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**Usage and effectiveness of online marketing tools among Business-to-consumer (B2C)  
firms in China**

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# Usage and Effectiveness of Online Marketing Tools Among Business-to-Consumer (B2C) Firms in China

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**ABSTRACT:** This paper aims to find B2C firms' preference for online marketing tools in China. For this purpose, the digital marketing framework was adopted. The questionnaire was divided into five segments (attract, engage, retain, learn and relate) to see usage and effectiveness of specific marketing tools. The results show that some tools like mnemonic branding, providing informative and useful content, loyalty programs, cookies, and real-time interactions are widely used by B2C firms in China. Some tools are not used as they are perceived to be ineffective. This study gives a general understanding of the usage and effectiveness of online marketing tools used by B2C firms in China. E-commerce is still at its growing stage in China. Companies could maximize the potential of their marketing plans after they have reviewed their web objectives.

**Keywords:** *Online marketing tools, B2C, China, digital marketing framework*

## I. INTRODUCTION

The development of online marketing has its roots in the rapid growth of the internet. Teo et al. (1999) have studied the factors which would influence the intention of people using the internet. Teo and Yu (2004) have examined the customer online buying behaviors. As the internet grows prominently and tremendously in this revolutionary era, people from different ages all find their way to adapt this change by getting used to services that are facilitated by the internet, which include online purchases, online utility payments, online banking services and so on. This gave nowadays marketers an opportunity to develop different kinds of strategies and operations that are suited in this era (Varadarajan and Yadav, 2009).

It is true that Samiee (1998) suggested that internet still remains the most important and most used marketing tool for the marketplace all over the world. Internet revolutionizes the way marketers plan marketing strategies and operations. The increasing growth of internet helps to decrease the costs of products and costs to deliver the service; it overcomes the boundaries geographically as it brings consumers and sellers closer to each other. The internet also supports small businesses to compete against or even challenge the industry giants. In reality, internet has changed the way businesses reach their global markets.

Previous research also studied the effectiveness of the commercial web sites (Selz and Schubert, 1997; Liu et al., 1997; Ho, 1997; Evans and King, 1999; Simeon, 1999; Huizingh, 2000; Young and Benamati, 2000; Bauer and Scharl, 2000; Gonzalez and Palacios, 2004). Kim, Shaw, and Schneider (2003) also examined the importance of website design, which is crucial in the interaction between consumers and businesses.

There is a lack of research examining the general usage and effectiveness of online marketing tools. A similar study has been conducted in Singapore to study the specific usage and effectiveness of various online marketing tools (Teo, 2005). What's more, information

about China's market still remains unknown. Due to the culture difference, the results generated from other countries cannot be used under China's background.

This study aims to fill this knowledge gap by examining the general usage and effectiveness of specific online marketing tools by Business-to-consumer (B2C) firms in China. This paper represents one of the first attempts to describe the usage and effectiveness of online marketing tools by B2C firms in China.

Even though more companies are becoming aware of the importance of internet when conducting their businesses, it is challenging to keep up the fast-growing market. There is a lack of literature on the theory about this topic, and the technologists used in the real world online marketing are not precisely academically inclined to formulate the theories of online marketing (Teo, 2005).

Similar studies conducted in other countries only included data from five years ago, for example, studies done by Teo (2005) and Anjum et al. (2012). E-commerce is growing rapidly. It is necessary to know the current situation. China has the most mobile users in the world and more e-commerce activity than any other country in the world. According to Williams (2019), in 2017, Chinese consumers spent over \$750bn online, more than the UK and US combined. It is useful to study Chinese e-commerce to give some insights into other countries.

This study found that some tools are widely used by B2C firms in China. Some of the marketing tools, even though they are perceived to be effective, are not used very often. This study gives a general understanding of the usage and effectiveness of online marketing tools used by B2C firms in China. By studying the technologies used in real-world marketing, this study inclines the theory with real-world practice to formulate effective online marketing strategies.

