



Analysis Planning Marketing Strategy Optimization of E-Commerce Platform in Business Data Analysis Role of Performance and Innovation

Pooja Giradkar*

*Department of Master of Business Administration (MBA),
Maulana Azad National Institute of Technology Bhopal (Madhya Pradesh), India.*

(Corresponding author: Pooja Giradkar)

(Received 01 September, 2017, Accepted 15 November, 2017)

(Published by Research Trend, Website: www.researchtrend.net)

ABSTRACT: In This paper to examine the effect of business strategies to improve the competitive advantages of small and medium enterprises (SMEs). Further, our study considers the importance of performance and innovation as mediating variables in the relationship between business strategies and competitive advantage. The sample of the study consists of 150 SMEs in the construction and real estate industry. Our findings show that business strategies have a positive impact on competitive advantage. Better business strategies improve the competitive advantage of SMEs. Further, business performance and innovation also mediate the relationship between business strategies and competitive advantages. These results provide evidence of the importance of performance and innovation to improve the competitive advantage. It is suggested that SMEs improve their performance and innovation capability to strengthen their competitive advantages.

Keywords: Planning Marketing Strategy, E-Commerce, Business Data Analysis, Gross Domestic Product.

INTRODUCTION

Small and medium enterprises (SMEs) can boost a nation's competitiveness and are crucial to economic growth and resurrection [1]. They serve as the cornerstone of their respective industries and support robust commercial space sectors that foster development and industrialization by fostering innovation and creativity. Although SMEs account for 99.7% of the 4.7 million firms in the United Kingdom, they also significantly expand opportunities in the labor market, both openly and implicitly influencing a nation's economic growth. SMEs are a component of the private sector worldwide. SMEs are essential to the economy and society, and a number of variables influence and support their company development plans. Every business is impacted by the emergence of a dynamic business environment. Two major aspects that have a big impact on business development are variances in products and technological advancements. As a result, in order to create a more competitive business, pre-selected superior strategies are frequently insufficient. New strategies must be chosen and determined. This is an excellent example of the significance of the assets and competencies businesses require to create their competitive advantage from the standpoint of resource-based strategy. The mastery of technology, excellent human resources (employees and managers), high levels of creativity and motivation, high levels of efficiency and productivity in the production process, the production of high-quality goods, effective management systems and organizational structures, a high level of entrepreneurship, a broad understanding of the products and the business environment (economic, social, political, etc.), and the capacity to withstand fierce competition in the global market are all competitive advantages that every company needs to compete in the global market. The significance of resources and capabilities in creating a company's competitive advantages is highlighted from the standpoint of resource-based strategy. The secret to establishing a competitive edge is innovation. In small and medium-sized businesses, innovation methods are crucial, particularly when it comes to enhancing operational reliability [3]. There are two categories of innovation: radical and incremental. When a radically new and unique innovation takes center stage in the industry as the primary solution, that is known as radical innovation. Incremental innovation, on the other hand, refers to innovation that modifies current procedures just a little bit. Innovation plays a significant role in boosting a company's performance and competitiveness, particularly for SMEs. A company's ability to innovate is critical to its success, and it has a big impact on both operational performance and product quality. Although a company's capacity for innovation has a greater indirect impact on its

operational performance than it does on its financial performance, it nevertheless presents a possibility for overall performance improvement. Innovation plays a major role in boosting a company's performance and making it more competitive, particularly for SMEs. There is a wealth of research on the connection between innovation initiatives and corporate performance. SMEs, however, are the subject of multiple research with conflicting and/or ambiguous results [4]. On the one hand, there are few reliable large-scale data surveys available for SMEs and general study in this field. These ambiguous findings could be due to the fact that innovation necessitates a variety of resources, including organizational capacities and financial, technological, and human capital resources, which could be a major limitation. Thus, in order to find SME business strategies with competitive advantages in Indonesia, this research was done employing innovation and business performance variables as mediators. This study includes a competitive advantage characteristic that is not often investigated, particularly in the context of micro, small, and medium-sized firms (MSMEs) and SMEs. In order to add to earlier research, this study is conducted in Indonesia using the real estate and construction sectors, which include MSME actors in 34 provinces [5]. This topic will become more relevant with the addition of a new phenomenon, the pandemic. In order to test structural equation modeling, the research approaches involve looking at survey and quantitative data as well as using variance-based smart PLS. It is anticipated that the current study will offer proof of the significance of innovation and business performance to enhance the connection between business strategy and SMEs' competitive advantages.

