

Research on Internet Innovation Marketing Management-Taking Hengli Decoration Company as an Example

Haowei Ti, Liang Huang, Long Wu, Gang Bian, and Ding Ma

Abstract—With the rapid growth of China's economy and the improvement of residents' consumption levels, and the rapid development of network communication technology, Internet applications have played an increasingly important role in people's work and life. The revolutionary change in the era of online commerce is coming. The traditional marketing model that we have been operating for a long time will also be severely impacted by the online marketing model. Gradually launching online marketing operations and strategic planning have become necessary conditions for the company's development. More and more companies have gradually carried out a series of changes in traditional marketing strategies, and innovated traditional marketing models at the same time. As a traditional decoration company, Hengli Decoration Company has established a reputation in the decoration industry in Guangdong, but traditional marketing methods are facing difficulties and the company's performance has declined. For Hengli Decoration Company, it is a better way to get out of the marketing dilemma and develop Internet innovative marketing programs. It has a positive effect on promoting the development of the company.

Index Terms—Internet marketing, innovative marketing, management.

I. INTRODUCTION

With the rapid development of the Chinese economy, the urbanization rate of Chinese cities has gradually increased. In 1978, China's urbanization rate was only 18%. By 2016, China's urbanization rate has reached 62%. According to the prediction of relevant UN departments, the urbanization rate of developed countries in the world will reach 86% by 2050. By then, China's urbanization rate may grow to 73%. As China's urbanization process continues to accelerate, China's infrastructure construction and urban housing construction will continue to advance; the continuous increase in the volume of urban housing construction will inevitably further drive the decoration market, making the decoration market volume gradually increase.

With the increasing level of Chinese residents' consumption, residents' requirements for decoration are getting higher and higher, especially in the home improvement market. In recent years, China has been pursuing the "Internet +" strategy. With the rapid advancement of global Internet technology and the further implementation of China's Internet plus strategy, Internet innovation marketing is emerging as a new thing in various

industries. The e-commerce platform provides a new way of thinking for various industries to further open up sales channels, and also puts forward a new requirement and direction for the further development of various enterprises. As a decoration company with distinctive characteristics in southern China, Hengli Decoration Company urgently needs to use the Internet's innovative marketing channels to open the sales market and solve the company's traditional single marketing model. The marketing strategy is not centered on the terminal market. The marketing process pursues short-term benefits and ignores Internet innovation. Marketing functions and other issues provide better strategies and ideas for the next development of Hengli Decoration Company. Therefore, it is particularly important to research and design the innovative internet marketing scheme of Hengli Decoration Company.

II. STATUS OF THE DECORATION INDUSTRY

According to the 2016-2021 China Home Improvement Industry Market Demand and Investment Consulting Report released by the China Report Hall, 2017 will be the first year of the home improvement industry. In recent years, the home improvement industry has grown steadily. According to the statistics of the China Building Decoration Association, the total output value of the building decoration industry in 2015 was 340 million yuan, a year-on-year increase of 9.9%, while the total output value of the residential decoration industry was 174 million yuan, a year-on-year increase of 10%. The growth rate of the home improvement industry is higher than that of the entire decoration industry. See Fig. 1.

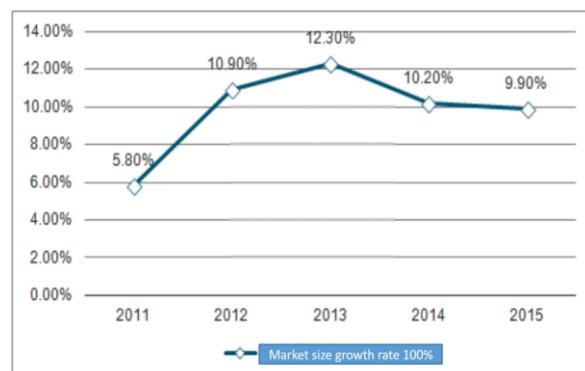


Fig. 1. Market size growth rate.

From 2011 to 2015, the total output value of China's residential decoration industry showed an overall growth trend. According to relevant data, the total output value of Chinese residential decoration increased from 1.1 trillion yuan in 2011 to 1.66 trillion yuan in 2015.

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In addition, the industry is relatively optimistic about the residential decoration market. According to market predictions, China's residential decoration market share will reach 2.09 trillion yuan in 2018; China's residential decoration market will reach 2.14 trillion yuan in 2019; China's residential decoration market share will reach 2.39 trillion yuan in 2020; China's residential decoration market share will reach 2.59 trillion yuan in 2021; China's residential decoration market share will reach 2.82 trillion yuan in 2022, with an annual average faster growth. See Fig. 2.

