.1 Correctly judging e-commerce market segmentation

Market segmentation in the UK is more refined than in China, but the fine positioning of the e-commerce platform and the express transport company on the enterprise brand brings different consumer experience to consumers. The e-commerce platform provides personalized services to consumers but the redundant transport rules of the express reading transport industry increase the cost of time for consumers to use and the use experience is lower. Only the correct judgment of market demand for segmentation, in order to reduce operating costs to improve profits.

4.2 Market segmentation of China's e-commerce trading platforms

The positioning of China's existing e-commerce market is mainly based on the judgement of consumer behavior tracking, integrated e-commerce platforms increase the time cost for users to find target products, the introduction of online trading platforms with specific product categories for specific consumer groups can increase the stickiness between users and the platform and improve the loyalty of users to the trading platform. Led by the general trend in China, it is important to strengthen the management of third-party services and improve after-sales service on top of the existing ones. For example, the UK's look fantastic trading platform for skincare products is divided into sunscreen, eye cream, face cream and mask according to the different functions of skincare products. More guidance information provides users with more choices and reduces the cost of selection time. Platform discounts are also designed based on the characteristics of skincare products, for example, buying skincare products in regular sets to give away samples to be able to choose different brands. The integrated e-commerce trading platform differs from look fantastic in that it can only stick to the same brand in giving discounts.

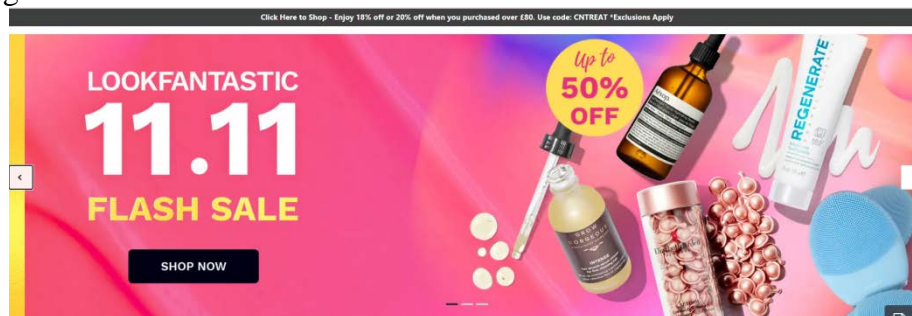


Figure 1 Look fantastic website image.

4.3 UK express shipping market segmentation

Chinese e-commerce logic cannot be directly transferred to UK e-commerce operations and needs to take into account local people's habits of stocking up, enjoying a slower pace of life and higher labor service costs. The UK's overly segmented courier shipping industry, with different courier shipping rules and different steps that users need to complete reduces the consumer experience. Setting up a third-party connection service between the recipient and the courier company, based on local conditions, can regulate the different shipping and receiving rules of the transport company and complete the "last mile delivery" according to the recipient's requirements. Referring to the CaiBird Post, although the CaiBird Post relies on Taobao, an e-commerce platform, to provide courier collection services, it accepts all mail within the geographical area of the service. Serving multiple courier transport companies, the sender uses a unified pick-up and delivery process, which combines the function of a temporary warehouse where the recipient cannot receive the goods.

Combined with human and geographical factors, the implementation of courier collection services in the UK cannot rely excessively on telephone collection pick-up codes for self-service pick-up, and new pick-up methods that do not require the use of telephone contact details such as self-service retrieval by means of identification codes need to be introduced.



Figure 2 CaiBird Post image.

4.4 A well-designed management system

The emergence of market segmentation is to better meet the individual needs of consumers, in order to follow the market development trend with the times, with the changing needs of consumers continue to improve the service system, keen insight into the psychology of consumers. This places a high demand on designers to have a comprehensive design management system that can effectively manage their own independent freelance designers. The design manager also needs to demonstrate a sound judgment of the market in order to guide the designer to complete a design that suits the market needs.

5. Conclusion

The company is developing from an active market segmentation to a passive market segmentation, identifying the target market of the company's marketing positioning in the product, the design of appropriate marketing strategies, appropriate design management can penetrate into all levels of the enterprise including market analysis, design direction planning, design progress follow-up, etc.. The combination of design and management is inevitable, and only good management of design can move forward in an increasingly competitive market. Active market research and design management is the only way to enter a new era of design management.

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