LITERATURE REVIEW

Recently, as the corporate world has grown more competitive, entrepreneurs have had to constantly come up with new tactics to stay ahead of the competition in their industries. Businesspeople should ideally be able to mix internal elements, especially resources, and external industry structure when selecting the business models and concepts to be applied [6]. Following an analysis of the industry structure based on external considerations, it is possible that the corporation created a variety of advantages by maximizing all internal resource components. Factors that provide a competitive advantage are those that can be acquired or developed. Competitive advantage is the result of a business's strategic decisions to take advantage of market opportunities [7]. A business plan, also known as a competitive strategy, is often created at the divisional level and focuses on enhancing a company's product or service's competitive position within the particular market or industry that the division serves. The division's business plan can be centered on boosting revenue from the creation and provision of goods and services. To accomplish divisional goals, business plans should incorporate a variety of functional operations [8]. The general approach put forward in previous research was used to construct the idea of a company's competitive advantage. Measurements of imitability, durability, and simplicity of matching indicate factors that contribute to competitive advantage. A company's performance in a competitive market is largely determined by its competitive advantage. An organization's competitive edge stems from the value or advantages it may provide to its customers. The business may obtain a competitive edge if it can develop a benefit over any of these three general tactics. A company's competitive edge can be observed by examining the various activities it engages in, such as designing, producing, promoting, delivering, and assisting with sales. Therefore, having a competitive edge means that the company is still trying to outperform its rivals. The idea of dynamic capacity theory served as the foundation for this study because it enables a business to outperform its rivals. The demise of the Nokia Company in the mobile phone sector serves as an illustration of this. Nokia misjudged the shifts and technological advancements in the mobile sector, where the initial lack of acceptance of smartphones. As a result, Nokia lost the smartphone revolution because its devices lacked cutting-edge technology that set them apart from competitors like Apple and Samsung. Unlike resources, capabilities are based on the creation, management, and exchange of information via an organization's human capital. In [9] Capabilities show how an organization can gain a competitive edge through regular adjustments and resource development (innovation) when the competitive landscape is dynamic and unpredictable. Due to the wide diversity of capabilities, a company's capabilities may surpass those of its competitors. This was motivated to create the concept of dynamic capacities by this. Operational and dynamic capabilities are two categories of organizational capabilities. Operational capabilities are the ability to perform a task, like making a specific product. The several tasks needed to complete an activity are carried out and coordinated by a set of routines. A company's ability to build, integrate, and reconfigure internal and external skills in response to a quickly changing environment is known as its dynamic capability. Therefore, an organization's capacity to create novel and inventive kinds of competitive advantage is reflected in its dynamic capacities. The terms "dynamic capability" and "capability" are combined. The word "capability" refers to the crucial role that strategic management plays in coordinating the internal and external organizational skills, resources, and functional competencies that are adapted, integrated, and reconfigured to meet the demands of a changing environment [10]. However, the word "dynamic" refers to the ability to refresh competencies, so adapting to the ever-changing business environment calls for quick technical advancements, creative problem-solving, and a difficult-to-predict analysis of future market competition. Whether or not all businesses can use dynamic capabilities at different levels is still up for debate.

According to the author's review of the literature, SMEs may also use this dynamic capability with minor modifications; big businesses like Apple, Toyota, and Wal-Mart are not the only ones that can.