The remainder of this paper is organized as follows. Section II consists of prior literature, offering background information. Section III includes research methods. Results and

discussion follow in section IV and section V. Finally, we summarize and discuss our findings in Section VI.

## **II. LITERATURE REVIEW**

### **Internet usage**

Prior research examined the internet usage (Teo, Lim, & Lai, 1999), showing there are three factors that would influence the intent of internet usage. The three aspects include perceived usefulness, perceived enjoyment and perceived ease of use. Internet users use internet because internet is perceived useful to their work, and it is easy to use while also enjoyable. Results showed that it influences all dimensions of internet usage, which includes the frequency and diversity of internet usage and daily internet usage.

Further research about the customers' online shopping behavior was also studied by Teo & Yu (2004). Teo and Yu concluded that consumers are more willing to shop at online stores that rank high in dependability or rank low in uncertainty (branding uncertainty, performance uncertainty, behavioral uncertainty, and environmental uncertainty). More online shopping experience would also motivate their online shopping behaviors.

As electronic commerce has become more and more popular among businesses and websites is the fundamental element in e-commerce, researchers have been examining the role of websites in doing business. Previous research studied the effectiveness of the commercial websites (Selz and Schubert, 1997; Liu et al., 1997; Ho, 1997; Evans and King, 1999; Simeon, 1999; Huizingh, 2000; Young and Benamati, 2000; Bauer and Scharl, 2000; Gonzalez and Palacios, 2004). Gonzalez and Palacios(2004) used the web assessment index, which includes accessibility, speed, contents quality and navigability to study the effectiveness of commercial websites. Kim, Shaw, and Schneider (2003) also examined the importance of website design, which is crucial in the interaction between consumers and businesses.

According to InternetLiveStats (2016), China has over 700 million internet users by 2016, accounting for over one-fifth of the world's total internet users. China is regarded as home to the largest internet space in the world, with a projection of almost 800 million internet users by 2023 (Statistica, 2018).

### **China's B2C e-commerce background**

It is evident that social media has a strong impact on China, and its impact is growing at a rapid pace. More and more netizens are spending their time online to acquire the information about the products they want, and even spending more time surfing the internet to buy products and services beyond their genuine requirements.

B2C e-commerce in China has grown rapidly in recent years. The majority of internet users in China see online shopping as beneficial and convenient. Based on the information disclosed in the 2015 China online shopping report, Chinese Gross merchandise volume amounted to 2.8 trillion Yuan in 2014, increasing 47.4% each year. The increase rate was more than four times larger than the growth of total sales of consumer goods. Internet penetration in total retail sales of consumer goods have exceeded 10% in the latest three years. This rapid growth allows the online retailers to focus on online shoppers (Akram, 2018). However, little literature has been done to reveal related information about China's online markets. As China has one of the largest B2C e-commerce in the world, it is worthwhile to fill the gap in the literature.

### **Digital Marketing Framework**

The conventional 5P marketing model does not function very well when marketers try to find the advantage of digital marketing. For instance, it makes an assumption that communication is one way of connecting consumers and marketers when interactive media provides a way for them to have a dialogue. It also assumes that it is a mass-market

environment. Interactive media enables interaction with individual customers (Kierzkowski et al., 1996).

Instead of using the traditional 5P marketing model, this paper's conceptual framework is based on the digital marketing framework mentioned by Kierzkowski et al. (1996). Along with the development of internet technology, marketing models that incorporate electronic technologies have been widely used. The digital marketing framework is developed around five elements that are essential for success: (1) attract, (2) engage, (3) retain, (4) learn, and (5) relate.

