

## **CHAPTER 2**

### **LITERATURE REVIEW**

With the rapid development of social media and its ever-increasing influence on companies, many scholars at home and abroad have caused research on relevant theories. This chapter will sort out the relevant literature from the aspects of social media, marketing channels, social media's influence on consumer behavior, and online consumer behavior characteristics, and put forward their own opinions, which lays a theoretical foundation for the study of the full text.

#### **2.1 Social Media**

##### **2.1.1 Definition of Social Media**

The American scholar Antony Mayfield in his book "What is Social Media" believes that social media is a new type of online media that gives users a great deal of space to participate (Antony, 2008).

The American Public Relations Association believes that from the point of view of development, social media is the use of decentralized, people-based networks to obtain the information they need. It is voluntary; from the perspective of technology, social media is Refers to tools that support web services (Fang, 2010). Since social media is inexpensive, or has no fees, it can be customized by each user.

Chen Liang-tu in the "social marketing: marketing power for everyone involved," a book that pointed out that social media is the use of blogs, forums, community, microblogging, social networking and other marketing methods. Compared with traditional media marketing, social media is actually not the "media" itself but the process of everyone involved in marketing (Chen, 2011).

In this paper, combining the research of domestic and foreign scholars and the introduction of social media to the encyclopedia, it can be considered that social media is a space for users to participate in a great deal and can interact with users efficiently. The social media has changed the previous media to one-to-many. The mode of communication has become a many-to-many mode of communication. Social media is a people-based network that enables people to form different relationships based on personal, business, and politics in the network. The way in which social media has enabled people to acquire information is the development and transformation of sociology, communication science and technology.

### 2.1.2 Characteristics and Classification of Social Media

Since social media is a media for everyone to participate in, in the context of the development of social media, anyone can be an audience, it can also be a communicator, and is highly involved. Most of the social media can participate in the free, information in the two-way communication between the media and users, with two-way dialogue characteristics. In the development of social media, communityization has become a trend. Although it is a different social media, the media have strong connectivity and can be integrated with each other. Therefore, social media has the characteristics of participation, public, interaction, dialogue, community, and connectivity.

According to the research of domestic experts, social media can be divided into the following categories from the content of social media: social network, business relationship network, video sharing network, photo sharing network, cooperative entry network, news sharing network, content Selected media, social bookmarking, etc. Wang Sunshine classified social software and classified social media as six types of publishing, resource-sharing, hot-spot aggregation, collaborative editing, social service, and online gaming (Wang, 2008).

The user-driven open interactive platform for information sharing and dissemination can be called social media. At present, there are mainly SNS communities, microblogs, blogs, forums, wikis, podcasts, social networks, and communities. With the development of new media technologies, the characteristics and classification of social media will also change.

## 2.2 Marketing Channels

### 2.2.1 Definition of Marketing Channels

Marketing is a magic weapon for modern enterprises to enhance their competitiveness. Many scholars have studied marketing channels.

According to Philip Kotler, who is known as the father of modern marketing management, the marketing channel refers to the products or assistance obtained during the process of transferring a specific product or service from producer to consumer. Transferred individuals or institutions.(Philip, 2003) Stern and Ansary believe that the marketing channel is composed of a group of interconnected organizations that make the products or services used or sold.The American Marketing Association believes that the marketing channels are internal and external

to the company. They are made up of agents and distributors who enable the goods to be successfully sold (Wang, 2010).

In recent years, Chinese scholars have also studied the definition of marketing channels. Miao Yuexin's definition in "Introduction to Marketing Channels" "Marketing channels are related to companies that exist outside the company and are dynamic collaborative relationships that help companies achieve their distribution goals and tasks" (Miao, 2007). Wang Fanghua and Jun Junfang believe that the marketing channel is a channel to present appropriate products to target consumers at an appropriate time (Wang, 2005).