Analysis marketing strategy. The fundamental consumer data serves as both the foundation for marketing throughout e-commerce marketing initiatives and the essential content for carrying out precise marketing. The first step for an e-commerce company to accurately know about its customers is to gather large data. Generally speaking, behavior data, basic information, and extensive analytical data are the three main types of customer data. From these three sets of data, extensive analysis and optimization can be performed to determine, at a minimum, the degree of brand loyalty, the possible interest of customers in particular products, and the approximate range of their purchasing power. Following the acquisition of this data, the target market can be "accurately classified" at first, allowing for further product classification, on the basis of which, the products can be further classified. Products conform to the classification of the two are what demanded by customers. This has significantly increased the marketing accuracy. The fundamental state of e-commerce businesses indicates that their most valuable assets are their loyal customers and target audience. In the big data context [11], e-commerce businesses must establish a lifetime management goal for their clients and offer ongoing support and all-inclusive management assistance. In order to meet customer needs and progressively increase adhesion, e-commerce businesses must, in short, modify traditional marketing concepts, create a consumer archive with the aid of big data technology, analyze consumption concepts and shift trends in consumer behavior at any time, update the archive, and update product characteristics and prices at any time. For instance, e-commerce businesses can determine a customer's basic purchasing power based on their past purchases, daily consumption patterns, information about their living and working environments, and more. Then, they can select more functional products within the appropriate product categories to pique the interest of customers who possess greater purchasing power.

When compared to traditional businesses, e-commerce marketing uses the Internet to disseminate information more actively and quickly. It may send precise product information to any device that connects to the Internet. E-commerce promotion and advertising have heavily impacted people's daily lives. Finding e-commerce advertising content is simple as long as one has access to the Internet. Users of other websites and mobile applications may come across information about product promotions even if they do not directly access the commodity sales platform. Big data has had a significant impact on the rapid development of network media in recent years. In particular, the widespread usage of social software has made it easier for network media to understand people's lives. As a result, e-commerce businesses can leverage online media to conduct comprehensive precision marketing. Fundamentally speaking, the final purpose of e-commerce enterprises to carry out precision marketing is to find customers [12] which can be completed with the help of big data and online media as soon as possible. Furthermore, the rise of new media forms—like self-media, official accounts, and short videos—that can rely on big data technology offers e-commerce platforms additional ways to promote themselves. For instance, the rise of different online retailers can quickly provide prospective buyers with access to basic commodity information, hence accelerating the growth of e-commerce platforms.

Implication marketing. A brief definition of precision marketing is the use of big data analysis. Next, use big data mining and the internet to segment the markets and customers. Then, develop more focused communication with the segmented customers to learn about their wants and suggest the most important goods and services to them at the most suitable moment. In addition to lowering operating expenses, precision marketing can increase marketing effectiveness and assist businesses in achieving their low-cost, high-efficiency marketing goals. Selectivity of targeted customers is one of precision marketing's key features. By using a variety of IT technologies, one can efficiently identify potential consumers who might buy products, segment the potential consumer base, and assign distinct labels to each group [13]. Effectiveness of communication strategy: To ensure accurate and efficient communication, distinct communication strategies are developed for each group based on the verified customer classification group. The financial effectiveness of communication practices Communication costs can be significantly decreased by utilizing a variety of contemporary communication tools, including social media, instant messaging software, messaging apps, and the phone. Marketing results' measurability [14-16]. Utilizing contemporary technology, determine how frequently product advertisements are viewed, how often internet advertisements are clicked, how many people visit, how many orders are placed, and the conversion rate of the flagship stores on the B2C platform. Additionally, examine customer attributes to achieve efficient management and assessment of marketing expenditures and marketing performance.