These five factors each represent attracting customers, engaging their interests and increase their participation, retaining customers and making sure they would come back to the service, learning about the customers' preferences, and relating to them to give them a customized interaction. As for the first element of this model, it involves attracting customers to visit the company's website voluntarily. Marketers also need to use different various marketing media to ensure the company's website presence so that the effectiveness of digital marketing can be maximized. Secondly, visitors should be engaged. This can be done by having a user-friendly website page. Content that is creative and valuable to customers is also encouraged. The goal of this phase is to arouse customers' interest in visiting the website and interact with other users. While keeping the customers engaged, the next phase of this model is about retaining customers. For instance, companies should provide updated and fresh content to allure customers to come back, or having virtual communities so as to keep customers not visiting competitors' websites. The next step is to learn about customers. It is critical for companies to know about their customers, collect feedback from them, and use the information to better target prospective customers. The final phase of this model is to relate to customers. Kierzkowski et al. (1996) proposed that customized marketing products are the core of this step.

Each factor of the digital marketing framework represents some issues that marketers need to pay attention to. For instance, what kinds of techniques could be used to attract customers? What is the best linking strategy marketers should apply? How to brand a product? What kinds of strategies should be adopted to better learn about customers? These are all the questions that marketers need answers to, conducting research helps to identify the factors that would constitute a better digital marketing strategy.

### **III. METHODOLOGY**

The questionnaire was carried out via email or online messages in LinkedIn.com. The questionnaire comprised items representing multiple online marketing tools used in five elements of the digital marketing framework: attract, engage, retain, learn and relate. For each item described in the questionnaire, the extent of its usage and its effectiveness was shown through a five-point Likert scale, ranging from (1) not used to (5) extensively used; and (1) not effective to (5) extremely effective. The questionnaire is available in appendix 1.

Referring to the way Teo (2005) collected the data through an online questionnaire, the questionnaire was sent through email and message in LinkedIn.com to online marketing managers, other different managers and CEOs of 128 B2C firms that conduct their business in China. The companies were selected based on several websites, including Yahoo (www.yahoo.com), and LinkedIn (www.linkedin.com). Some firms declined the participation due to several reasons, including the lack of plans to implement online marketing strategies or the tight agenda of the managers. Excluding these firms, a total of 22 participants took part in this questionnaire.

Paired t-tests were carried out to compare the mean value of the usage and effectiveness of online marketing tools listed under each section (Attract, Engage, Retain, Learn, Relate) of the digital marketing framework.

## IV. RESULTS

### Demographic profile of respondents

Table 1 gives demographic information about the respondents who did the survey. The majority of the respondents holds managerial positions; most of them are CEOs/directors/vice president, different kinds of managers or marketing executives. Respondents' companies mainly focus on their products in the retail industry, including home and furnishings, electronics, fashion apparel, food, department stores, books and CDs. Some companies which provide education service and travel-related services also participated in this questionnaire.

The majority of them have physical stores. However, they all accept orders through their website at the same time. All of the companies would accept the payment through online payment such as WeChat or Alipay. Nearly all of the firms (81.8%) have three different ways for customers to pay. A small amount of companies has only cash and online payments or they only accept online payments.

Limited firms would list their employee contact information on their website, and LinkedIn is a foreign website, very few people in China would use this website. Together with the time limitation, every few people willingly took part in this survey.

Demographics	Number	Percent
<i>Job designation</i>		
CEO/director/vice president	5	22.73%
Sales/marketing manager	7	31.82%
Other managers	4	18.18%
Business development manager	3	13.64%
Marketing executives	3	13.64%
<i>Online business product category</i>		
Home and furnishings	4	18.18%
Computer/electronics	4	18.18%
Fashion apparel	4	18.18%
Food/groceries	4	18.18%

Departmental stores	2	9.09%
Education	2	9.09%
Travel related services	1	4.55%
Books/CDs	1	4.55%
<i>Accept orders via website</i>		
Yes	22	100%
No	0	0%
<i>Modes of payments</i>		
Cash, credit cards and online payments	18	81.82%
Online payments	3	13.64%
Cash and online payments	1	4.55%
Note: $N = 22$ and missing values have been excluded.		

