

## **A STUDY ON THE MARKETING STRATEGIES OF ZHEJIANG TONGXIANG FOREIGN TRADE GROUP**

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**Abstract:** The development prospect of China's foreign trade enterprises was very broad, and there were relatively more opportunities, but at the same time it was also necessary to note the risks and challenges, such as trade barriers. To coped with and solved the challenges and risks well, scientific and reasonable marketing strategy became inevitable. This study took Zhejiang Tongxiang Foreign Trade Group as an example, and the main objectives are: 1) to study the marketing status quo of Tongxiang Foreign Trade Group; 2) to analyze the strengths, weaknesses, opportunities and challenges of Tongxiang Foreign Trade Group and 3) to formulate the 4P strategy of Tongxiang Foreign Trade Group.

This study adopts the literature review method to conduct the research. Based on the 4P theory and SWOT analysis and other theories, the marketing status quo and marketing environment of Tongxiang Foreign Trade Group are analyzed, and the corresponding 4P strategy is proposed. The study found that: 1) the marketing status quo of Zhejiang Tongxiang Foreign Trade Group is worrisome, there are problems such as the main products are not clear, the pricing method is not reasonable, the information transmission method to be optimized, the length of the channel is too long, etc.; 2) Zhejiang Tongxiang Foreign Trade Group has a relative advantage in both its own capital and teamwork, and thus increases marketing investment in the corresponding links to build a more favorable platform for developing the Pakistani market and 3) Zhejiang Tongxiang Foreign Trade Group's 4P strategy should improve product awareness and acceptance; developing a reasonable price strategy; improving online and offline sales channels and continuously optimizing the promotion strategy.

**Keywords:** Marketing Strategy, International Trading Company, SWOT Analysis, 4P Theory

### **Introduction**

Effective marketing strategies become a key factor for foreign trade enterprises to gain competitive advantage and achieve sustainable development in the face of a changing global market environment. However, due to the rapidity and complexity of changes in the global market, foreign trade enterprises face many challenges in formulating and implementing marketing strategies(Zhou,

2016).

Zhejiang Tongxiang Foreign Trade Group, as an important foreign trade enterprise in Zhejiang Province, China, faces fierce competition in both domestic and international markets and a constantly changing market environment. With the acceleration of global economic integration and the rapid development of digital technology, marketing strategy plays an increasingly important role in the survival and development of enterprises. In order to gain a larger market share and maintain sustained growth in a competitive market, Zhejiang Tongxiang Foreign Trade Group needs to constantly update and improve its marketing strategy.

At the same time, with the deepening of China's opening to the outside world and the continuous development of international trade, Chinese foreign trade enterprises are facing more and more opportunities and challenges (Yang, 2017). In this context, Zhejiang Tongxiang Foreign Trade Group, as a member of China's foreign trade enterprises, also needs to follow the trend of the times and constantly adjust and optimize its marketing strategies to adapt to the changing market demand and competitive environment. Therefore, the study of Zhejiang Tongxiang Foreign Trade Group's marketing strategy not only contributes to the healthy development of the enterprise itself, but also has certain reference significance for other Chinese foreign trade enterprises.

In general, the research background of this paper is based on the global economic integration and the development of digital technology, Zhejiang Tongxiang Foreign Trade Group needs to continuously update and improve its marketing strategy to adapt to the changing market demand and competitive environment. Through the study of Zhejiang Tongxiang Foreign Trade Group's marketing strategy, it can provide effective improvement measures and suggestions for the enterprise, and help the enterprise to realize a more healthy and sustainable development. At the same time, for Chinese foreign trade enterprises, the attention and research on marketing strategy also have general reference significance.