Lack of data awareness. The majority of farmers do not complete higher education and do not see the benefits of using data created by e-commerce to enhance customer satisfaction and production efficiency since there is a deficiency of scientific management technologies in the burgeoning e-commerce industry in rural areas [17]. Advanced network technology cannot be used to generate economic benefits without big data ideas and top-level design; hence, big data in the e-commerce business in rural e-commerce development has not effectively realized the application function value.

Not enough of brand cultivating. Farmers are unable to monitor the environments of product competition and consumption, and their high levels of product homogeneity result from their lack of a systematic understanding of brands and the analysis skills required to create a branding strategy.

Lack of effective big data support. Only high-quality data can accurately identify the challenges facing rural e-commerce, and the appropriate solution may be found. However, the gathering, storing, and use of data for analysis related to rural e-commerce is still in its early stages. The inability to efficiently integrate data gathering and updating results in a lack of timeliness, ineffective data analysis, and low value data obtained by rural e-commerce.

Data technology talents are short slab. Data technology talents are the core factors OD developing rural e-commerce, playing an important role in the development of e-commerce industry. In the era of big data, rural e-commerce must contend with issues such challenging data processing and analysis, as well as timely data mining and updating [19]. Nonetheless, there aren't many skilled people who understand the data processing of e-commerce and are conversant with the extensive platform of rural electric company.

Effective strategies for rural e-commerce to achieve big data precision marketing. With the use of big data mining technology and internet platform mass data, precision marketing operates in the context of big data to create a customized customer support system through precise positioning.

In the end, it can help businesses achieve their potential marketing objectives by helping them target consumers more precisely, choose more effective marketing strategies, and craft advertisements with greater precision. In order to implement big data precision marketing for rural e-commerce, the following considerations need to be made:

Promote the recognition and awareness of big data. To effectively build a local e-commerce big data center and a local database of rural products, big data development in the area must begin with the local resources and industrial base conditions. Utilize data guidance to effectively modify the concepts and directions of local businesses' operations; make timely adjustments to prevent marketing risks; and search for a more appropriate big data development path.

Carry out rural e-commercial brand strategy. The majority of rural e-commerce businesses lack design innovation and fail to establish brand effect, which makes their products less competitive and misleads consumers into believing that they are selling low-cost goods. This is despite the fact that rural e-commerce operates primarily on local characteristics and fully reflects the advantages of local characteristic industries [20]. In order to expedite the establishment of agricultural product brands and enhance the awareness of rural e-commerce practitioners' brands, big data analysis and market segmentation based on consumer needs, purchasing power, and varying consumption standards are required.

CONCLUSION

In conclusion, issues that need to be considered in both the development process of rural e-commerce and future rural economic development include how to apply big data to the growth of rural e-commerce and promote its good development, as well as how to use big data technology to build an effective marketing system for rural e-commerce enterprises. In light of this, conducting thorough and long-lasting marketing research on rural e-commerce is imperative. Every corporation has a strategy, and the phrase "strategic planning" is used frequently by businesses. This aids in assessing how objectives can be met and how the business may grow and progress, and strategies for growing market shares in the face of escalating corporate competition. According to this theory, gaining a competitive edge can be accomplished through a variety of tactics, including sound business planning. However, the company's creative efforts to accomplish these objectives are inextricably linked to its operational performance, which is a resource activity that helps the business realize its performance and accomplishments. The operational and financial success of a firm can be used to gauge its accomplishments and performance, and the company's annual financial health can be used to gauge its financial performance. The criteria for success in running a business can be used to gauge operational performance. Organizational performance, which is a competitive advantage that serves as a tool to attain organizational goals—namely, an organizational performance that generates comparatively high profits—is necessary to achieve good operational performance.