### **Tools to attract customers**

Table 2 suggests the marketing tools adopted by respondent companies to attract customers. There are several tools used by the questionnaire respondents to attract customers. The most adopted marketing tool by companies is mnemonic branding. It is also the most effective marketing tools used by firms to attract customers. Promotions are also widely used by respondents' firms. Listing in search engines ranked third in usage mean. Other techniques to attract customers include piggyback advertising, banner ads, affiliate programs, and adequate bandwidth. Piggyback advertising, banner ads and affiliate programs demonstrate a significant difference between usage mean and effectiveness mean.

### **Tools to engage customers**

As for tools to engage customers, some tools are no longer used by B2C firms nowadays such as creating virtual online communities, multilingual websites, and forums and discussion groups. Companies like to adopt informative and useful content to engage their customers, and they regard this tool very effective when it comes to engaging customers. Creative programming is the second most used tool for companies to engage customers, followed by unique content as the third most popular marketing tool. Except for informative and useful

content and transaction capabilities, other digital marketing tools are not widely used as they perceive to be effective.

### **Tools to retain customers**

To retain customers, respondents' firms usually launch loyalty programs to achieve the goal. Dynamic content ranks first when it comes to the effectiveness; it is also used by firms in a more than usual frequency. Some tools such as hyperlinks to related sites, having interactive functions, and creating switching costs via communities are not be used very often, although they perceived more effective than they are used. Providing online order tracking also has a big gap between the usage mean and effectiveness mean. For items like loyalty programs, dynamic content, rapid information loading time, security features and privacy statements, their usage mean and effectiveness mean are similar to each other.

### **Tools to learn customers**

In the phase of learning, cookies, information capture, gather information about new potential customers are the three most popular marketing tool used by respondents' firms. We also can see from table 5, gather information about new potential customers have higher effectiveness mean than dynamic content; however, its usage mean is lower than dynamic content. Except for items such as cookies, information capture, other marketing tools listed in table 5 are not used as extensively as they are perceived to be effective.

### **Tools to relate customers**

Table 6 shows the matched pair t-tests for the relate phase of the digital marketing framework. The most used technique in relating the customers turns out to have real-time interactions with customers. Linkages to core business is the second most used tool, followed by customized websites. There is a significant difference between usage mean and effectiveness mean for items like sending emails to update the new products, having personalized communications with customers, and customized products or services.

**TABLE 2**  
**Matched pair t-tests for attract**

Variables	Usage mean (S.D.)	Effectiveness mean (S.D.)	t-value
<i>Please indicate the extent to which of the following items are used to attract customers to your website and your perception of the effectiveness of each item.</i>			
Mnemonic branding	4.32 (0.57)	4.50 (0.51)	-1.28
Promotions	4.09 (0.75)	4.32 (0.65)	-1.31
Listing in search engines	3.64 (0.58)	4.05 (0.49)	-2.61
Piggyback advertising	3.32 (0.78)	3.82 (0.66)	-2.43
Banner ads	3.23 (0.61)	3.73 (0.46)	-3.17
Affiliate program	3.09 (1.02)	3.86 (0.47)	-3.27
Adequate bandwidth	3.09 (1.02)	3.50 (0.60)	-1.75
<i>p &lt; 0.05 (two tail)</i>			

**TABLE 3**  
**Matched pair t-tests for engage**

Variables	Usage mean (S.D.)	Effectiveness mean (S.D.)	t-value
<i>Please indicate the extent to which of the following items are used to engage customers to your website and your perception of the effectiveness of each item.</i>			
Informative and useful content	4.18 (0.73)	4.36 (0.49)	-1.16
Creative programming	3.50 (0.67)	4.18 (0.59)	-4.95
Unique content	3.41 (0.73)	3.91 (0.53)	-2.92
Transaction capabilities	3.27 (0.63)	3.55 (0.60)	-2.32
Lucky draws/contests	3.00 (0.93)	4.00 (0.76)	-4.39
Create virtual communities	2.45 (0.86)	3.09 (0.53)	-5.14
Multilingual website	2.27 (1.12)	3.27 (0.77)	-4.58
Forums/discussion groups	2.14 (0.94)	2.86 (0.47)	-3.65
<i>p &lt; 0.05 (two tail)</i>			

