Setting a Scene: Experiential OAO (online and offline) Marketing of S Company

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Abstract: Smart household products are the new type of household market and have great market potential in China. However, the sales performance is not very ideal recently. One of the reasons is the poorly marketing methods. The traditional way of household marketing does not match to product features and consumer expectations, which leads to loss of the market share. The paper took S company, a leading company in Chinese smart home market, as an example to analyze its special scene marketing mode and the marketing logic behind it. Furthermore, the paper also explored four common business modes of household stores by building a matrix in order to offer some suggestions for their future development.

Keywords: Scene Marketing; New Retail; Online and Offline Marketing

1. Introduction

It is estimated by Qianzhan Industry Research Institute that the scale of China's smart home market would reach 436.9 billion yuan in 2021. However, the current sales situation of smart home products is still constrained by the traditional marketing style—the high operating costs of offline stores, poorly sales channels management, and the difficulty of using user data—which leads to bad sales performance.

At the same time, new retail concept change the game. On the one hand, it has made consumers' consumption concept changed from the product-oriented one to the service-oriented one, meanwhile, consumers have focused more on the experience. The simple product differentiation strategy can no longer meet consumers' diversified, personalized and emotional needs [1,2]. On the other hand, it brings a new consumption patterns. The blending of online and offline commerce makes consumers prefer to obtain information online and buy home products offline. Therefore, smart home enterprises should pay attention to user experience and adapt to the new consumption pattern. This paper takes S Company, a leading smart home enterprise in China, as an example to analyze its application of scene marketing and explore the marketing logic behind its huge success.

2. Scene Marketing

2.1. Definitions of Scene and Scene Marketing

From the perspective of offline marketing, scene refers to the specific life situation of customers and the needs or emotions generated in this situation. It can also be understood as a consumption environment carefully designed by enterprises for customers. From the perspective of online marketing, scene can be defined as an integrated experience based on mobile smart devices, social media, big data, sensors and positioning systems.

Scene marketing refers to the marketing activities that target consumers' life inertia, then build specific scenes based on their needs and provide corresponding products and services, finally, make deals with consumers by interactive experience [3].

2.2. Experience in Scene Marketing

Scene marketing has a trait of emotion-oriented experience. It is easy to touch a certain emotion when consumers in a specially scene, then trigger the desire to purchase goods. To put it more strongly, the key of scene marketing is setting a scene and offering experiences.

As Professor Hu said, "the role of each person is generally built in some particular spaces and occasions, these are scenes surrounding individuals. To build scenes, marketers should consider the consumer-centered design and the value-added services." [4] That is, let consumers have feelings to the environment in the whole shopping process and strike the chord by the scenes composed of characters, stories, space, then, achieve resonance with consumers and produce emotional connection, so as to conclude the deal.

2.3. The Model of Scene Construction

The components of scene marketing (Figure 1) are the products, consumer portraits and application scenes [5].
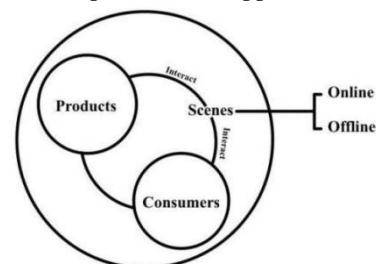

Figure 1.   Scene construction model

Product is the most basic element of scene marketing. The aim of any marketing strategy is to sell the products

successfully, so the core focuses of scene marketing are the precise refinement of product selling points and the precise grasp of brand characteristics. As for consumer portrait, it is a necessary tool for precision marketing which includes age, gender, educational background and consumption habits. It can provides information for the effective construction of scenes.

Taking the platform of scene construction as the distinguishing standard, the construction mode of scene can be divided into the following two categories: online scene and offline scene.

Offline scene refers to let the consumer with the product by direct stimulation, such as hearing, smell, taste, feel, touch. The normal household shops all can be regarded as offline scenes, however, traditional household shops only focus on sight, touch and hearing experience while experience-oriented household shops usually use five senses to create special scenes, heightening consumer experience and the possibility of clinching a deal.

Online scenes refer to scenes-based advertisements in the form of text or video published on e-commerce platforms and mobile social media. Nowadays, VR technology is also used to build online scenes, which makes it possible for consumers to experience immersive shopping online, and interact with products in virtual scenes.