Combining its own research and corporate marketing practices, this paper believes that marketing channels are an important part of corporate marketing systems and are the collective name of internal marketing resources and external marketing resources. Marketing channels are the bridges and links between companies and markets, and they are all resources that help companies achieve the goal of product or service sales. In short, marketing channels are the specific channels or paths for the transfer of goods and services from producers to consumers.

### 2.2.2 Development of Marketing Channels

With the development of economy and science and technology, product homogeneity is getting higher and higher, prices are getting closer, sales methods are similar, marketing channel design and management have become the main way to enhance the competitiveness of enterprises, and it has become a key tool to meet customer needs.

As a bridge connecting producers and final consumers, marketing channels are the core elements of corporate marketing. Kotler believes that the key to success in the Chinese market is to sell products to the mass market as soon as possible and sell them to consumers. Schultz, the representative of the integrated marketing doctrine, once said that only "pathways" and "spreading" ice can produce competitive advantages. Due to the importance of marketing channels, many scholars have studied the development of marketing channels (Zhang, 2005).

In China, the development of marketing channels is divided into two stages: traditional channels and vertical marketing systems. The traditional channel means that the established organizational relationship is temporary and unstable within a certain range. Each member of the organization maintains relative independence and

autonomy. Members have independent interests or are free to enter and leave. Therefore, channel loyalty is low and the structure is unstable. The vertical marketing system is a system composed of manufacturers, wholesalers, and retailers. The actions within the system are highly unified and efficient. The vertical marketing system is divided into vertical integration of company type, vertical integration of contract, and vertical integration of management, based on different control power among channel members.

## **2.3 Influence of Social Media on Consumer Behavior**

### **2.3.1 Impact of Social Media on Consumer Information Acquisition**

With the rapid development of the Internet, social media such as forums, blogs, microblogs, and social networks are profoundly changing people's lives. According to data from the CNNIC Center, by the end of 2017, the number of Internet users in China has exceeded 700 million, and the number of microblog users has reached 549.88 million, which is nearly 300% higher than that in 2012. It can be seen from the data that as the number of Internet users continues to increase, Big and Weibo have become a new way for modern people to communicate on the Internet. Under the background of the development of social media, like Weibo and social networks are subtly changing the consumer's habit of acquiring information (CNNIC, 2012).

In traditional media, consumers obtain information is passive. Under social media, consumers can actively obtain various types of information through daily web tools such as blogs and Weibo. At the same time, due to the refinement and spread of network information, consumers can also choose information that they are interested in, thus forming different online consumer groups with the same hobby. Just as Rokeach and Defleur's media dependence system theory was proposed in 1976, it is believed that one party needs to rely on the other's resources to satisfy the demand. When everyone's reliance on the media increases, they will focus on the media information they are interested in and generate emotions on the media that convey this information. Therefore, with the social media's impact on consumers' access to information, it will inevitably affect the consumer's dependence on media information.

### **2.3.2 The influence of social media on consumer attitudes**

The influence of social media on consumers' attitudes was first established by the AIDMA rule proposed by Mountain American advertising expert E.St.JELmaLewis. They believe that consumers have no ability to resist the information transmitted by

the media and can only passively accept it completely. However, with the development of the Internet and the different ways in which consumers obtain information, the marketing methods of the company's products have changed along with the attitude of consumers. F1 AISA (Zhang, 2007) proposed by the Dentsu Advertising Group amended the attitudes and decisions of consumers under the Internet conditions. They believe that in the Internet age, under the influence of social media, consumers are choosing products and deciding to purchase Internet word-of-mouth dependence has increased.

With the rapid development of social media, in the network interpersonal communication platform it provides, people establish a trust relationship through interaction. This kind of trust relationship expresses the psychological identity among netizens.(Lu, 2003) When the consumer trusts the website, or because of the supplier's ability, goodwill, etc., because of this trust relationship, it is beneficial to consumers and suppliers. Marketing information expands in a geometric-scale fashion in social media, spreading rapidly, and under the influence of many user word-of-mouth campaigns, customer loyalty and viscosity are much more efficient than traditional media. Research shows that 64 % Customers receiving feedback from merchants on Twitter are more likely to purchase products from merchants, and 32% of users will spontaneously recommend businesses or products(Lin, 2012).