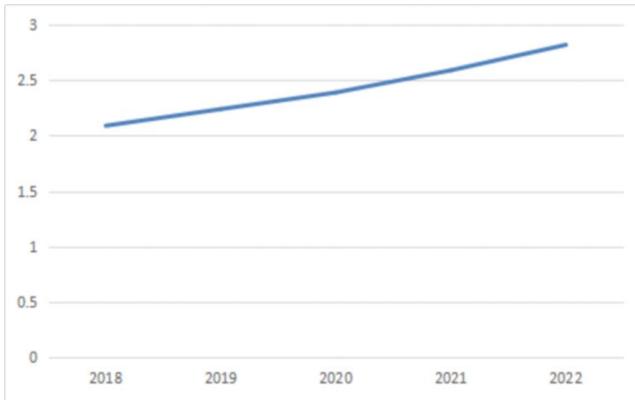


Fig. 2. China's residential decoration market share.

After years of development, China's decoration industry has shown characteristics such as fierce competition, chaotic industrial operations, low professionalization of the industry, and uneven levels of employees in the industry. However, on the whole, the industry has huge potential for development and a large market.

III. APPLICABILITY ANALYSIS OF INTERNET MARKETING

A. The Advantage of the Internet Marketing

The advent of the Internet era has brought new development opportunities to the decoration industry. With the support of the Internet, the decoration company's marketing method has a new development trend, which has become faster, simpler, more efficient, and lower cost [1].

First, Internet innovation marketing is faster, simpler, and more efficient. Utilizing the fastness of the Internet, Hengli Decoration Company can carry out efficient and rapid marketing, and establish a corresponding corporate website to guide the visitor flow to visit the corporate website. Not only that, after entering the development stage of the Internet, customers can not only browse the decoration companies at home or in the office, but also use the mobile terminal in their hands to collect relevant information whether on the subway or the square, thereby helping customers save a lot of time. At the same time, the marketing activities of Hengli Decoration Company itself have significant features of efficiency and convenience. Throughout the marketing phase, whether it is advertising design or advertising, the inherent operability of Internet innovative marketing will be fully reflected. The popularity of the Internet has led to more and more online malls appearing in people's sights. The combination of online and offline marketing methods has gradually achieved the intended marketing purpose. Through this combination of

online and offline marketing methods, we can better grasp customers and increase the probability of marketing success, which also makes Hengli Decoration's marketing more efficient [2].

Second, Internet innovation marketing is low-cost, fast-spread, and wide-ranging. The problem of cost is an issue that all industries need to pay attention to. For the decoration industry, the cost savings can bring greater economic benefits to the decoration industry, and at the same time can provide customers with certain benefits. In addition, the time factor does not have a corresponding impact on the placement of online advertising. It can broadcast information 24 hours a day, and the relatively low advertising costs make the advantages of this method of communication fully reflected. In the Internet space, home buyers and Hengli Decoration can directly negotiate prices, and the Internet provides a lot of options. If a deal is not reached, both parties will have more options. Compared with traditional print media, the core feature of online media itself is the ability to carry out two-way communication activities. Throughout the process, customers take their own needs as the core and collect resources for relevant information. No matter what channel is used, the best publicity effect creates good basic conditions [3].

Finally, the launch of online marketing activities can ensure that the development goal of nationalization of marketing is finally achieved. With the continuous improvement of the development level of computer network technology, the Internet has made great changes in traditional lifestyles. The traditional decoration company marketing strategy also accepts unprecedented challenges. Relying on online marketing, Hengli Decoration Company can make decoration companies publicize decoration projects through the creation of a website platform and update the domain name; customers can browse the corporate interface and provide corresponding feedback information. The Internet platform provides an effective reference for customers to make purchase decisions. Judging from the actual development situation, on the basis of creating huge comprehensive income, the comprehensive competitiveness of Hengli Decoration Company will be comprehensively improved [4].

B. Market Analysis of Internet Innovative Marketing Solutions

1) Economic environment

Income and expenditure status for decoration, the higher the consumer's personal income, the greater the demand. With changes in consumer income, spending patterns and consumption structures have also changed accordingly. The larger the Engel coefficient, the lower the standard of living, and the smaller the Engel coefficient, the higher the standard of living. The United Nations standard for poverty and affluence based on the Engel coefficient is: It is generally believed that the Engel coefficient is finally determined by the proportion of food expenditure in the total expenditure. More than 59% of the Engel coefficient is poverty, 50-59% is food and clothing, 40-50% is well-off, 30-40% is rich, and less than 30% is the richest. Engel also found that with the increase in income, the proportion of clothing and housing in the total expenditure remained basically the same, while

the proportion of luxury goods, education, entertainment and savings rose.