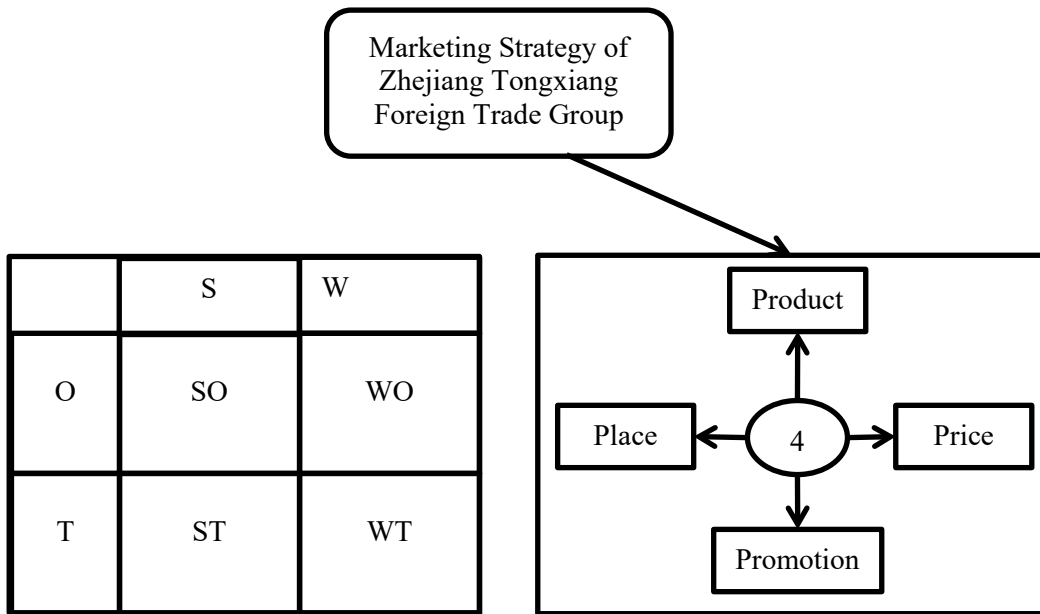
### **Research Objectives**

The main research objectives of this study are as follows:

1. To study the current marketing situation of Tongxiang Foreign Trade Group.
2. To analyze the strengths, weaknesses, opportunities and challenges of Tongxiang Foreign Trade Group.
3. To formulate the 4P strategy of Tongxiang Foreign Trade Group.

### **Theoretical Framework**

Due to the involvement of SWOT and 4P theories in this study, there are two theoretical frameworks. Overall, the theoretical framework of this study is:



**Picture 1:** Conceptual Framework

## Literatures Review

### *Marketing Strategy*

Marketing strategy refers to the enterprise fully and comprehensively understand customer demand, based on customer demand and their own resources, in the target market, planned and organized marketing activities, through the coordination of product strategy, price strategy, channel strategy, promotional strategy, to provide customers with satisfactory products or services to achieve the process of corporate goals (Fang, 2016). Marketing strategy is an important part of enterprise development strategy and should be dynamically adjusted with the changes of the market.

Bin (2016) suggests that small and medium-sized enterprises should focus on brand marketing in the era of big data, and in this way to realize the long-term healthy development of the enterprise itself.

Bai (2016) pointed out that network marketing can help SMEs break the resource limitations, and enterprises should actively try a variety of new marketing methods, such as community marketing, mobile marketing, etc. to achieve the effective dissemination of marketing objectives.

Wang (2016) studied the application of social media in the B2B sector and pointed out that due to the specificity of B2B companies, unlike B2C companies that focus on creating emotional information attributes in the process of new media communication, B2B companies place more emphasis on their informational attributes, communicating the company's products, services, and informational parameters to their customers in order to provide them with a more comprehensive perception of the company.

### *International Trade Company*

International trade companies, also known as foreign trade companies, refers to foreign trade business license trading company, its business activities according to the direction of commodity flows are mainly divided into import trade and export trade two parts (Duch-Brown et al., 2017). International trade companies according to whether to participate in the production of products can be divided into the integration of trade and industry trading company and pure trading company, the former both have their own factories can produce products, but also can carry out product sourcing, a combination of the two ways; the latter do not have their own factories, do not participate in the production activities, the orders are outsourced to the cooperation of the factory to produce.

Guo (2017) and others conducted an extensive study on the market strategies and marketing tools of international trading companies. They found that international trading companies usually adopt diversified marketing strategies, including market segmentation, target market selection, and product positioning. Meanwhile, they also explored the marketing means of international trading companies, such as branding, advertising, and sales channel management.

With the increasing complexity of global supply chains, Hunter et al (2018) and others conducted an in-depth study of supply chain management and logistics operations of international trading companies. They found that international trading companies usually adopt global sourcing, production, and distribution strategies to reduce costs and increase efficiency. Also, they explored the logistics operations of international trading companies, such as transportation, warehousing, and distribution.

Wu (2017) conducted a study on international cooperation and exchange of international trading companies. They found that international cooperation and exchange is an important driving force for the development of international trading companies. The company can realize mutual benefit and win-win situation by cooperating with enterprises in other countries to jointly develop market, technology, talents and other resources. At the same time, international exchanges also help companies to understand the global market dynamics and trends, which provides an important reference for the company's strategic decision-making.