### 2.3.3 The influence of social media on the marketing communication process

With the development of new media technologies, many social media have emerged. Sun Nannan believes that in the social media environment, people's desire to create and disseminate content is realized (Sun, 2009). Anyone can use blogs, social networking sites, BBS, etc. to publish their own information needs or provide information needs. With the advent of social media, everyone can become communicators and publishers of information. The emergence of this interactive and personalized new media has caused the dominant power of traditional discourse to change quietly. Therefore, companies need to actively participate in society. Media guidance and construction. Under traditional media, marketing is led by manufacturers. Under social media, marketing is designed by manufacturers, and members participate in and assist in promotion to achieve the marketing goals of manufacturers (Paul, 2009).

With the rapid development of social media, when users publish a word of mouth in the online community, he also contributes trust to the network. Word of mouth is urgently needed and professional for other members. It is precisely because more and

more of these active members have further consolidated and enhanced the credibility of the online community in the hearts of members. Gilly's research shows that people are more willing to socialize with people who have common backgrounds, personal hobbies and tastes with them and trust them more (Gilly, 1998). The social nature of social media also helps people find people with the same background, the same hobbies, and the same qualities in the network. Therefore, when companies conduct marketing communications, they must consider the two factors of strong involvement of social media products and strong sociality.

## **2.4 Online Consumer Behavior**

With the rapid development of the Internet, under the influence of the development of social media, the behavior of online consumers is mainly characterized by participation, personalization, sharing, initiative, rationality, and experience.

### **2.4.1 Strong sense of participation**

In the era of rapid development of social media, the diversification of information dissemination has led to an increase in the awareness of subject participation of current online consumers. They not only hope that they can directly participate in production and circulation, they are eager to communicate with producers and make products more in line with the needs of consumers. They also hope that through their active participation, they can increase consumers' right to speak (Zhao, 2011).

Companies can gain a deeper understanding of how consumers participate, so that they can better meet their participation needs. At the same time, enterprises can grasp all kinds of information through their understanding of consumers, which helps improve product performance and increase product sales.

### **2.4.2 Personalized consumption increase**

With the development of economy and science and technology, not only the consumer goods market F1 is enriched, but also the homogenization of products is serious. Personalized consumption has become a way for modern online consumers to display their individuality. Marxism once said: "Everyone is a unique individual and has its own personality characteristics." Modern people are increasingly pursuing personalization. From media forms to media content, almost everyone can customize according to their own preferences. His own unique media", everyone is free to choose. Shili Sandberg, COO of Facebook, believes that all media in the future will be

personalized (Trout, 2008). In the era of rapid development of social media, the choice of audience is increasing, and “personalization” has become an inevitable trend. In the context of social media development, consumers began to formulate their own consumption guidelines, and personalized consumption has become the mainstream of consumption.

#### 2.4.3 Happy to share

With the development of social media, consumers are more willing to share and are willing to share their purchased products with others and provide them with opinions on the purchase of products. Consumers can achieve a certain level of satisfaction through sharing. Satisfaction is increasing with sharing. Most sharing is video sharing. According to DCCI's 2009 survey data, online video users have a powerful exponential propagation effect on videos. Even as high as 89.4% of the audience said they would recommend their favorite online videos to their friends or colleagues. According to statistics, each online video user will recommend more than 4 people on the Internet video. The video sharing has a wave-like spread and has a strong viral marketing value (DCCI,2009). Sharing can not only have a sense of self-satisfaction, but also bring happiness or certain value to others. With the development of social media, the increase of high-quality information makes the audience more and more keen to share. The development of social network media has improved the sharing conditions of consumers, which has also contributed to the development of social marketing to some extent.

