

# Unit 5

## Market Research of Cross-border E-commerce



### Introduction

According to Wikipedia, market research can be defined as "the process of gathering, analyzing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face."

Following this logic, E-commerce market research serves to inform retailers not only about their customers' needs and preferences but why consumers want to purchase certain products. By obtaining this kind of knowledge, merchants can effectively create the products, solutions and marketing campaigns that will increase their chances of online success.

In this unit, we are going to talk about some basic principles in selecting products and some rudiments of market research for E-commerce. Based on that, you should work out a proper way adapted to yourself.

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- Part A Basic Principle and Logic for Product Selection in Cross-border E-commerce
- Part B Practical Methods of Market Research for Cross-border E-commerce
- Part C Data Analysis for Cross-border E-commerce
- Supplementary Reading



### Learning Aims

- Tell the basic rules of product selection for Cross-border E-commerce.
- Understand some methods for market research of Cross-border E-commerce.
- Understand the indication of key factors in statistical analysis.



## Capability Aims

- Be able to apply the basic rules to select products.
- Be able to present some products in view of one's own features.
- Be able to write a sales report with the help of the online tools of statistical analysis.



## Related Materials

# Part A Basic Principle and Logic for Product Selection in Cross-border E-commerce

Nowadays, when talking about Cross-border E-commerce, we usually refer to B2C business. It has been relatively easy to launch a virtual store and start a global business. However, there are many decisions to make and the first of all is to choose what to sell. It is said that selection far outweighs operation. If you choose the right product or [niche](#) and are well prepared before the coming trend, you may harvest a fat [profit margin](#). While you try to follow some [trending products](#), you may get a sound order number, but not so reasonable net earnings. If unfortunately, you choose inappropriate range of products, you may face [overstocked inventory](#) and a waste of money. There is no such thing as a normal routine when you do the selection. You should not depend on exclusively data analysis, but make the decision with [comprehensive](#) consideration based on a full understanding of your product and the target market.

Selling on E-commerce platforms and succeeding at this [venture](#) means targeting the best product categories and selling items that will empty out your inventory by speed. You have to carefully choose your products in order to make sales happen.

## 1. Basic Principle

The first and foremost rules for selecting products should always be these three: a) being lawful in both the country of registration and target market countries; b) [observing](#) the rules and regulations of the platform; c) being easy to pack and ship, especially for B2C stores. For Cross-border business, the shipment usually involves long time, and it is reasonable to choose products easy to store or carry, with long shelf time. However, apart from these, there are some other things to weigh. They are as follows.

1) It is better to choose products with simple operation. If you target the ordinary people, choose the product which is easy and simple to use. Otherwise, you risk all the troubles from after-sales service to refunding.

2) Fast-moving [consumer goods](#) should be a wise choice. A faster turnover will

bring about a higher profit and better fund [utilization](#). If not, you should set higher profitability and choose products easy to promote by [word-of-mouth marketing](#).

3) The supply-chain must be liable. Product sourcing is extremely important, if you are not a manufacturer. Many sellers chose [dropshipping](#) model in the early time, which now requires more techniques to deal with. It is highly commended to have solid cooperation with some factories.

4) There should be a potential market large enough. Even though there is usually fierce competition for such markets, the need of them is relatively huge so that there are reasonable profits for attendants.

5) There should be few dominant buyers. It is hard for the startups to enter the field if there exist several major buyers.

In short, you should keep close to your products and the market and react to changes immediately.

## 2. Self-Analysis

It is extremely important to know yourself before launching your categories. Think about these three aspects.

First, think about the supply source and ask whether you have any advantage geographically. For example, in China, there are industrial clusters with regional features, such as small consumer goods industry in Yiwu, wedding dress industry in Suzhou. These regional industrial clusters usually cover a huge range of products and offer competitive prices, with complete supply chains.

Second, think about the feature of your own team. Will you emphasize R&D or full range of products? Will you just focus a small group of products and target a niche market?