#### *SWOT Analysis*

SWOT analysis is a comprehensive analysis method based on the internal and external environment and internal and external conditions of the enterprise, the core of which is to analyze four important factors affecting the development of the enterprise: Strengths S (Strengths), Weaknesses W (Weakness), Opportunities O (Opportunities), Threats T (Threats). Among them, Strengths and Weaknesses are internal factors, and Opportunities and Threats are external factors(Wan, 2018).

SWOT analysis lists the internal and external factors that have a significant impact on the production and operation activities and development of the enterprise in accordance with the business objectives of the enterprise, and evaluates these influencing factors according to the standards of the

company's development, so as to analyze the strengths and weaknesses, opportunities and threats in the current development of the enterprise(Wu, 2017). After the SWOT analysis, the enterprise should consider the following questions: how to adjust the enterprise's resources to adapt to the new competitive environment and new industries to better enhance the enterprise's responsiveness; how to make efforts to strengthen the enterprise's resource management capabilities; how to take actions to plan and build the enterprise's future resources; how to first consider the opportunities in allocating the company's resources. In other words, how to optimize the allocation of corporate resources in the current internal and external environments and the need to consider the future development of the enterprise from a long-term perspective(Xu, 2018).

Xu (2017) stated in his study that SWOT analysis is an effective tool to help international trading companies identify their strengths, weaknesses, opportunities and threats. Through SWOT analysis, a company can clarify its position and develop appropriate strategies to cope with market changes. The study also emphasizes the importance of SWOT analysis in international trading companies and provides specific implementation steps and case studies.

#### *4P's Theory*

The 4P marketing theory was proposed by Jerry McCarthy in his book Marketing (Marketing, first edition, published around 1960). However, his mentor Richard Clewett (Richard Clewett) first proposed to "product (Product), pricing (Price), distribution (Distribution), promotion (Promotion)" as the core of the doctrinal structure. Later, McCarthy replaced distribution with channel (Place), and the 4P marketing theory came into being. 4P strategy must be implemented after STP decisions are made. A perfect marketing campaign requires the prerequisite of appropriate products, price points, channels and promotional tools, the act of putting the right goods and services into a specific market(Ying, 2018).

### **Methodology**

This study was conducted using documentary research method. Data collection was mainly conducted by reviewing the literature of previous researchers. In terms of data collection, this paper first analyzes the previous research on marketing theory. By analyzing the views of authoritative scholars from academic websites such as Wanfang, Zhi.com, VIP, Panda Academy, etc., the theoretical achievements in the field of marketing are summarized to lay a preliminary theoretical foundation for the research of this paper. At the same time, combined with the actual situation of Zhejiang Tongxiang Foreign Trade Group, and with reference to the company's internal information, the company's current marketing situation is summarized. The main problems are pointed out to provide a basis for the recent analysis of this paper. Secondly, through SWOT analysis, it points out the market advantages, disadvantages, opportunities and challenges faced by Zhejiang Tongxiang Foreign Trade Group, and points out its SWOT development matrix, which lays the foundation for the development of the

company's 4P strategy. Finally, based on the 4P theory, the 4P process of Zhejiang Tongxiang Foreign Trade Group is analyzed, and the company's specific strategy formulation is discussed in four aspects: product, price, promotion and channel to ensure the optimization of Zhejiang Tongxiang Foreign Trade Group's marketing strategy.

## **Results**

### *The Marketing Situation of Zhejiang Tongxiang Foreign Trade Group*

The current team consists of 17 people, more than 80% of whom are post-80s and post-90s. All of them have received complete higher education, and are basically recruited through friends' referral. The number of people is small, and the management is relatively simple. The company's business in the early days to foreign trade services, the founder of the accumulation of customer resources is the company's main source of customers, some salespeople are reduced to foreign customers to follow the orders, there is no sense of active marketing. The company's incentive mechanism is not perfect, the performance appraisal to follow the order without error shall prevail, although also set up the development of new customers of the performance of the wage, but the staff subjective initiative is not strong, are to take the time for the wages of the attitude of the work, do not ask for no merit, but not to avoid faults.