**TABLE 4**  
**Matched pair t-tests for retain**

Variables	Usage mean (S.D.)	Effectiveness mean (S.D.)	t-value
<i>Please indicate the extent to which of the following items are used to retain customers to your website and your perception of the effectiveness of each item.</i>			
Loyalty programs	3.82 (0.80)	4.09 (0.61)	-1.67
Dynamic content	3.77 (0.69)	4.18 (0.50)	-2.11
Rapid information loading time	3.50 (0.51)	3.77 (0.53)	-2.81
Security features	3.45 (0.60)	3.86 (0.56)	-3.25
Provide online order tracking	3.41 (0.80)	3.95 (0.49)	-3.46
Privacy statements	3.14 (0.83)	3.50 (0.67)	-2.59
Hyperlinks to related sites	3.05 (0.84)	3.59 (0.59)	-2.98
Interactive functions	3.00 (0.87)	3.67 (0.73)	-2.98
Create switching costs via communities	2.18 (0.85)	2.95 (0.58)	-3.27
<i>p &lt; 0.05 (two tail)</i>			

**TABLE 5**  
**Matched pair t-tests for learn**

Variables	Usage mean (S.D.)	Effectiveness mean (S.D.)	<i>t</i> -value
<i>Please indicate the extent to which of the following items are used to learn customers to your website and your perception of the effectiveness of each item.</i>			
Cookies	4.05 (0.38)	4.14 (0.47)	-0.7
Information capture	3.36 (0.73)	3.77 (0.53)	-2.11
Gather information about new potential customers	3.32 (0.65)	4.05 (0.38)	-4.45
Feedback via online surveys	3.00 (0.87)	3.86 (0.77)	-3.16
Webpage tracking devices	2.95 (0.79)	3.45 (0.60)	-2.32
Feedback via open-ended survey forms	2.73 (0.88)	3.64 (0.85)	-3.46
Supporting chat groups	2.55 (0.91)	3.14 (0.71)	-2.75
Holding virtual focus groups	2.41 (0.80)	3.18 (0.59)	-3.93
<i>p</i> < 0.05 (two tail)			

**TABLE 6**  
**Matched pair t-tests for relate**

Variables	Usage mean (S.D.)	Effectiveness mean (S.D.)	<i>t</i> -value
<i>Please indicate the extent to which of the following items are used to relate customers to your website and your perception of the effectiveness of each item.</i>			
Real time interactions	3.59 (0.67)	3.91 (0.75)	-1.50
Linkages to core business	3.55 (0.74)	3.91 (0.75)	-1.89
Customized webpages	3.36 (0.79)	3.82 (0.73)	-2.34
Emails to update about new products	3.18 (1.01)	3.73 (0.77)	-2.53
Personalized communications about products/service	3.05 (1.17)	3.91 (0.75)	-3.6
Customized product/service	2.86 (1.04)	3.68 (0.84)	-3.81
<i>p</i> < 0.05 (two tail)			

## V. DISCUSSION

Table 1 provides the demographic profile of the respondents. All of the firms accept orders from the website, and adopt online payments as one of the payment methods. This result shows that e-commerce is very popular in China. It is relatively easy to operate an e-business, even though it does not have a physical store.