In a word, the realization method of scene marketing is to construct a unique scene for the sales environment according to the features of the products and the consumer preferences, so that consumers in the scene can have positive interactions with the products, provide consumers with a good shopping experience, so as to facilitate the transaction.

3. Scene Evaluation

Scene marketing is effected by portraits accuracy, scenes design and publishing platforms. The influence of such factors as above is associated with offline scene, online data collection, content operation and so on. In order to analyze the problem, we pick up four typical styles of household stores nowadays: traditional offline stores, traditional offline stores + online stores, improved offline stores, improved offline stores + improved online stores with scene marketing. Then, build up a matrix to research the marketing effectiveness and optimize the marketing methods of household companies, so they can improve their sales performance and lay the foundation for the future development.

3.1. Scene Evaluation Matrix

The scene evaluation matrix composed of four regions (Figure 2), I, II, III and IV as follows. The horizontal axis is the level of consumer experience degree (generated by indicators as follows: customer satisfaction, recommendation degree, fee intensity and etc.), dividing matrix into I, IV, II and III. The vertical axis is the number of enterprise channels, dividing matrix into I, II, III and IV.
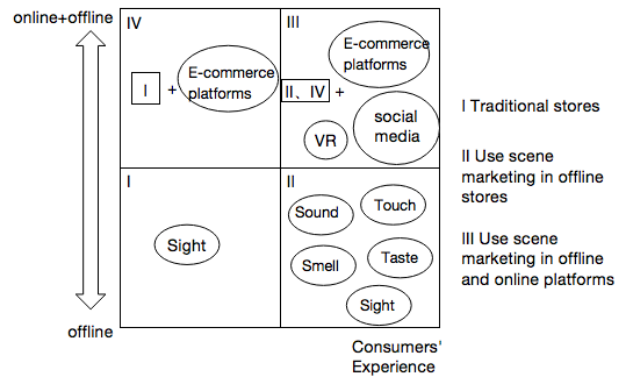

Figure 2. Scene evaluation matrix

Region I stands for typically traditional household stores setting offline scenes. This type of stores mainly use visual stimulation as the main means of marketing and lack the knowledge of scene marketing. The products are just on display in the store, neat but boring. The conclusion of the deal are simply based on the salesman's skills. It is obvious that the marketing style are too common and conservative, which is incompatible with the intelligent products and behind the time.

Region II stands for those companies that use scene marketing in offline home furnishing stores setting offline scenes either, such as IKEA and Gome, etc. They are mainly provide consumers with intuitive experience through direct stimulation like smell, touch, taste, hearing and vision. For example, their stores always have soothing music sounds and a hint of delicate fragrance, that is, the design pursues a more intimate and home-like environment, which construct a scenes make consumers link the example room to their own room and feel peace in the whole shopping progress. The image will make consumers feel comfortable and trigger their desires to purchasing and placing the product at home. However, pure offline marketing like this is restricted by the date of festivals. For example, most promotions are only centered on the Mid-Autumn Festival and National Day, etc., which means companies cannot reach and forward promotions to consumers on the daily basis.

Region III stands for those companies that set online and offline scenes at the same time. Companies in this region extend the use range of scene marketing from offline to online, and upgrade the service experience of consumers through the combination of online and offline scenes. In the offline scenes, it not only has the sensory scene of II, but also optimizes consumers' experience through a series of technologies, such as WeChat, code scanning shopping, self-service payment, etc. In the online scenes, companies focus on the content operation in the e-commerce platform and social media, building online scenes in the forms of public account tweets, micro-blog, short videos, etc., so as to lead target consumers from online to offline stores. Furthermore, the online promotion also achieve the purpose of reaching consumers on a daily basis. Some companies even set online virtual scenes by interactive VR technology, let consumers in a virtual family environment scenes with

the audio explanation, so as to bring consumers an excellent experience.

Section IV stands for those traditional offline stores but have online stores at the same time. It is common for small and medium-sized enterprises to open online stores on Taobao or other platforms after setting up offline stores and online stores just serve as additional channels to sell products, in the situation the relationship of online stores and offline stores is competitive or parallel, and there are nothing like interaction or synergy. Enterprises in this region have limited cognition of online marketing. They equal online marketing as just setting up online stores, and ignore online promotion and content operation. Worse still, they lack awareness of online scenes construction and basic online marketing methods such as online community operation.

