

Research on Marketing Innovation of Beihai Nanzhu in “Internet Plus” Era

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Abstract: In view of the development status and existing problems of marketing of Beihai Nanzhu in the era of “internet plus”, innovative countermeasures such as dual-matrix layout, innovative design, joint-name IP, differentiated marketing and integration of literature and tourism can not only continuously optimize the marketing model of Beihai Nanzhu, but also expand its popularity and reputation.

Keywords: Beihai Nanzhu; “internet plus”; marketing innovation

Pearl in the north of Guangxi is recognized as the world’s top-grade pearl, so Beihai is called “the hometown of southern pearl” and “the pearl city”. As early as the Shang Dynasty, more than 200 years ago, Hepu Nanzhu in Beihai had become an important tribute of emperors and nobles in China, and it was also one of the main trading materials in the Maritime Silk Road Economic Belt at that time. Beihai Nanzhu was listed as a national geographical indication protection product in 2004 and sold all over the country. Since 2000, affected by the natural environment and industrialization, the Nanzhu industry in Beihai has shown a downward trend. In the era of “internet plus”, how to innovate the marketing strategy of Beihai Nanzhu is of great significance for revitalizing Beihai Nanzhu industry and improving Beihai’s popularity and reputation.

1. The Development Status of Beihai Nanzhu Industry

Pearl mining in Beihai City, Guangxi has a history of more than 3000 years. Especially in recent years, Beihai City has vigorously supported the development of Nanzhu industry, and Beihai Nanzhu industry has now taken shape.

(A) the industrial scale of Beihai Nanzhu

In April, 2017, General Secretary Xi Jinping made important instructions during his inspection work in Beihai. He asked the China municipal government and relevant enterprises to cooperate with each other by taking advantage of the resources in the Beibu Gulf area of China, and stressed: “To build a coastal economy and write a new chapter of the Maritime Silk Road in the new century”. In response to the call of the country to “build a coastal economy” and revive the glory of Nanzhu industry, Beihai Municipal Party Committee and Municipal Government set up a leading group for revitalizing Nanzhu industry in Beihai, and formulated the Opinions on Accelerating the Revitalization of Nanzhu Industry and various preferential policies to give strong support to Nanzhu enterprises. In 2021, 18 South Pearl breeding enterprises (cooperatives) in Beihai City have completed a total of 12.682 million shells, with a breeding area of 4300 mu in the city. It is estimated that the annual output of Beihai Nanzhu will be 1100 kg, with an output value exceeding 10 billion yuan [1]. The output

of Beihai Nanzhu reached about 5000 tons [2]. The output value reached 25 billion yuan [3]. Beihai Nanzhu accounts for more than 70% of the country's output, with a planting area of 3.5 million mu. It is the largest pearl producing area in China and the main pearl producing area in the world [4]. The industrial chain of Beihai Nanzhu is relatively perfect. With the vigorous promotion of Beihai City, Beihai Nanzhu enterprises have promoted standardized farming and formed a whole industrial chain of breeding, processing, design and sales. The output of Nanzhu has been continuously improved and the industrial scale has been continuously expanded.

(B) Problems existing in the development of Beihai Nanzhu industry

1. The technical equipment is backward, and the quality of Nanzhu is declining. In recent years, due to the quick success and instant benefit of the people of Pearl River, the quality of Nanzhu has plummeted. At present, traditional techniques are mostly used in Nanzhu aquaculture, but emerging technologies are not introduced. For example, nuclear insertion technology is the key technology to improve the yield and quality of pearls, but at present, the application of this technology is not extensive enough, and there are problems of uneven technical level. Coupled with the lack of innovation in scientific research, the reproductive quality of pearl oyster has plummeted. For example, the conservation, breeding and seedling raising of *Pinctada martensii* need to be undertaken by powerful enterprises, but the work in this area is not perfect at present. The backwardness of technology, talents and equipment makes Nanzhu low in survival rate, poor in quality, low in economic benefit and wide in technological level, which leads to overcapacity and product homogenization. In addition, the lagging market information and weak sense of intangible cultural heritage make Nanzhu lack competitiveness in the market.

