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## Optimization and designing of tobacco marketing network

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### ABSTRACT

As the Tobacco industry is divided into commerce enterprises and industry enterprises, thus, the construction of optimized and ordered marketing network has become an important task for the development of tobacco market. Based on the big grand underground, this essay is aiming to analysis the optimization of tobacco market network, like the customer relationship management, brand planning cultivation and channel structure optimization, giving theoretical support to the scientific determination of tobacco market network.

### KEYWORDS

Customer relationship; Brand cultivation; Precision marketing.



## INTRODUCTION

The earliest discussion on marketing network can date back to 1972. The American scholars Stern and EI-Ansary gave systematical exposition to marketing channel (marketing network). Louis D.H. Weld, the founder of the marketing network structure theory, published the *Market Circulation of Agricultural Products* in 1916, raising the circulation efficiency question to the existence of the links in the distribution system. It is not until the 1970s that the focus of channel construction theory moved to the evolution of channel structure and design of efficient institutional framework. With the acceleration of the economic globalization and the increasing competition in tobacco industry, local tobacco brands are confronting with more sale pressure. The original and simple marketing system and network can't meet the requirements of the tobacco enterprises. Therefore, it is an important task for the enterprises to manage their marketing network construction, improve brand value and maintain the stickiness and loyalty of the clients.

### CONSTRUCTION OF TOBACCO MARKETING NETWORK INTEGRATED SYSTEM

#### Features of the tobacco marketing network integration system

##### Advanced business model

As we have already established the business model "Phone ordering, online distribution, electronic clearing, modern logistics", we optimize it to be "online ordering, online distribution, online payment, online marketing", which is a wholesale trade model featured with convenience, safety, accuracy and reliability.

##### Complete operating system

It has achieved informationization of business flow, modernization of logistics, electronization of capital flow and integration of information flow in operation. Besides, in management, together with the systemization of organization, process of business, standardization of work and institutionalization of management, the integration of three flows and the combination of four management methods are fully supported.

##### Advanced information technology

The marketing informationization and modern technology level should be improved by the promotion of system integration, interconnection and information sharing. Advanced information methods enable the online-offline complementally operation in the industry. The online operation should explore the integration of online ordering, online distribution, online payment and online marketing.

##### Powerful marketing function

The marketing system featured with local markets, brand marketing system featured with collaborative marketing of industry and commerce, service marketing system featured with virtuous customer interaction should be established, developed and perfected.

##### Intimate customer relationship

We should always improve our service and safeguard the interests of the customers to adapt to the changing of the customer relationship. The confidence, reliance and satisfaction of the customers to the industry experience a sharp rise and their identity, belongingness and value also increase greatly, which jointly give birth to the virtuous customer interaction.

#### Module of the tobacco marketing network integration system

The customer-oriented tobacco marketing network is an integration system of industry, commerce and retailing. It is conducive to establish the mutual-benefit, mutual-trust and stable customer relationship, further regulate the brand cultivation, and enhance the vitality of the marketing network, as is shown in Figure 1.

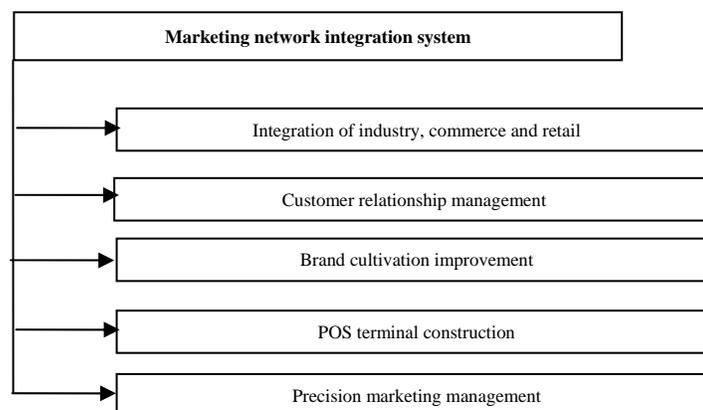


Figure 1: Marketing network integration system

## ANALYSIS OF THE MODULE IN THE TOBACCO MARKETING NETWORK INTEGRATION SYSTEM

### Integration of Industry, commerce and retailing

The customer-oriented marketing network is an integration system of industry, commerce and retailing. The works should be carried out as follow.

Establish the market research system. It is the prerequisite of establishing tobacco marketing system to establish standard market research system and reconcile the marketing research items, contents, frequency, expense account and professional position. In the market research, the customers should be divided according to the basic information of the customers, so as to give birth to the market segment.

Build the marketing data base. By the application of data mining, the tobacco enterprises could regulate and optimize the entire marketing network system. Also, they can conduct collaborative business works with relevant partners(including tobacco industry enterprises, tobacco commerce enterprises, tobacco retailers and so on) based on information sharing.