2) Economic development

The marketing activities of the decoration industry are affected by the state of economic development. The level of economic development directly affects the marketing activities of enterprises. In areas with higher levels of economic development, residents have a stronger demand for decoration. In areas with lower levels of economic development, residents have weaker needs for decoration and are sensitive to price. The macroeconomic situation also affects people's demand for decoration. The macroeconomic situation is good, people's income increases, employment rates increase, and the demand for decoration increases. On the contrary, the macroeconomic situation is sluggish, employment rates have fallen, and unemployment has fallen. As the rate increases, the average income decreases, and the demand for decoration decreases.

3) Take Dongguan, China as an example: The population environment includes 4 aspects

- 1) Total population: Dongguan is an average city with a permanent population of 8.254 million. With the rapid development of the socialist market economy, the people's income continues to increase, and the demand for newly-decorated new houses for newlyweds is also growing. Therefore, the decoration company has huge potential.
- 2) Age structure: 20% of the resident population are newly-married couples of appropriate age, that is, approximately 1.65 million are newly-weds of appropriate age; this data will be relatively stable, and the range of customer groups facing the decoration market is relatively large.
- 3) Geographical distribution: Dongguan is a city with relatively early reform and opening up. Due to its beautiful geographical environment, pleasant climate, rich natural resources, and good economic income, Dongguan has developed rapidly in recent years. Dongguan's industry is good enough. In addition to Dongguan's own manufacturing industry across the Pearl River Delta, Dongguan has cultivated two domestic mobile phone giants, OPPO and vivo; Songshan Lake has also introduced high-tech industries represented by Huawei. Dongguan's industry is undergoing continuous transformation.

Binhai New Area: Chang'an, Humen, Shatian, Houjie. This is the strongest area of Dongguan's economy. Humen and Chang'an's economic strength ranks first and second in the city, plus Houjie, which basically accounts for 20% of Dongguan's GDP, and Shatian is slightly inferior. Vivo and OPPO are companies in Chang'an.

Songshan Lake Area: Songshan Lake, Dalang Town, Dalingshan Town, Liaobu Town, Chashan Town, Shilong Town, Shipai Town. This is a high-profile new city with good ecology, mountains and lakes, similar to the environment of Silicon Valley in the United States, and its positioning is a high-end science and technology innovation platform. Songshan Lake has attracted Huawei and its suppliers, but other areas have performed mediocrely. Chashan Town, Shilong Town, and Shi Pai Town are now dusty large rural areas with a low level of development.

Southeast Shenzhen area: Tangxia, Fenggang, Qingxi, Zhangmutou. It has undertaken a certain number of Shenzhen manufacturing shifts, and has also attracted a large number of those who just cannot afford Shenzhen to settle here.

Urban areas: Wancheng, Nancheng, Dongcheng, Wanjiang, Gaocheng, Shijie. In fact, the real urban areas are only Wancheng, Nancheng, and Dongcheng. The gap in other areas is still very large. Commercial education and medical facilities are relatively mature.

Water Town New Town: Ma Chung, Hong Mei, Daojiao, Wangniudun, Zhongtang. This is a relatively backward town in Dongguan.

Eastern Industrial Park Area: Huangjiang, Changping, Dongkeng, Hengli, Qishi, Qiaotou, Xiegang. At present, the area with the weakest economy is restricted by geography and transportation, and is far from the main economic belt of Dongguan.

IV. SWOT ANALYSIS OF HENGLI DECORATION COMPANY

A. SWOT Analysis

SWOT for Hengli Decoration Network Marketing comprehensive analysis can be shown in the following Table I:

TABLE I: SWOT

Internal environment	S (strengths)	W (weaknesses)
External environment	(1) New products and strong competitiveness of local commercialization models; (2) The business process is complete, clear and clear; (3) Strong technical force and strong working ability;	(1) The team is multi-functional, and the staffing is not dedicated. (2) Responsible persons of each responsibility in the direction of Internet innovation marketing have not specified their duties and responsibilities (sales, marketing, services, products, implementation, operation and maintenance)
O (opportunities)	OS	OW
(1) Users can be trusted, and the Internet-based system can be established quickly; (2) Due to population and economic environmental factors, there is a lot of room for market margin; (3) Other regions can be quickly copied to expand the franchise	1. Quickly complete the launch of the product system and occupy the market; 2. Combining traditional main advantages to sort out suitable solutions to occupy the market; 3. Sum up experience and quickly copy;	1. Gradually establish a platform cooperation model to amplify the advantages brought by platform capabilities; 2. Clarify relevant positions and responsible persons, and greatly improve work efficiency;

chain;		
T (threats)	ST	WT
1. The scope of publicity awareness is low, and further product promotion is needed to promote market awareness and level improvement; 2. It is necessary to prevent and recognize the threats of competitors and products;	1. Increase product promotion so that customers can achieve brand association goals through relevant keywords; 2. Establish a complete team to keep abreast of competitors' trends;	1. Establish a team and clarify responsibilities; 2. Analyze relevant competitors and products, and prepare solutions in advance;

In summary, the situation faced by Hengli Decoration Company in carrying out Internet innovation marketing was analyzed in detail, and the design and implementation of Hengli Decoration Company's Internet innovation marketing plan were well evaluated.[5]

V. PROFITABILITY EVALUATION OF INTERNET INNOVATIVE MARKETING SOLUTIONS

The micro-environment of Hengli Decoration Company includes marketing channel companies, customers, competitors and the public. The success of an enterprise's marketing activities is directly affected by these factors in addition to the factors of the marketing department itself.