2. A large number of Nanzhu are accumulated, and the industrial chain is short. The processing capacity of Nanzhu is generally low. Except a few excellent pearls are directly purchased, most of the cultured shells in farms are sold separately from the raw shells and shellfish meat. The raw shells are roughly processed and sold, with little demand and low price, and a large number of shells are hoarded. Shell meat is treated at a low price and the overall economic benefit is low. The degree of industrialization in Nanzhu is low, and most of them are self-employed. The decline of market price makes some farmers face the pressure of production capacity, and the business level is uneven, which leads to the high-end products and high value-added industrial chain links can not keep up with the market demand, which is easy to cause market confusion.

3. Serious environmental pollution and lack of unified management. Environmental problems have improved, but disease problems have appeared from time to time, affecting the stability of yield and quality. In recent years, due to the vigorous development of industrialized economy in Beibu Gulf, factors such as waste gas and sewage discharged from factories, oily sewage from ships and man-made water pollution have threatened the aquaculture industry in Nanzhu, and the varieties of Nanzhu have deteriorated, and their breeding and pest resistance have weakened. At the same time, there is no unified planning and management for Nanzhu aquaculture by government departments and social industry organizations, resulting in unlimited stocking of farms, and a large number of pearls are accumulated, which reduces the value of pearls.

2. The Industry and Market Prospects

(A) the history and prospects of the industry

Beihai Nanzhu has a long and profound history. Nanzhu in history is famous because it is delicate and dignified, smooth and crystal clear, round and transparent, and its quality is superior to that of jewelry products. Beihai Nanzhu integrates natural growth and nature, and adopts the production mode of "once every three years" or "once every five years" in the local area, giving Beihai Nanzhu enough time to cultivate pearls. With the advantage of Beibu Gulf sea resources, Beihai Nanzhu has been bred and put on the market for more than 30 years, and has made great progress in aquaculture area, commodity quality, processing and comprehensive development. From one commodity to several derivative commodities, Nanzhu commodity chain has been formed, which effectively promoted the local economic development of Beihai. At the same time, Beihai local government aimed at this unusual business opportunity, and actively introduced relevant technical talents and formulated personalized policies, which provided great support for the development of Nanzhu.

(2). Market size and growth trend

After real estate, automobiles and electronic goods, fine jewelry, whose sales growth rate exceeds 15% in recent years, is called the fourth largest consumption hotspot, and the consumption demand of pearl goods and their derivatives market is huge. At present, the jewelry market of Zhenzhu accounts for a small proportion of the total market, so the market potential needs to be tapped. However, the scale of fine jewelry in China remains at a high level even if it is affected by the epidemic (see Figure 1), and the future development space has a great rise, which also provides us with a good opportunity to start a business. Taking this opportunity, this venture mainly develops the sales of low-end goods, attracts new consumers by using innovative sales methods, and after gaining a certain reputation in the jewelry market, it will go to the economy.