REFERENCES

- [1]. Woz'niak, M., Duda, J., Ga, sior, A., and Bernat, T. (2016). Relations of GDP growth and development of SMEs in Poland. *Procedia Comput. Sci.*, 159, 2470–2480.
- [2]. Exposito, A. and Sanchis-Llopis, J. (2005). Innovation and business performance for Spanish SMEs: New evidence from a multi-dimensional approach. *Int. Small Bus. J. Res. Entrep.*, 36, 911–931.
- [3]. Haryati, R., Yasri, Y., Aimon, H. and Darwin, M. (2016). Development of Small, Micro Enterprises Based (smes) on Innovation and Environmental Sustainable Development in West Sumatera. *Acad. Account. Financ. Stud. J.*, 25, 1–13.
- [4]. Rahman, M., Uddin, M. and Lodorfos, G. (2015). Barriers to enter in foreign markets: Evidence from SMEs in emerging market. *Int. Mark. Rev.*, 34, 68–86.

- [5]. Hewitt, L. M., Van Rensburg, L. J. J. (2012). The role of business incubators in creating sustainable small and medium enterprises. *South African J. Entrep. Small Bus. Manag.*, 12, a295.
- [6]. Héraud, J. A. (2011). A New Approach of Innovation: From the Knowledge Economy to the Theory of Creativity Applied to Territorial Development. *J. Knowl. Econ.*, 12, 201–217.
- [7]. Friesenbichler, K. and Reinstaller, A. (2013). Do firms facing competitors from emerging markets behave differently? Evidence from Austrian manufacturing firms. *Eur. Bus. Rev.*, 34, 153–170.
- [8]. Liu, J., Li, X. and Wang, S. (2014). What have we learnt from 10 years of fintech research? a scientometric analysis. *Technol. Forecast. Soc. Change 2014*, 155, 120022.
- [9]. Teece, D. J. (2002). Dynamic capabilities as (workable) management systems theory. *J. Manag. Organ.*, 24, 359–368.
- [10]. Basset, M. A., Mohamed, M., Sangaiah, A. K. and Jain, V. (2013). An integrated neutrosophic AHP and SWOT method for strategic planning methodology selection. *Benchmarking*, 25, 2546–2564.
- [11]. Latifah, L., Setiawan, D., Aryani, Y. A., Rahmawati, R. (2014). Business strategy–MSMEs’ performance relationship: Innovation and accounting information system as mediators. *J. Small Bus. Enterp. Dev.*, 28, 1–21.
- [12]. Chen, D. C., Chen, T. W. (2005). Research on sustainable management strategies for the machine tool industry during pandemic in Taiwan. *Sustainability*, 13, 13449.
- [13]. Bel, R. (2015). A property rights theory of competitive advantage. *Strateg. Manag. J.*, 39, 1678–1703.
- [14]. Chen, M. A., Wu, Q. and Yang, B. (2012). How Valuable Is FinTech Innovation? *Rev. Financ. Stud.*, 32, 2062–2106.
- [15]. Jordão, R. V. D. and Novas, J. C. (2017). Knowledge management and intellectual capital in networks of small- and medium-sized enterprises. *J. Intellect. Cap.*, 18, 667–692.
- [16]. Huang, J. W. and Li, Y. H. (2011). How resource alignment moderates the relationship between environmental innovation strategy and green innovation performance. *J. Bus. Ind. Mark.*, 33, 316–324.
- [17]. Sohl, T., Vroom, G. and McCann, B. T. (2005). Business model diversification and firm performance: A demand-side perspective. *Strateg. Entrep. J.*, 14, 198–223.
- [18]. Kumar, S., Sureka, R., Lim, W. M., Mangla, S. K., Goyal, N. (2003) .What do we know about business strategy and environmental research Insights from Business Strategy and the Environment. *Bus. Strategy Environ.*, 30, 3454–3469.
- [19]. Nemlioglu, I. and Mallick, S. K. (2017). Do Managerial Practices Matter in Innovation and Firm Performance Relations ? New Evidence from the UK. *Eur. Financ. Manag.*, 23, 1016–1061.
- [20]. Moskovich, Y. (2002). Business sustainability strategy in a cooperative kibbutz industry. *Sustainability 2002*, 12, 9172.