#### 2.4.4 Initiative consumption enhancement

In the Internet age, consumers have more access to information. They can more conveniently collect information that is beneficial to themselves and analyze information. They can also communicate through communication to achieve a full understanding of the products they need. Due to the increased ability to collect information, online consumers are more active when shopping.

#### 2.4.5 Rational consumption

In the age of the Internet, consumers have more space to choose goods, or choose almost anything they like worldwide. In the online environment, consumers are not face to face with merchants and are not affected by various external environments. They can consume more rationally.

#### 2.4.6 Increased shopping experience

In the Internet era, with the constant acceleration of the rhythm of modern people's life, there are two kinds of demands for consumers to buy things. The first is to satisfy the convenience demands of consumers for shopping, without wasting their time shopping in malls, directly through the Internet. Get the items or services you need. The second is to pursue the shopping experience in shopping and find the joy of life. Through shopping, you can make them feel more connected with society and become a new social way for them. . Increased consumer shopping experience will, to a large extent, promote socializing social media and marketing rapid development.

### 2.5 Mobile Marketing Strategy

With the rapid development of world economic integration, more and more foreign mobile phone brands have entered China and accelerated their research on mobile marketing strategies. The current marketing strategies mainly include "encircling the cities in rural areas," "advertising," and "innovation channels." With the entry of foreign brands and the growth of the rural market, the competition in the rural market is not yet very fierce, so many domestic mobile phones will focus on the development of rural markets. Utilize price and design quality to quickly seize the rural market. With the stability of the rural market, these brands can compete with foreign brands. Domestically-branded mobile phones generally experience the growth of Mr.

As the mobile phone gradually becomes a popular electronic product, the influence of product design, fashion concept, product positioning, and consumer psychology research becomes more and more prominent. In view of the characteristics of domestic consumers, domestic mobile phones not only promote the differences in the selling points of their products. For instance, the Real Series of Lenovo's mobile phones and the Le Phone Series of Lenovo's mobile phones are competing to invite domestic and foreign stars to join endorsements. According to a survey report, the cost of advertising for domestic mobile phones is nearly 100 million. Advertising opens up the demand, channels allow profit to promote sales. Under strong propaganda, these products occupied the counter space and became the industry's brand name products. For example, mobile phones are used to advertise on television, sponsor entertainment programs, strengthen the management and construction of channel terminals, and promote the growth of mobile phone sales.

Early in the Chinese region, Motorola supported a number of distributors due to

its strong brand, and established a hierarchical agency system ranging from national agencies to regional and provincial agencies. For example, Motorola's Tianyin and Beestar are all agents, and long-term accumulation has formed a large and stable sales channel. Under the strong propaganda of foreign brands, some domestic enterprises have created a model of self-built sales channels and adopted a one-stop competition strategy from production to terminal. Analysis of industry experts can help jump out of the terminal trap. The disadvantage is that the cost is high, but on the other hand, it increases the autonomy of the company. Some domestic brands have also adopted alliances with large-scale chain stores, allowing end-users such as Suning and Gome to act as agents and retailers, bundle their interests, and even adopt models to buy out and jointly develop models. They received unexpected results. Under the influence of strong foreign mobile phones, domestic mobile phone brands are still at the initial stage of development. Domestic mobile phones still have the disadvantage of low self-development, simple pursuit of market share, and lack of core competitiveness. The marketing strategy of domestic mobile phones still needs innovation.

## **2.6 Summary of this chapter**

This chapter first elaborates social media from the definition, characteristics, and classification of social media, and then discusses the related research of marketing channels from the definition and development of marketing channels. Then the author analyzes the influence of social media on consumer behavior from three aspects: social media access to consumers, consumer attitudes, marketing communication processes, and corporate marketing. In the end, it analyzes the behavior characteristics of online consumers from several aspects such as participation, personalization, rationalization, and initiative, which lays a theoretical foundation for further in-depth study of this article.