Third, evaluate your asset, especially cash. Allocate cash assets rationally. Unless you have a massive budget, you can't be the next [Best Buy](#) or Amazon. You have to [niche down](#) to run a profitable E-commerce store.

## 3. Positioning and Strategy

Based self-analysis, stores could decide their focus and the business strategy. As a seller, you have to think about your focus and the target market. It is especially important for the Cross-border E-commerce seller to know the target market, which influences the products a lot. For example, the most needed sizes of [garments](#) vary according different regions. Besides, you also need to decide the right E-commerce platform.

## New Words and Terms

1. rudiment	n. (某一领域)的基本原理/知识
2. niche	n. 商机;市场定位
3. profit margin	利润率
4. overstock	v. 积压
5. inventory	n. 库存
6. comprehensive	adj. 全面的;详尽的
7. venture	n. (有风险的)商业活动;投机活动
8. observe	v. 遵守
9. consumer goods	消费品
10. utilization	n. 利用;使用
11. niche down	细分;缩小
12. garment	n. 服装

## Notes

1. trending product: 热销产品, 电商有时喜欢称之为爆款。
2. word-of-mouth marketing: 口碑营销, 指企业努力使消费者通过其亲朋好友之间的交流将自己的产品信息、品牌传播开来。这种营销方式的特点是成功率高、可信度强。
3. dropshipping: “代发”, 是外贸术语, 是供应链管理中的一种方法。零售商不需要商品库存, 而是把客户订单和装运细节发送给批发商, 批发商将货物直接发送给最终客户, 而零售商赚取批发和零售价格之间的差价。
4. Best Buy: 百思买, 是全球规模最大的家用电器和电子产品的零售、分销及服务集团。2011年2月, 百思买宣布关闭在中国的全部9家门店, 将在华业务交予五星电器打理。

## Exercises

**Task 1:** Write a report to list the potential resources that can be leveraged, such as the nearby workshops, factories, agricultural products.

**Task 2:** Pick up among these resources the ones adapted to Cross-border E-commerce. (You can fulfill these tasks with the help of this table)

commodity	category	volume for each unit	easy to pack (or not)	shelf time
1.				
2.				
3.				
4.				

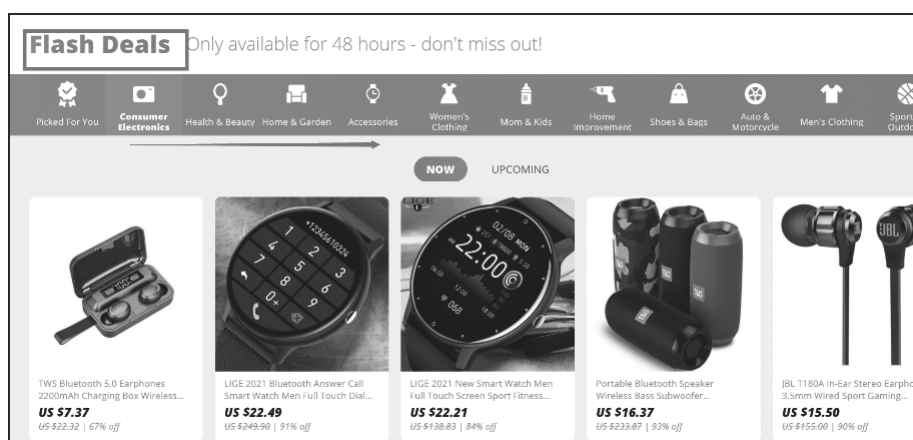
## Part B Practical Methods of Market Research for Cross-border E-commerce

One feature of E-commerce market research is the application of big data. Sellers are able to take advantage of various tools provided by their platforms to track traffic and get access to different ratings. In this section we are going to talk about some practical ways to acquire valuable information.