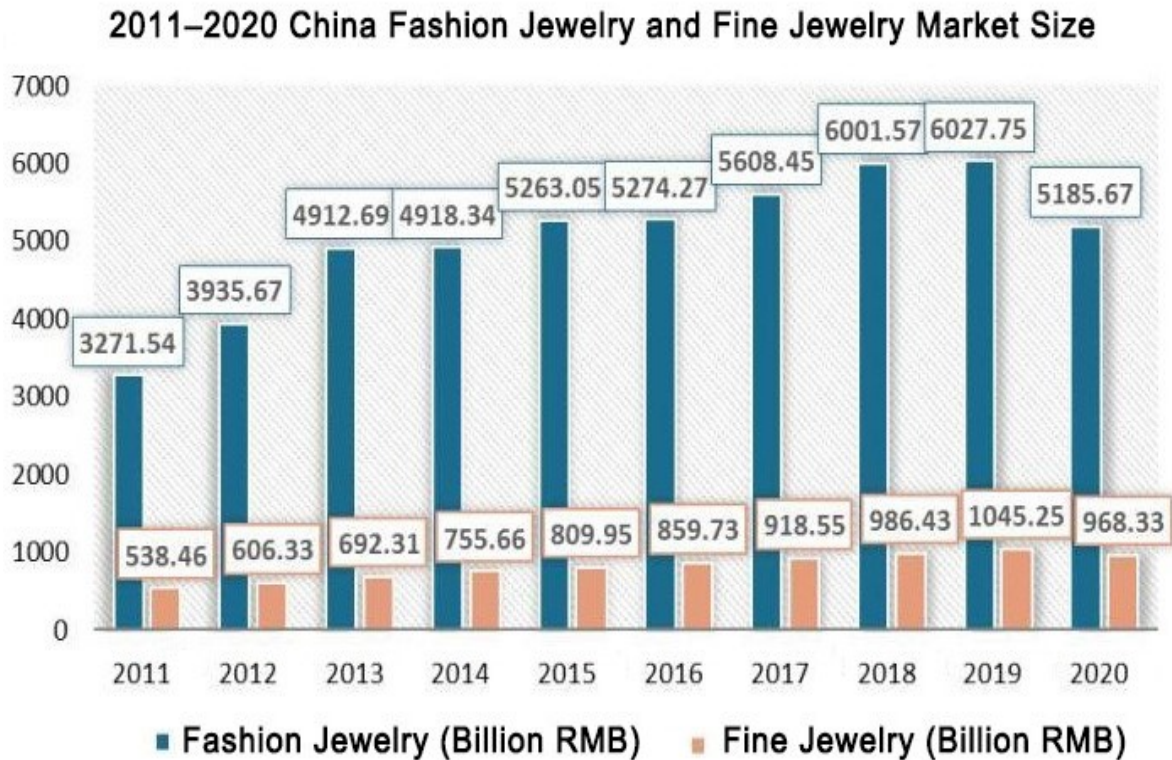


Figure 1. China’s Fashion Fine and Fashion Jewelry Market Scale from 2011 to 2020 Source: Guanyan Tianxia Data Center-Research Report on the Development Status and Investment Prospect of China Women’s Consumer Industry.

At the same time, the female market accounts for a large proportion. At the moment when online shopping is popular, our sales still adhere to the two operating modes of online and offline. Combined with the rapid popularization of the Internet, the online market is gradually expanding, which can be explained by the following facts: 70% of online e-commerce sales are contributed by female consumers, and female consumer groups occupy a dominant position in purchasing decisions. The concept of “her economy” is gaining a firm foothold in the market step by step. The data shows that the market scale of “her economy” has reached 4.5 trillion yuan in 2019. With the continuous development of the Internet and the continuous updating of e-commerce sales models, the market scale of “her economy” will increase in 2020, reaching 4.8 trillion yuan. According to the development trend forecast, the market scale of “her economy” is expected to reach 10 trillion yuan in 2025 (see Figure 2). The large market for women in pearl trading makes the project feasible.

