

# Decathlon china essay



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In the upcoming executive meeting Aaron Zhou the e-commerce department head has to persuade the CEO to dedicate more resources towards social media in order to increase online sales short term and market share in long term. So how can decathlon china use social media effectively to attract more customers online towards its brand? And what missing Framework Zhou should use to measure the effectiveness of using Social Media as a marketing tool? Case Analysis:- Decathlon was established in 1979, it's a multinational French manufacturer and retailer of sports good.

Decathlon is exercising its hundreds of retail shops in different parts of the world. Decathlon China was established in 2003 and has grown significantly in Chinese market having 33 retail outlets in different cities of China. It is representing 5 percent of the annual sales of the entire group coming from Decathlon China only. Decathlon China is not just competing with the global sports brands such as Nike and Adidas but has a strong competition with the local brands such as Li-Ning, having 7000 retail stores and Anta with 7547 stores all over china.

These competitors have a strong reliance on the internet and use it aggressively for their advertising, marketing and marking their presence in the consumer market. Decathlon China has some presence on the internet like its official Chinese website which represented decathlon major product line and services rendered in China, but needs to be advertised more potentially among the potential target market. Decathlon Chinese website was ranked 15, 315 among all Chinese websites in terms of the consumer traffic which was modest but encouraging compared to the global brands.

Decathlon China was able to surpass the famous Sports Company Nike which is one of the top notch companies of the world and was ranked, 18541 according to the web traffic-reporting site Alexa. com. Decathlon still was willing to increase consumer traffic towards its online store which was not so effectively done and a social media strategy plan was urged to be formulated. Initially Decathlon China relied completely on traditional media for advertising such as bill boards, news papers, TV, radio and creating brand awareness among its potential customers.

The era of social media platforms is booming really fast and increasing usage of these platforms by the competing companies Decathlon E-commerce Head Aaron Zhou was concerned and decided to convince the CEO of the company to dedicate more of the resources in the social media world to push the sales and to increase brand awareness and brand engagement. Since the target market of outdoor sporting goods in China ranges between ages 18 – 34 years who are active online users and represent 50 percent of the online user population as per June 2010 survey.

Simultaneously the competitors online promotional schemes and use of online platform was about to bring a revolutionary change in the competitive landscape of the industry. Zhou was very concerned about the competitors who focused more on online sales so he consulted his team and did a thorough study of the social media platforms and Decathlon China's current status in the Chinese online market. China has local clones of the global social networking sites such as Face book, Twitter and YouTube because the global sites have been blocked in china by the government since 2009 due to political and security measures.

These domestic social networking sites target only the Chinese population and have dominated the Global social sites completely in China. Some of the local Chinese social websites are RenRen. com, which is similar to face book in look and feel. As on face book companies can advertise their company by creating advertising banners likewise Renren also has a complete separate section under the header RenRen recommendations where the companies feel free to advertise their company's banners and interact freely with the potential consumers. Compares to the traditional advertisement social advertisement is way cheaper.

The target consumer age on this website ranges from 18 – 34 years old and has more than 160 million registered users on RenRen. com and its sister company Kaixin001. com which was designed specifically for white collar workers. Then China's famous micro – blogging site similar to Twitter is Sina Weibo which has more than 100 million registered users. Sina Weibo is used frequently by the companies to tweet their latest promotions or deals, new additions in their product range and the latest trend in Sina Weibo is to endorse their products with Famous Celebrities to gain more popularity and attract more consumers.

Micro Blogging is one of the most effective ways of social media marketing to gain more followers and mobile users as they can be used very easily through cell phones. Tudou. com is the largest Video sharing website of China, with similar functionality as YouTube. com. Tudou. com has more than 170 million users ranging between the age group 18 – 34 years. Tudou. com allows users to upload their videos and share them with the whole world. Tudou. om created a technique for companies called advertisement

platforms where they can insert advertisements before the start of the video's the user is willing to watch and to view the video the users are compelled to watch these advertisements, these advertisement are so catchy that no user would miss it. Then we have social networking sites as BBS or bulletin Board Systems. BBS are interactive bulletin boards where users ask questions about specific topics and then a number of users post their replies to these questions and the tread continues.

Three billion users have used BBS in China which makes it a great way to market products and have people ask questions and post their reviews about these products. Zhou discussed his research finding with his team and started using few of the mentioned above social networking websites for Decathlon china. He believed it's a cost effective strategy and can attract more potential consumers towards Decathlon like the competitors. The first attempt taken by Zhou was BBS featured site called TaoBao Bangpai where they wanted to create a decathlon consumers community.

But unfortunately it wasn't a good attempt as TaoBoa is a shop and go website where consumers are only concern with shopping not building communities and Zhou was not able to create brand loyalty here. The second attempt was [www. 8264. com](http://www.8264.com) which is a bigger BBS featured site compared to TaoBao and focused primarily on outdoor activities topics, yet again it wasn't a successful move because 8264 was merely a community based site where people were more interactive in discussion rather shopping which was proven to Decathlon China due to a low sales conversion rate of 15%.

Similarly more attempts were made but the success rate was not feasible and Zhou was sure that it's not easy to capture the Social Media market for brand awareness. Decathlon was willing to increase consumer traffic towards its online store which was not so effectively done and a social media strategy plan was urged to be formulated. The problem in this case is not the sites chosen for marketing and creating brand awareness but the lack of proper online marketing strategy and branding strategy. Zhou and his team have to develop more promotional creative marketing schemes to be presented on these websites which can easily gain customer loyalty.

The online market is a very competitive market in this era of time where millions of companies are promoting their brands and are in a win or lose situation, to maintain your image you need to be creative all the time and provide incentives to your potential target consumers what they need like promotions, discounts, free give away on each purchase, many companies involve their customer's by doing contests and putting surprise gifts for the participants on their win.

One of these campaigns if associated with face book or RenRen would depend on the number of likes or comments, for example Dunkin Donut USA was running a campaign during the summer, where Face book users could post pictures of themselves on the fan wall with any Coolatta drink. Each day, one of these people would be randomly picked and win prizes. Now, it invites fans to upload their pictures to its wall and once a week it picks a picture and uses it as the profile image. People like to be involved.

These promotions are the type that increase sales and build brand awareness to a company's products. To be a social media expert you need to be walking on the finest of fine line, marketing without intruding, and advertising without offending which is not easy to do but yes to be an expert you need to formulate strategy on these terms. Now comes the issue of measuring social media effectiveness as a marketing tool, the solution is not just the traditional conversion rate, limiting social media to traditional measures reduces its context from being truly social.

Think of things like the number of times someone tagged, commented, favorited, or introduced information about your company, brand, product or service. The number of fans, friends and followers of your company brand these are a better way of measuring the social media. Concluding I guess Zhou and His team effort of using strong marketing schemes on social media with perfect social media strategy would not just increase brand loyalty and brand awareness for short term but for long term as well which will lead to increase in sales automatically for long term.