3.2. Case Study

The main product of S company is intelligent bed, taking mattresses and memory cotton pillows as by-products. The core competitiveness of the product lies in the new concept of technology-assisted sleep and the corresponding intelligent technology. Its target consumers are the middle classes with strong economic strength and high-tech enthusiasm. According to product features and consumer portraits, S company has set scenes marked by technological and futuristic experience to match the product features and consumer expectations.

S company officially entered the Chinese market in 2013. From then till now, its application of scene marketing has gone through the process following I - >II - >III. At first, S company set up offline stores without any ideas about scene marketing, so there was no way to differentiate itself from other traditional household stores which made S company aware the importance of scene marketing, for attracting consumers' interests and boosting competitiveness, then S company tried to set scenes in offline stores by using the stimulation of five senses. Moreover, S company has set experience cabins at airports, shopping malls and other places where target customers frequently to go, which has strengthened the consumer perception of the scene and emotional connections with products.

Company S is currently located between II and III, and the scene as involve online scenes and offline scenes, and online virtual scenes is not involved. In offline scenes, the store designs fully restore the scientific and futuristic senses, moreover, consumer experience. The store style is high-end and surreal, which match to consumer spending level and expectations, Meanwhile, S company set different examples of domestic outfit style in stores, so consumers can have intuitive feelings about products. In online scenes, S company built its own content platform through Sina, WeChat and other social media, updating and maintaining the promotion content regularly. The company set rich column scenes and short video scenes in these platforms. For example, the sleeplessness scene is pushed in the form of strips, so as to highlight the function of zero-pressure sleep of the smart beds.

The innovative design of S Company is the technological blending of online and offline scenes. The common marketing forms are mostly separated marketing of online scene and offline scene. For example, the online platform function is to promote and collect consumers' data while the offline stores' function is to provide experience sites. However, S company create a new way to take advantages of online and offline scenes. First, the products access to the Huawei Hi - Link platform, then consumers can scan code printed on the products so that they can open a mini program especially designed for experience guide, that is, phone are now linked with the products through the mini program, so the mobile terminals can interact with products: consumers can control the products and experience functions through their phones or leave it on autopilot. After the experience, the mini program will provide a health report includes the data of the consumer's body, then, the program will introduce products based on the analysis of the report, so that consumers can choose the products suitable for their bodies and enjoy a high quality lifestyle. Meanwhile, the program also plays a role of data collector. All in all, the experience program provides consumers with a good in-store experience in the form of almost AI and the whole process is full of the sense of intelligence and technology, which is definitely an excellent example of the application of scene marketing.

3.3. Optimization Methods

There are two ways to optimize the scene marketing strategy of household products company: I→II→III and I→IV→III.

As for I→II→III, a company in I and II should actively take the advantages of mobile Internet era to build online marketing channels and realize the power of e-commerce platforms and mobile social media in marketing. When move further towards III, the company should try to build online scenes to drainage accurate customer to offline stores, the method will definitely improve the stores performance. Except for scenes like content operation, company can also create a community engagement scenes to attract consumers, such as the create an online community for household decoration solution or one-stop household service etc.

As for I→IV→III, a company in I, IV should first change the rigid thinking of marketing. It is obviously that simply open a new online shop is not an efficient way to improve the sales performance. Instead, the key point is to convert the competitive relationship between offline and online stores to the synergic relationship. The company should construct online scenes and build brand images in media platforms, such as Weibo and Wechat, to drainage accurate customer with the help of big data, then increase sales.

Although the online virtual scene in III is one of the development direction of smart home marketing in the future, companies should be cautious, for the virtual model of stores is costly to set up, in other words, follow the fashion blindly may pay a price. So the companies

should learn to build normal online and offline scenes first, then develop gradually to a higher level of III.

4. Conclusion

To sum up, scene marketing is a consumer-centered marketing method, which takes consumer pain points, unique selling points and scene construction as its main content. Smart home company should pay attention to the effectiveness and sustainability of scene marketing while constructing online and offline scenes, so as to heighten experience while achieving higher sales conversion rate in Region III. Additionally, smart home company also need to focus on the needs of consumers and the market, and keep the spirit of innovation to create the new types of scene marketing.

Acknowledgment

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