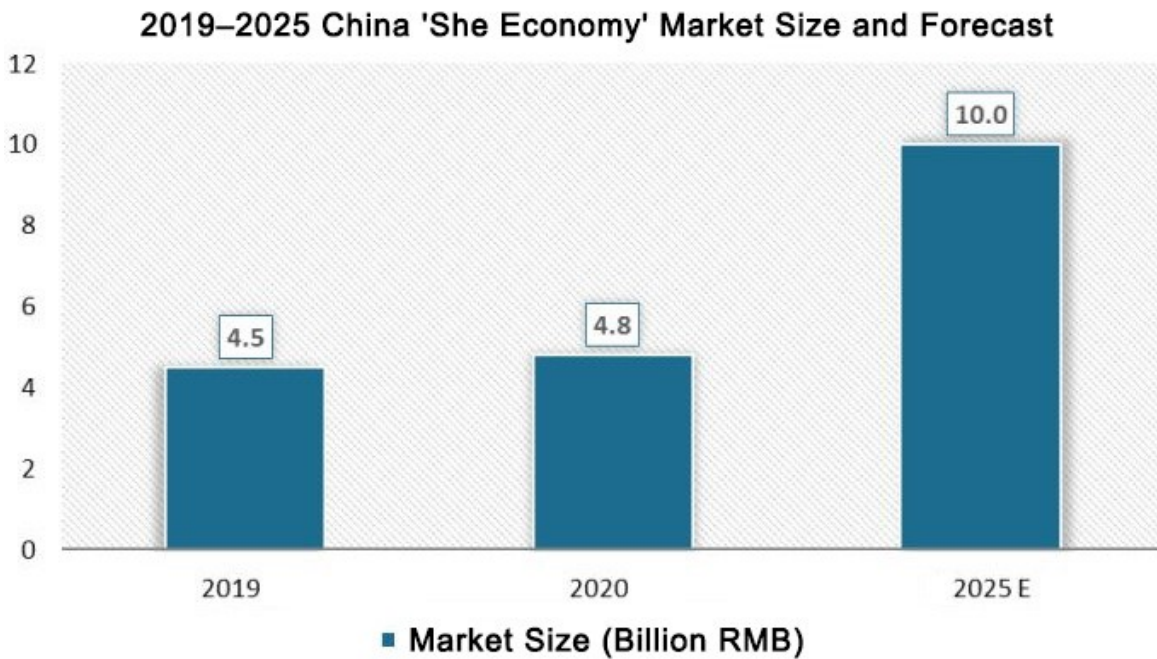


Figure 2. China’s “Other Economy” Market Scale and Forecast Data Source: Guanyan Tianxia Data Center-” Research Report on the Development Status and Investment Prospect of Women’s Consumer Industry in China”.

3. The Marketing Status and Existing Problems of Beihai Nanzhu

(A) Beihai Nanzhu marketing status

With the increasing influence and popularity of Beihai Nanzhu brand, its share in the domestic high-end jewelry market is also increasing, and it has expanded its export market to emerging markets such as the Middle East and Southeast Asia.

Over the years, Nanzhu marketing has focused on offline marketing. Enterprises actively participate in relevant exhibitions, organize public welfare activities to expand their popularity, and advertisements are mainly based on posters, electronic screens in shopping malls and traditional marketing promotion of print media. The pearl market and retailers are the main sales channels, and the proportion of online channel sales is not high, accounting for only about 15–20% of the total sales [5]. The retail industry accounts for a large proportion and the publicity is small. With e-commerce as an emerging format, it has attracted countless individuals and enterprises to join it. Beihai is no exception. The government pays close attention to the development of e-commerce, actively attracts investment and construction, and takes well-known enterprises such as Nanzhu Palace as the “leader” to vigorously promote the rapid development of local e-commerce industry. On 19 October 2021, when the only official jewelry Shifuyuan live broadcast base in Guangxi was completed, it provided high-quality services in various aspects, such as broadcasting, promotion and operation, anchor training, testing and supporting facilities, and used e-commerce network marketing to transform the traditional pearl industry into a new economy, improve the visibility and reputation of Nanzhu, and promote economic development.

(B) Beihai Nanzhu marketing problems

1. The homogenization of products is serious, and the market share is small.

First, the added value of products is low. More than 95% of Beihai Nanzhu enterprises are small and medium-sized enterprises, mainly in Nanzhu, lacking other supporting products, with low investment in brand building, low added value of products, serious homogenization, weak pricing power, weak development of high-end products, and fake and shoddy products and derivatives flooding the market [6]. Secondly, product design and style homogenization. The products of Beihai Nanzhu have not changed much in color, material and modeling, mainly in traditional elegant style, with conservative design, insufficient novelty and fashion sense,

which makes it difficult to attract more consumers, lacking personalized and fashionable innovative design and unable to cater to young consumers. Third, the product upgrade speed is slow. The product innovation ability of Beihai Nanzhu industry is weak, the investment in new product research and development is limited, and the iterative cycle of product upgrading is long, which is easy to lose consumer interest. Fourth, competition is weak. Big brands such as Chow Tai Fook, Ruan Shi and Luk Fook Jewelry have a large market share, which leads to the weak competition scale, mode and intensity in South Pearl.