### 1. Take Information from Buyer's Interface

#### 1.1 Know about the Trending Products through Promoting Activities of the Platforms

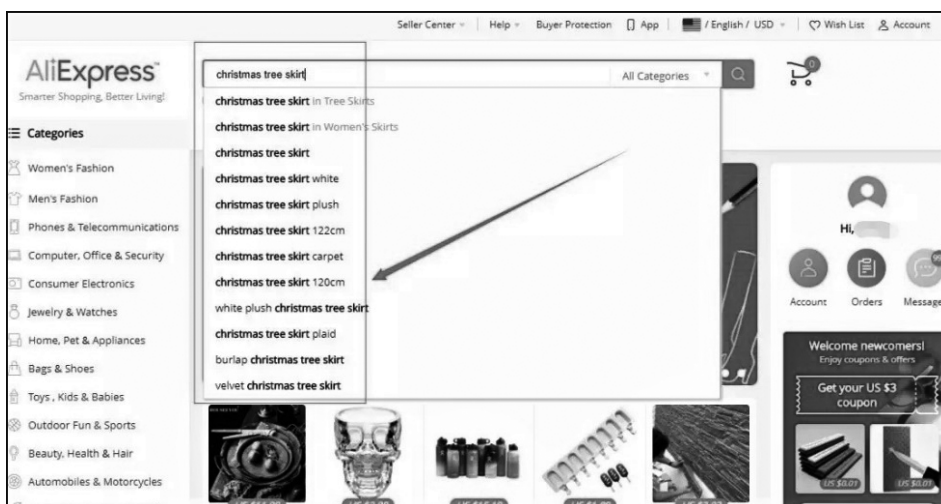
Picture 5-1 is about the flash deals in AliExpress. The sellers attending such promotions need to meet some [criteria](#). The products sold in Flash Deals usually are the trending products in their category. And you can use it for free.



picture 5-1

#### 1.2 Use the Related Key Words Offered by the Search Engine

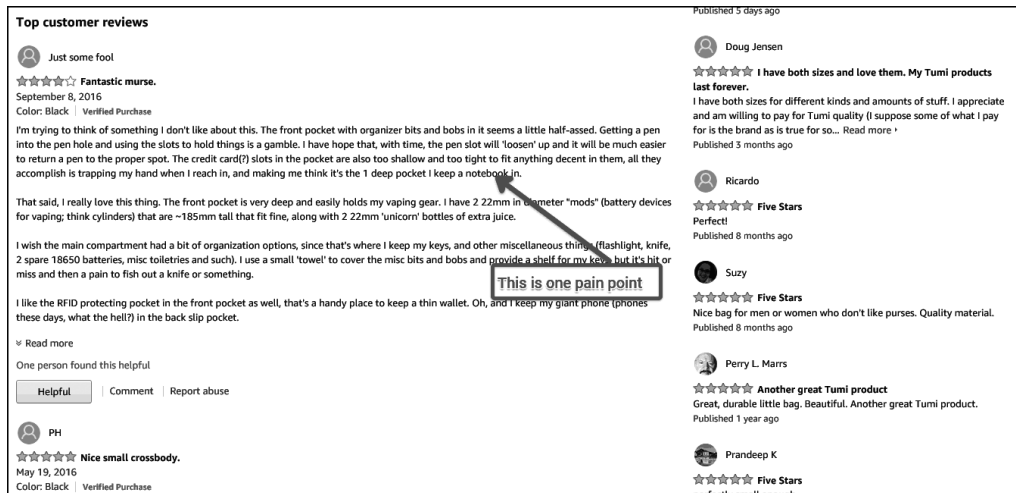
When you put the key words in the search engine, it usually offers more specific **long-tail key words**, and these long-tail key words usually convey the real need of potential customers. Whenever a customer uses a highly specific search phrase, they tend to be looking for exactly what they are actually going to buy. In virtually every case, such very specific searches are far more likely to convert to sales than general generic searches that tend to be geared more towards the type of research that consumers typically do prior to making a buying decision.



picture 5-2

### 1.3 Check Reviews and Find the Pain Points of Customers

The B2C platforms invite customers to write reviews about the product. Check these reviews and it is highly possible to find out some pain points, which offer you the opportunity to improve your products and develop your own registered brands.



picture 5-3

### 1.4 Take Advantage of Tools Offered by Platforms

The platforms usually offer various tools for sellers to get hold of the information, for example, the best seller list. Read the best sold products and try to find some opportunities.