A. Marketing Channel Enterprises

1). Supplier

Suppliers mainly refer to manufacturers and distributors of decorative materials. Material suppliers extend in two directions in the market competition:

- 1) Extending from pure material sales to delivery construction, expanding the service scope to business scope, introducing labor for construction, and increasing market competition between material dealers and distributors. The profit of Hengli Decoration Company needs to sign a long-term supply contract with the manufacturer and even settle the service in order to achieve the profit goal in terms of materials; [6]
- 2) The material supplier's product system integration kit and distribution service, with a view to occupying advantages in terms of cost and service. The timeliness of logistics is an effective measure to reduce construction time and save costs.

2). Material bargaining power

- 1) The main materials, raw materials and accessories in decorative materials are not monopolized by a few companies, but provided by a large number of suppliers. Selecting quality and stable suppliers is a necessary condition for the company's long-term development [7].
- 2) There are many alternatives for decorative materials, and consumers (decoration companies and owners) will not be forced to accept suppliers' material prices and other conditions.

- 3) Due to the process of decoration, it is basically a process of physical change; the raw materials provided by the supplier have an important influence on the production process and product quality of the decoration project, especially the engineering quality and indoor air quality [8].

B. Customers

1). Analysis of consumer characteristics

- 1) Individualization awareness and requirements are getting stronger and stronger, the company needs to prepare sufficient decorative materials and different styles of decorative template designs for young customers;
- 2) The demand for product upgrades is getting stronger and stronger. The company needs to further upgrade its basic equipment to respond to market changes and customer needs.
- 3) Put forward higher requirements for the functionality of materials. Environmentally friendly materials have become the mainstream of the decoration industry; the concept of environmental protection and pollution-free has become the new mainstream of life;

2). Bargaining power of consumers

Consumers have strong bargaining power, ensuring that customers can have absolute advantages in the company's quotation and services under the premise of shopping around.

C. Competitors

Decoration enterprises are divided according to their scale, efficiency, and competition strategies. There are three modes of operation:

- 1) Management enterprise.
- 2) Self-employed enterprises.
- 3) Mixed body.

These three types of enterprises have formed a three-point strategic pattern:

- 1) Decorative enterprises that have become bigger and stronger. Its main advantages are:
- 2) The brand and popularity in the industry are high;
- 3) Technology, management, service, position, and incentive system are relatively sound;
- 4) There are abundant market resources.

At the same time, the decoration styles of houses are different, and their decoration budgets are also different. For example, we will renovate the house into a modern minimalist style; if the decoration company is all-inclusive, its price is about 650-680 yuan / square, and half-package is about 350-380 yuan / square. If it is of the Nordic style, the all-inclusive price of the decoration company is about 820-860 yuan / square, and the price of the half-package is 400-440 yuan / square. The decoration grades of different houses are different, and the decoration budget is also different. For example, we simply renovate the house, which will cost about 60,000 to 80,000 yuan. If it is high-end decoration, it usually costs more than 150,000 yuan for decoration [9].

VI. CONCLUSION

In recent years, due to the good economic environment of the country, the "golden age" of the decoration industry has continued for quite some time. However, with the increase in the number of decoration and decoration practitioners, forced by the oversupply environment, the current decoration enterprises face with the question of survival and development. Even some small and medium-sized decoration companies have gradually reduced their market share [10]. One of the main reasons is that there are various misunderstandings in project marketing, which are not innovative and attractive.

For decoration companies, the core competitiveness is not only the technical level, but also the human service. What needs to be solved is the problems that marketing needs to face, that is, interactive experience, customer service, Internet word-of-mouth communication, and customer conversion. This requires more effort in the marketing process. In essence, the decoration companies will also be their products and services. Specifically, decoration companies also need to "work hard on their internal skills and build their image outside" in order to win market share and gain market development space.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Dr. Haowei Ti wrote and translated the full text. Dr. Ding Ma and Dr. Liang Huang provided the framework, and Mr. Huang Long and Mr. Gang Gang provided the data. Dr. Haowei Ti and Dr. Ding Ma reviewed the paper.

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