### Tools to attract customers

Mnemonic branding is the most popular marketing tools that are adopted to attract customers. The easiest way to achieve this is having the company's name in the URL so that customers can easily search the company website without going to search engines. It is also

perceived to be very effective for it increases the web traffic with very little cost. Promotions are also widely used by respondents' companies. This indicates that promotions are used by retail companies in a more than usual way. Mnemonic branding and promotions are used to a similar extent they are perceived to be effective. Listing in search engines is the third most popular marketing tool to attract customers. Search engines categorize company websites by the product or service it provides so that putting the company's URL in search engines would facilitate the online shopping convenience. Customers could easily find the company's website by searching the company name in the search bar of search engines.

The usage means of the last four items in table 2 demonstrate that they are slightly less used compared to the three marketing tools just mentioned above. Overall, all items show an effectiveness mean higher than 3.5. Piggyback advertising, banner ads, and affiliate programs have a larger gap between effectiveness mean and usage mean, which means companies are not using these marketing tools as they are perceived to be effective. Companies can consider shift part of their investment from adequate bandwidth and affiliate programs to piggyback advertising and banner ads.

### **Tools to engage customers**

Table 2 displayed marketing tools used by respondents' firms to engage the customers. The most used tool is providing informative and useful content, as people are more likely to know the current affairs and keep themselves updated with the new things that happened in the real world. This is also the most effective tool scored by respondents, having a similar effectiveness mean and usage mean. Creative programming is the second choice by respondents. This indicates special features of the websites help engage the customers, making them enjoy browsing the website. Companies could allocate more marketing investment in having more creative programming because it has relatively higher effectiveness mean than

usage mean. Providing unique content is in third place. Companies provide unique content to set apart from their competitors.

Items like creating virtual communities, multilingual websites, and forums and discussion groups are not used very often. This result is similar with the study done by Teo (2005). Maybe it is because of the limitation of the budget, as for the majority of the firms participated are startups, they do not see the need to cost money to have these marketing tools when there are more cost-effective ways they can use. Their target market still remains in Mainland China in a short time, so the website can just use one language. Unique content and lucky draws and contests demonstrate a significant difference between usage and effectiveness mean, which infer that firms should invest more money in these two marketing tools to better engage the customers.

### **Tools to retain customers**

Table 4 shows China's B2C firms' preference for marketing tools to retain customers. Loyalty programs are favored most by respondents' companies with the highest usage mean. It is important for companies to launch programs, for example, reward customers with points for every purchase and relate back to them with rewards. Nielsen (2013) found that 84% of the consumers are more likely to stick with a brand if it provides loyalty programs. Dynamic content ranks second in the usage mean for retaining the customers. Consumers enjoy experience new content when looking at the website. Thus, companies should keep refreshing the content on their website to keep the customers interested. High score of usage mean from information loading time suggest firms require a rapid information loading time to meet the customers' need. People want the information delivered in a fast and accurate way. Loyalty programs, dynamic content and rapid information loading time all have a similar usage mean and effectiveness mean, which indicates that they are used to the extent that they are perceived to be effective.

For items like providing online order tracking, hyperlinks to related sites, interactive functions, and creating switching costs via communities, they all demonstrate a momentous difference between perceived effectiveness and real usage level. There are several reasons behind it. Companies might lack the expertise to design these kinds of website features or lack of resources and money to update the website feature. Creating switching cost via communities is not used very often, firms could concentrate on other aspects as to better retain the customers.

### **Tools to learn customers**

Table 5 exemplifies how companies learn more about customers. Cookies is the most important tool to learn customers' actions during the visit. It also has the highest effectiveness mean for it can quickly know what kinds of information interest visitors and which page do they usually visit. Information capture is the second most used tool to learn about customers. Gathering information about new potential customers ranks third in the usage mean.

Except for the first three marketing tools listed in table 5, all other items display a significant difference between perceived effectiveness and real-world usage. The reasons would include the lack of skills and capital to carry out the experiment like these. Feedbacks via open-ended survey forms, supporting chat groups and holding virtual focus groups are not used very often. Because the respondents are mostly from startups, using open-ended survey forms or online surveys may not be the most effective tool to get their feedback. Other marketing tools that are not asked in the survey may be used by respondents' firms, such as through the call center or customer service to reach out to customers to get their feedback. In these ways, customers can contact the company in a closer way, and it is also a more immediate way to get the responses.