Adopt marketing target strategy Tobacco commerce enterprises and industry enterprises should share information to make the industry enterprises to know the requirement and market value of the consumer group in local market, conducting marketing activities based on the unified marketing targets.

Carry out brand and service marketing activities. After the segmentation of the consumer group and market, the enterprises should conduct marketing strategy, distribute resources, and develop channel management or retail terminal management for the application of marketing strategy in various retailers.

Continued improvement of marketing network system. Continued improvement refers to the curing and extension of successful experience, the processing of existing problems and making precautionary methods, conducting new marketing targets. After the process of research, verification, application and evaluation, the marketing system can operate virtuously.

### Customer relationship management

Establish customer archives and differential management. Through the establishment of enterprises archives, the commerce enterprises can divide the retailers into A, B, C categories and review periodically. The differential management can optimize the entire marketing chain.

Apply marketing network informationization and establish contact center. Through the contact center, the enterprises can integrate sale and service into a singular one, enabling the common sales representatives to provide timely sale and service, so as to improve customer respond speed.

Complete customer service system. The complaints hotline should be set to appropriately analysis and handle the complaints. Besides, service monitoring system should be established to examine the customer satisfaction and improve the service quality.

### Improvement of brand cultivation

#### Integrate marketing propagation and build brand effect

The integration of tobacco brand information mainly includes two aspects: brand image and product claims. Cigarette is fast moving consumer goods, so the core value and advertisement should originate from the feelings of consumers to make the consumers to have a favorable impression to the brand. The enterprises should apply the integrate marketing propagation, in which public relations and terminal marketing propagation serve as the main body and Internet propagation, word of mouth and advertisement serve as supplementary methods.

#### Deepen the combination of monopoly and sale, establish marketing system hierarchy

The combination platform should be fully utilized, for example periodic meeting should be held every week to exchange market information and developments, establish cooperative mechanism and improve governance of brand market, so as to embellish the image and reputation of tobacco brand and guarantee the health development of Golden Leaf.

#### Strengthen coordination of industry and commerce and optimize marketing operation efficiency

The brand cultivation plan should be conducted and the propagate material should be designed. The industry and commerce enterprises should work together to carry out diverse propagations and sale promotions to give full play to the positive influence of opportunity channel and promote consumption. This can be done according to the product positioning, culture connotation, features and characteristics of different tobacco brands.

### POS terminal construction

#### Service terminal

As the supply of goods is organized according to the orders, the retail terminals focusing on the customer requirements are gradually perfecting. Several measures should be taken in service innovation: first, developing and expanding diversified order service, second, providing equitable, impartial and open supply service, third, initiate careful service that aiming to benefit the customers.

### Management terminal

Reasonable quantitative examination and approval system should be established for retail customers to post price tag and cigarette display sets. The market price trend should be monitored and relevant measures should be applied to control the quality and price in the retail terminal. In the choice of goods supply, supply of goods should be organized according to the orders and the sales promotion should be regulated.

### Extension terminal

The information interaction with the retail clients and between the industry, commerce and retailers should be strengthened to make full use of the retail terminal resources, so as to extend the tobacco marketing to the retail field. First, optimizing information utilization, establishing information platform and providing such information service as dynamic information and brand propagation to the retail clients through micro and cloud methods. Second, focusing on the extension of online distribution to get the real-time inventory records and develop the function that the system could generate the order. Third, mining terminal cultivate resources and strengthening marketing to stipulate the cigarette sales.

### Image terminal

The quality of the image terminal is concerned with the acceptance of the cigarette and service brand. We deepen the image construction into four aspects: terminal image of the shop, client quality image, cigarette brand image and tobacco service brand.

### Precision marketing management

As to tobacco enterprises, precision marketing should be done under the prerequisite of precise market segmentation and positioning. The enterprises would choose right tools or methods to communicate with the clients, implement the entire process management of brand cultivation and goods supply, and provide excellent service.

## SAFEGUARD MEASURES OF TOBACCO MARKETING NETWORK OPTIMIZATION

### Establish client evaluation system

Perfect client evaluation system should be established to enable the retailers to give assessments to the service of the tobacco enterprises through Likert scale. It is not only helpful to the improvement of service quality but also for the tobacco enterprises to find effective target client group. The effective target client group can be determined by the KAISM matrix (Figure 2).

Client attractiveness	Key potential customer	Key customer
	Opportunistic customer	Maintain client
	Comparative advantages	

Fig.2 KAISM Matrix

### Regulate logistics system

The modern logistics technology could realize the transmission of electronic information, reduce artificial operation and improve working efficiency. Besides, the information management system is more convenient for the logistics orders, distribution, transportation and inquiry.

### Expand E-commerce application

The tobacco enterprises can update and perfect on the existing E-commerce system and cooperate with the banks to make the payment more convenient through online payment. It can also cooperate with local logistics to deliver the tobacco more precise and increase client value by the application of bar code and GPS.

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