Zhejiang Tongxiang Foreign Trade Group for export main business consists of plant extracts and frozen fruits. In addition, medical consumables, Chinese herbal medicine, spicy seasonings, household appliances occupy a part of the share. With the customer's inquiry demand operation product range, and there is no specific fixed industry category distinction. The marketing mode is mainly network marketing and exhibition marketing. Internet marketing includes SEO promotion of search engines and diversion to enterprise websites, and promotion and marketing of social media platforms. Exhibition marketing is based on observing exhibitions, supplemented by independent exhibitors. Most of the transaction methods are FOB (Free on Board) port delivery and EX Works factory delivery. The payment method is relatively conservative, with 30% deposit for production and 70% balance for shipment or payment. Capital risk control is good. Transportation is mainly by international sea, air and rail, and most of the customers of the company adopt the payment on delivery at destination, so the company adopts the mode of operation of the designated freight forwarder by the customers, and the company has no bargaining power in front of the designated freight forwarder. Manufacturers of supply products have 30-60 days of account period, the company's capital chain requirements are relatively friendly. We will cooperate with suppliers to develop new products.

The sales status of Zhejiang Tongxiang Foreign Trade Group for the three years from 2019 to 2022 is shown in Table 1:

**Table 1:** Zhejiang Tongxiang Foreign Trade Group Sales Data 2019-2022

Years	Sales (ten thousand yuan)
2019	6030
2020	6585
2021	6790
2022	7650

It can be seen from Table 4-1 that the sales data of Zhejiang Tongxiang Foreign Trade Group has been relatively stable from 2019 to 2020, with a certain small increase. In 2020, there was a big increase in the nodes where COVID-19 epidemic broke out globally. The overall data shows that Zhejiang Tongxiang Foreign Trade Group belongs to small and medium-sized enterprises. Small and medium-sized enterprises have the characteristics of Zhejiang Tongxiang Foreign Trade Group. In order to survive, they are exhausted, limited in funds and lack of talents, and the marketing plan cannot be implemented smoothly.

*SWOT Analysis of Zhejiang Tongxiang Foreign Trade Group*

Through the above many studies and analyses on the environment in which Zhejiang Tongxiang Foreign Trade Group is located, we can summarize the advantages and disadvantages that exist in the development process of this enterprise, and also find the opportunities and threats it faces.

**Table 2:** Zhejiang Tongxiang Foreign Trade Group SWOT Analysis Matrix

	External Opportunities (O): (1) Industry consolidation (2) Advancement of economic globalization (3) Compliance with national policies (4) Increased consumer awareness of health protection (5) Innovative technological innovation	External Threats (T): (1) Traditional economic development model (2) The threat of high and new technology (3) The threat of market competition (4) Reduced competitiveness of national market Weakness, trade policy affects exports
Internal Advantage(s): (1) Capital Advantage (2) Scale advantage (3) Equipment advantage (4) Production technology advantage (5) Quality standard advantage	SO Strategy: To further develop the international market by taking advantage of capital, production technology and quality control; to expand production in line with national policies and economic globalization so as to enhance brand competitiveness.	ST Strategy: Utilize advantages in scale and equipment to stand out in the domestic competitive market and improve competitiveness in the international market; utilize advantages in production technology to improve the core competitiveness of products
Internal disadvantages (W): (1) Lack of innovation, R&D capability (2) Insufficient professional talents, professional The degree of specialization is not high (3) Weak supply chain system	WO strategy: Utilizing technological innovation to improve product diversity to meet the needs of a growing market and consumer demand.	WT Strategy: Recruitment and introduction of professional and technical talents to improve the innovation ability of the enterprise; increase the differentiation of products through the improvement of the quality of human resources, so as to enhance the competitiveness of the market.



*Zhejiang Tongxiang Foreign Trade Group's 4P Strategy*

According to the above discussion, it can be seen that the 4P theory analysis of the marketing problems of Zhejiang Tongxiang Foreign Trade Group, the main performance: the main product is not clear, the pricing method is not reasonable, the information transfer method to be optimized, the length of the channel is too long, and many other aspects, on the basis of which the company can be improved from the following aspects of the strategy:

*Product Strategy*

Zhejiang Tongxiang Foreign Trade Group started to enter the Pakistani market by exporting blood collection needles for testing consumables. Analyzing the transaction data for many years, the blood collection needles have become the products with the largest purchasing volume and the most stable purchasing frequency for Pakistani customers. At the same time, Zhejiang Tongxiang Foreign Trade Group has maintained a long-term good and stable relationship with the blood collection needle manufacturers, not only to provide better prices, for the production of the order can also give flexible arrangements, but also timely feedback on the supply and demand of the product in the Pakistani market information. Zhejiang Tongxiang Foreign Trade Group can focus on the existing advantageous resources of blood collection needles, from the use of scenarios to establish a strong correlation with the formation of its advantageous series of testing consumables, such as alcohol swabs, blood pens, vacuum blood collection tubes and other consumables used in conjunction with blood collection needles. Through various promotional methods to be focused on display, in the customer's memory to gradually build the company's main product image, rather than just stay in the product "integration" capabilities.