## **Tools to relate customers**

In table 6, real-time interactions appear to be the most popular tool used by B2C firms in China to relate the customers. People appreciate fast and immediate responses when they have a problem or question. Building linkages to core business is also used very often, and perceived to be as effective as real-time interactions. Customized webpages rank third in usage to relate, for customized webpages can help firms to differentiate themselves from competitors.

Teo (2005) found that customized product/service and personalized communications about them are the most popular tools to relate customers. However, this study shows a different result, these two marketing tools are not widely used among B2C firms in China. One of the reasons would be the industry of respondents' firms. The companies may not provide products and services that are suitable for customization. Also, customized products/services and providing personalized communications may be unnecessary for companies that just started their business. It is also difficult to meet every customers' preference for some industries like food and computers.

## **Limitations**

This survey of this study only contains 22 respondents, which are not enough to represent the entire B2C firms in China. The questionnaire was designed based on the past study done by Teo in 2005. More marketing tools should be included to get a more rounded result. Future researches could include items like call center and customer service center.

## **Reliability and Validity**

Questionnaires were sent during a specific time frame; usually, it was in the afternoon, to avoid the participant error. The survey is anonymous so as to avoid participant bias. This survey used the questionnaire conducted by Teo (2005) and Anjum et al. (2012) to avoid researcher bias and error. The respondents of this questionnaire mostly hold managerial

positions. This would provide some assurance of the validity of this study because people with higher positions would be more likely to know the marketing strategies of their company.

### **Theoretical contribution**

Before, previous studies have been done to study the usage and effectiveness of online marketing tools in Singapore and Pakistan. However, there is no study examined this topic under China's background. Recent data regarding this topic is also limited. Because of the rapid growth of e-commerce, it is necessary to conduct this study to fill the gap. This study gives a general understanding of the usage and effectiveness of online marketing tools used by B2C firms in China. By studying the marketing tools used in the real world, this study can provide some theory for real-world practices about how to plan an effective marketing strategy. Thus, companies can better allocate their resources to their online marketing plans after they have reviewed their Web objectives. This study helps to maximize the potential of the internet for companies to build a strong online marketing competence. Future researches regarding the same topic could get some understanding of China's general information from this study.

## VI. CONCLUSION

The study used the Digital Marketing Framework to examine the usage and effectiveness of various marketing tools. The digital marketing framework involves five phases, which are attract, engage, retain, learn and relate. For each element, the marketing tools that are frequently used are identified, along with their effectiveness. Some marketing tools are not widely adopted by the company. The underlying reasons include budget limitations, lack of IT technology, and different objectives of firms setting up a website in China. Most companies invest in mnemonic URL as a way to attract customers. Getting listed in many search engines is also a great way to increase the company's exposure. Firms use creative programming to provide valuable content as well as having shopping carts and online ordering forms to engage customers' attention. The results indicate that keeping the website fresh is a good way to retain customers. Having cookies and information capture allow companies to learn more about customer attitudes, demographics and their behaviors. Providing real-time interactions and building core linkages to core business help companies to relate the customers.

The study shows that e-commerce in China is considered to be in its growing stage. Many firms are not fully maximizing the potential of some online marketing tools even though they are perceived effective. This study gives a general understanding of the usage and effectiveness of online marketing tools used by B2C firms in China.

By studying the technologies used in real-world marketing, this study inclines the theory with real-world practice so as to formulate effective online marketing strategies. Hence, companies can better allocate their resources to their online marketing plans after they have reviewed their Web objectives. This study helps to maximize the potential of the internet for companies to build a strong online marketing competence. Further research is needed to explore more marketing tools involved in each phase of the digital marketing framework to understand the real-world practices better.