### 1.4.1 Research Amazon Best Sellers

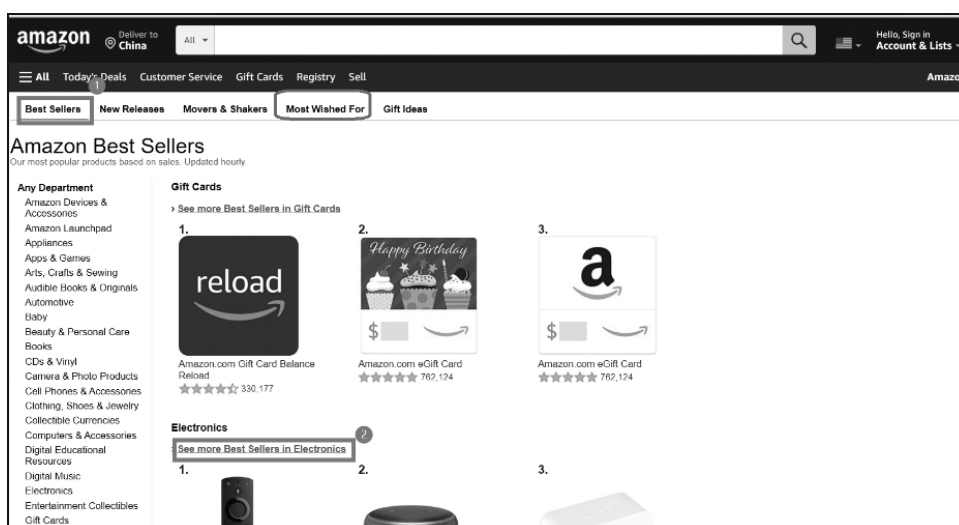
The best-selling products in each category give you insights into what people are willing to buy.

From here, you can [predict](#) products that are likely to appeal to your target market for good conversion rates. Take a look and make a list of a few products that are exciting.

### 1.4.2 Amazon Most-Wished-for

One of the less known about E-commerce market research tools is Amazon's Most-Wished-for list. This website feature [aggregates](#) users' wish list data and shows interested parties precisely what people want the most, at a given time.

Through this tool, retailers can view the top 100 items in a [plethora](#) of categories, and then [drill down](#) even further by checking out the data compiled from subcategories.



picture 5-4

## 2. Uncover Trending Products through Social Media

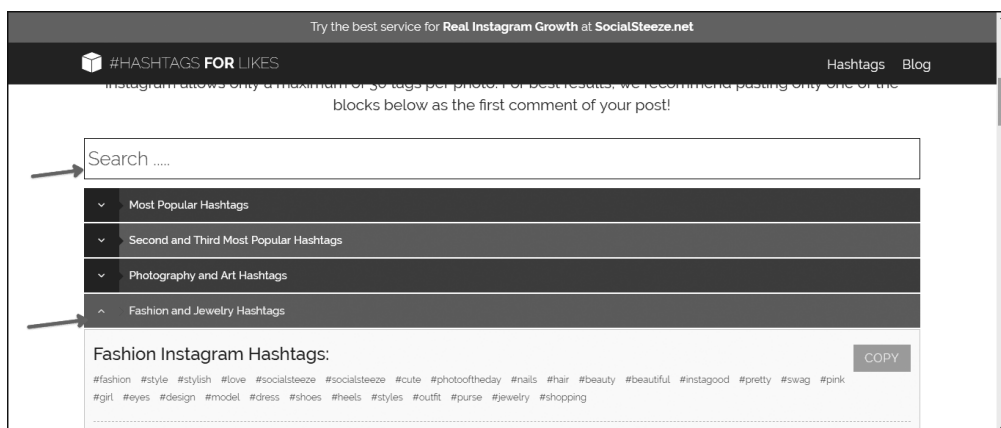
Social media also provide valuable information. From Facebook to Instagram, YouTube to TikTok, you can drill on them and get a [myriad](#) of sales options.