*Price Strategy*

Zhejiang Tongxiang Foreign Trade Group needs to sort out the sales seasons of different products in recent years, find out the products with strong seasonality, combine with the relevant information provided by suppliers to support, and further determine the existence of off-season sales of such products. For such products, Zhejiang Tongxiang Foreign Trade Group can jointly offer special prices with suppliers during the off-season. Both sides adhering to the consistency of purpose, orders in the off-season does not focus on profit claims, suppliers only to maintain orderly and stable production, Zhejiang Tongxiang Foreign Trade Group is only concerned about the product compared to the same period of time whether there is an increase in sales.

*Promotion Strategy*

Zhejiang Tongxiang Foreign Trade Group's current offline promotion method is to find new customers through industry exhibitions. However, from the point of view of the way of acquiring new suppliers from Pakistani customers, the company has only participated in the Dubai International Medical Exhibition in the form of exhibitors. Zhejiang Tongxiang Foreign Trade Group should fully



understand the relevant foreign trade support policies of the local government for participating in overseas exhibitions in the post epidemic era, make good use of the "Ten Thousand Enterprises Going Abroad" international market development funds, take the initiative to actively participate in medical exhibitions in different cities of Pakistan, and create a platform for recognizing more local small and medium-sized dealers who are not in a position to go abroad at present.

#### *Channel Strategy*

If Zhejiang Tongxiang Foreign Trade Group wants to get orders and increase profits, the key is still to find competitive products on the supply side. Currently, Zhejiang Tongxiang Foreign Trade Group uses the most ways to find suppliers through the Internet, telephone, or peer referral. Medical consumables varieties, Zhejiang Tongxiang Foreign Trade Group needs to ensure that the current supply of each species and find new products for customers are not from other intermediaries. In order to achieve this, the current method of searching for suppliers through telephone and internet is not enough to meet the requirements. By setting up offices in coastal cities, Zhejiang Tongxiang Foreign Trade Group plays a pivot role in the eastern coastal provinces, which is conducive to the carpet search for suitable suppliers, and at the same time make it easier for suppliers to find Zhejiang Tongxiang Foreign Trade Group.

#### **Conclusions**

This paper is completed on the basis of reading domestic and foreign literature, combined with the author's experience of exploring the Pakistani market for many years in Zhejiang Tongxiang Foreign Trade Group. It is hoped that the research can provide a realistic basis for the company's marketing improvement in the Pakistani market. Taking into account the more factors involved in international trade and the changes brought to the marketing method in the post epidemic era, Zhejiang Tongxiang Foreign Trade Group should also pay attention to the following aspects of marketing in Pakistan in the future:

It should continue to pay attention to the current trend of the global economy, especially the U.S. dollar interest rate hike, the impact on the overall economy of Pakistan. The tightness of the foreign exchange reserves of Pakistan due to the return of the US dollar will directly determine the purchasing plan and solvency of importers. In addition, the Company should maintain communication with China Export and Credit Insurance Corporation and adjust the exposures of the Company's customers according to the changes in the credit rating of Pakistan to control the risks.

As the most important way for Zhejiang Tongxiang Foreign Trade Group to gain access to Pakistani customers, it will take some time for the international exhibition to return to the pre-epidemic situation. Under the status quo of "can't get out, can't get in", the company should continue to strengthen its marketing efforts by utilizing cross-border e-commerce platforms and social media to create more

platforms for the sales staff, and at the same time, to exercise talents and reserve talents.

There are still a lot of shortcomings in the thesis, and the major difficulties faced in the process of writing come from the lack of data on the foreign demand market, the limited access to Palestinian information, and the effectiveness of the proposed improvement measures need to be verified in practice. The only way to gain a foothold in the already competitive Pakistani market is to keep innovating and updating information to improve marketing strategies.

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