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## *Appendix 1*

This survey is created for a research about the usage and effectiveness of online marketing tools used by B2C firms in China. I would like to know the situation of your company. Your participation will offer significant help to this research. I am very thankful to you for answering the questions below. Your answer would only be used in this research. Thank you so much.

1. what is your position in your company?

- A. CEO/director/vice president
- B. Sales/marketing manager
- C. Business development manager
- D. Other manager
- E. Marketing Executives
- F. Others

2. What is your company's business product category?

- A. Home and furnishings
- B. Computer/electronics
- C. Fashion apparel
- D. Food/groceries
- E. Toys/gifts/flowers
- F. Travel related services
- G. Books/CDs
- H. Departmental stores
- I. Auctions
- J. Others

3. Did your company accept orders via website?

- A. Yes
- B. No

4. What are your company's methods of payment?

- A. Credit cards
- B. Cash
- C. Online payments
- D. Credit cards and cash
- E. Credit cards and online payments
- F. Cash and online payments
- G. All three

Please indicate the extent to which of the following items are used to attract customers to your website and your perception of the effectiveness of each item. Rank the usage and effectiveness of each marketing tool ranging from (1) to (5). Usage (1) stands for "not used", (5) stands for "extensively used". Effectiveness (1) stands for "not effective", (5) stands for "extremely effective".

Tools to attract the customers:

- 1) Mnemonic branding
- 2) Listing in search engines
- 3) Adequate bandwidth

- 4) Promotions
- 5) Piggyback advertising
- 6) Affiliate program
- 7) Banner ads

Please indicate the extent to which of the following items are used to engage customers to your website and your perception of the effectiveness of each item. Rank the usage and effectiveness of each marketing tool ranging from (1) to (5). Usage (1) stands for “not used”, (5) stands for “extensively used”. Effectiveness (1) stands for “not effective”, (5) stands for “extremely effective”.

Tools to engage customers:

- 1) Informative and useful content
- 2) Transaction capabilities
- 3) Unique content
- 4) Creative programming
- 5) Lucky draws/contests
- 6) Create virtual communities
- 7) Multilingual website
- 8) Forums/discussion groups

Please indicate the extent to which of the following items are used to retain customers to your website and your perception of the effectiveness of each item. Rank the usage and effectiveness of each marketing tool ranging from (1) to (5). Usage (1) stands for “not used”, (5) stands for “extensively used”. Effectiveness (1) stands for “not effective”, (5) stands for “extremely effective”.

Tools to retain customers:

- 1) Dynamic content
- 2) Security features
- 3) Rapid information loading time
- 4) Privacy statements
- 5) Hyperlinks to related sites
- 6) Loyalty programs
- 7) Provide online order tracking
- 8) Create switching costs via communities
- 9) Interactive functions

Please indicate the extent to which of the following items are used to learn customers to your website and your perception of the effectiveness of each item. Rank the usage and effectiveness of each marketing tool ranging from (1) to (5). Usage (1) stands for “not used”, (5) stands for “extensively used”. Effectiveness (1) stands for “not effective”, (5) stands for “extremely effective”.

Tools to learn customers:

- 1) Information capture
- 2) Feedback via online surveys
- 3) Webpage tracking devices
- 4) Feedback via open-ended survey forms
- 5) Gather information about new potential customers

- 6) Cookies
- 7) Holding virtual focus groups
- 8) Supporting chat groups

Please indicate the extent to which of the following items are used to relate customers to your website and your perception of the effectiveness of each item. Rank the usage and effectiveness of each marketing tool ranging from (1) to (5). Usage (1) stands for “not used”, (5) stands for “extensively used”. Effectiveness (1) stands for “not effective”, (5) stands for “extremely effective”.

Tools to relate customers:

- 1) Personalized communications about product/service Customized product/service
- 2) Emails to update about new products
- 3) Customized webpages
- 4) Linkages to core business
- 5) Real time interactions