### Research Hashtags

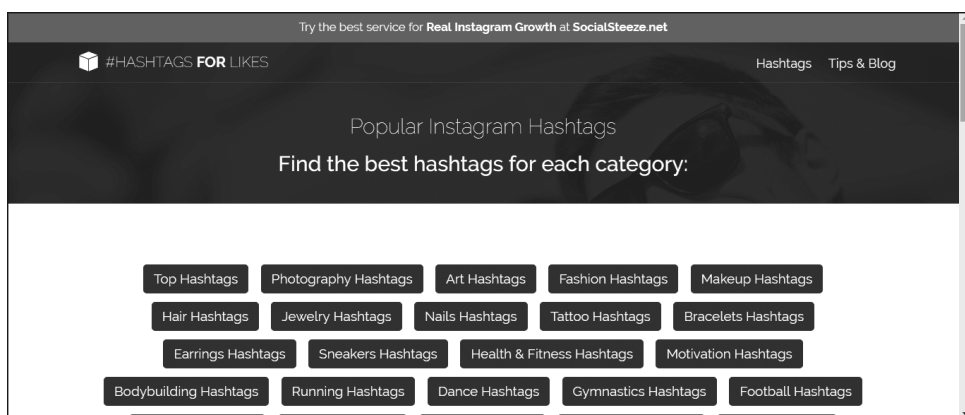
If you have an interest in a particular industry, you can search for posts on it using [hashtags](#).

Step 1: Use Hashtags for [likes](#) To Get Trending Hashtags

Hashtags-for-likes [curates](#) popular hashtags in different categories. While their specialty is **Instagram**, you can use the hashtags curated to search on other social media sites.



picture 5-5



picture 5-6

## Step 2: Search for posts on Instagram Using Your Hashtags

Go on Instagram and search for posts with those hashtags. Using Instagram for product inspiration. Take note of interesting ideas and anything else that you like. Also, keep a list of those hashtags, they will be relevant for Instagram marketing later.

## Step 3: Uncover Trending Posts on Facebook Using the Hashtags

Facebook has billions of active users. You'll get not just niche ideas here, but also insights into what your audience is willing to buy.

To start, type a keyword in the search area. You can use one of those hashtags you got in step one or an idea that you are considering.

You could filter the results. Ensure that you check out groups and Facebook pages for ideas into what people are interested in.

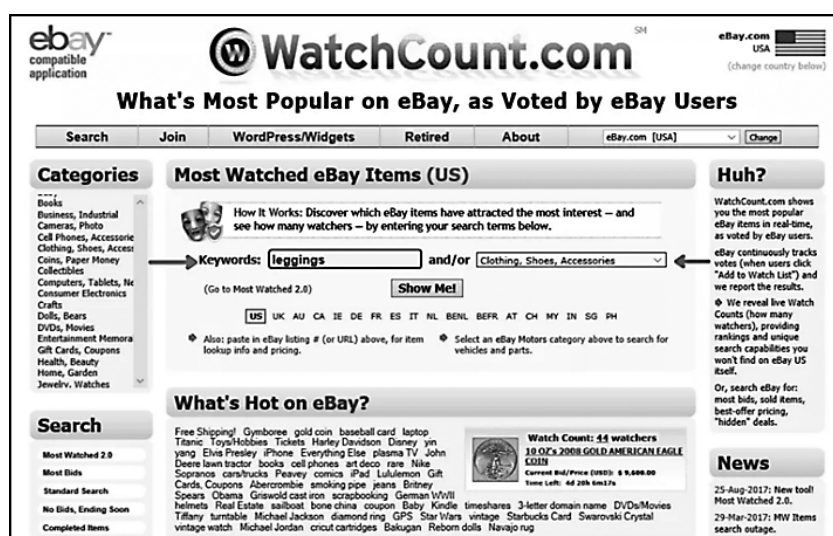
Bonus Tip-Posts with a lot of engagement - likes and comments - are signs that people are interested in that product. You can also check out those with fewer engagements for interesting ideas that you could modify later on.



### 3. With the Help of Third-party Tools.

There are a lot of third-party tools provided. You can use some for free but should pay for others. For example, you can use Google AdWords Keyword Tool to identify the keywords your audience is using to research products, services, solutions, and information related to this niche market. It is free and it offers lots of useful data related to these keywords, such as local and global search volume, level of competition, average **cost per click (CPC)** and more.

Another example is WatchCount. WatchCount shows the most popular eBay products. Using WatchCount is very easy. Your keyword could be your product idea.



picture 5-7

You could also seek assistance from other tools such as Google Trends, Google Keyword Planner, etc. When you start doing such job, you may find that there are a lot of them.

### New Words and Terms

1. criteria	criterion 的复数形式, (评判或做决定的) 标准, 准则
2. specific	adj. 明确的; 具体的
3. generic	adj. 一般的; 通用的
4. predict	v. 预言; 预告; 预报
5. aggregate	v. 合计为
6. plethora	a plethora of sth: 大量的某事物

续表

7. drill down	drill down/drill down on sth: 向下钻取(指利用计算机获得更详细的资料)
8. myriad	n. 无数;大量
9. hashtag	(又写为 hash tag) 社交媒体中使用的标签(关键词的一种),该标签无等级,又称“散列标签”
10. like	在网络媒体中,like/likes 表示“点赞”
11. curate	v. 管理;筛选;整理
12. filter	v. 过滤;筛选

## Notes

1. Long tail keywords: 长尾关键词由 3~4 个关键字短语组成。
2. Instagram: 一款运行在移动端上的社交应用。
3. Facebook: 一个社会化网络站点,译为“脸谱网”或“脸书网”,于 2004 年 2 月 4 日上线,总部位于美国加利福尼亚州门洛帕克,是世界排名领先的照片分享站点。
4. CPC: 即点击付费(Cost Per Click,CPC,也称 Pay Per Click,PPC),是一种网络广告的收费计算形式,广泛用在搜寻引擎、广告网络以及网站或博客等平台。

## Exercises

**Task 3:** Based on the tasks in Part A, try to select the products that could be popular or appropriate for Cross-border E-commerce. Write a report about that.

**Task 4:** Read the following product description and reviews, and write a report to improve the product or develop a new version.

The screenshot shows the Amazon product page for the Fjallraven Kanken Classic Backpack. The product is a black, durable backpack with a front pocket and side pockets. The price is \$75.00, and it has a 6% discount. The description highlights its iconic design, practical features like the rain flap and ergonomic straps, and its functional use for everyday carry. The page also shows the 'Add to Cart' and 'Buy Now' buttons, along with shipping and return information.

**Product Title:** Fjallraven Kanken Classic Backpack for Everyday, Graphite

**Price:** \$75.00 (List Price: \$80.00, You Save: \$5.00 (6%))

**Description:**

- Iconic: Same classic Kanken design since 1978. Stash everyday essentials in the main zippered compartment, front zippered pocket, and two open side pockets.
- Practical: Meet the material: Vinyon F. It has a weird name but it's dirt-resistant, water-resistant, and wipes clean.
- Functional: Two-way zipper with rain flap for protection. Ergonomic shoulder straps for the long haul. Dual top snap handles for quick carry. Sitting pad for impromptu seating. Reflective logo.
- Roomy: 16 L of storage space for everything you need and some things you don't. Measures 14.9" (38 cm) x 10.6" (27 cm) x 5.1" (13 cm). Weighs 0.7 lb.
- Heritage: Durable, timeless, functional. Since 1960.

**Buttons:** Add to Cart, Buy Now

**Shipping:** \$57.68 Shipping & Import Fees Deposit to China

**Return Policy:** Return, Refund or Replacement