2. The marketing method is single and the advertising effect is not good.

First, relying on the dealer model, online and offline integration is insufficient. At present, the commodity positioning of Nanzhu is not obvious enough, and the sales scope is too small. The main consumer groups are local residents and tourist consumers. They sell through traditional dealer channels, and the development and application of e-commerce and new retail channels are insufficient. Beihai Nanzhu e-commerce channel sales only account for about 10%, and the online and offline integration is low, and a complete e-commerce ecosystem has not been formed [7]. Industrial digitalization and high-tech application are limited, which fails to give full play to the marketing advantages of the Internet. Second, community marketing and content marketing are weak. Beihai Nanzhu enterprises do not make good use of social media and content marketing methods, and have insufficient interaction and communication with target consumers. The marketing methods are relatively simple, and the number and types of products put in are too few. Although technology can be used, product information is affected by advertising space fees, delivery methods, innovative design, peer-to-peer communication and other factors. Consumers have the initiative and can choose according to their own preferences, which makes it difficult to produce brand communication effects. Third, mobile marketing is arbitrary. The mobile marketing of Beihai Nanzhu industry mainly stays in the enterprise website building and product display, and the application of advertising and promotion means on the mobile side is not much, which fails to realize the marketing value of mobile Internet. Therefore, to a certain extent, the promotion effect and cost input of enterprises are not equal in marketing promotion. Shrimp soldiers, traditional means of promotion. The promotion activities of Beihai Nanzhu industry mainly focus on holidays, and the promotion method is relatively simple, and it is difficult to achieve sustainable sales growth without using differentiated and omni-channel promotion means.

3. Brand awareness is low and marketing promotion is blocked.

First, the investment in corporate brand building is insufficient. Beihai Nanzhu enterprises don't pay much attention to brand building. Beihai Nanzhu has excellent pearls but no brands with high social reputation. Even if the brand is established with the cooperation of the government and enterprises, the brand influence is difficult to improve due to insufficient marketing propaganda and limited brand promotion activities [8]. Second, the spokesperson and brand ambassador are not properly selected. Consumers attach great importance to business reputation, brand awareness, product quality and after-sales service. The brand spokespersons and brand ambassadors selected by Beihai Nanzhu enterprises are traditional, which can not produce obvious brand communication effects, especially for young consumers, which also makes Beihai Nanzhu marketing fall into development difficulties. Third, the brand pricing strategy is not good. The market saturation of jewelry industry is serious. The price system and pricing strategy of Beihai Nanzhu products do not match the brand positioning. The high-end brands are priced at a low level and the low-end brands are priced at a high level, which is not conducive to brand upgrading.

4. Lack of industrial linkage and slow industrial development.

First, the cooperation mechanism between upstream and downstream enterprises is not perfect. The production and marketing channels of Beihai Nanzhu products are characterized by low-end production capacity, but high-end consumer groups are unbalanced [9]. There is a lack of long-term and stable cooperation mechanism between upstream and downstream enterprises in Beihai Nanzhu industry, and the degree of cooperation in business is not high, so it is difficult to play a synergistic effect. Second, Industry-University-Research has poor combination. The cooperation between Beihai Nanzhu industry and universities and scientific research institutions is relatively loose, and the product research and development process is relatively independent, which fails to give full play to the technical support role of universities and scientific research

institutions. Third, the influence of leading enterprises is limited. Beihai Nanzhu industry lacks the leading role of leading enterprises, which have little influence on the upstream and downstream enterprises in the industrial chain, and have not played the leading role in technological innovation, brand building and channel development, so it is difficult to promote the rapid development of the industry as a whole.

5. The orientation of internationalization is vague and the level of globalization is limited.

First of all, the export market is single. Beihai Nanzhu products are mainly oriented to the domestic market, and the export business is small. The export market is concentrated in Southeast Asia and other places, and the export pattern is relatively simple. At present, Beihai Nanzhu products mainly rely on tourists' consumption (60–70%) and jewelry wholesale market (20–30%), and e-commerce and terminal retail channels only account for about 10%. The channel is too simple, and the regional market share is as high as 90% [10], failed to effectively explore the national market, limiting the space for industrial development. Secondly, the brand has a low reputation in the international market. Beihai Nanzhu products and corporate brands are not well-known and influential in the international jewelry market, and it is difficult to gain wide recognition on a global scale. Third, the international marketing means is insufficient. The international marketing business of Beihai Nanzhu enterprises mainly depends on participating in international jewelry exhibitions, while other international marketing methods such as digital marketing and community marketing are seldom used. Fourth, adapt to the lack of international product development. The design style of Beihai Nanzhu products is mostly oriented to the domestic market, and the degree of customization and personalization of products is weak, which fails to fit the aesthetic habits and cultural background of international consumers well. Fifth, the enterprise internationalization strategy is not clear. The strategic goal of the internationalization development of Beihai Nanzhu enterprises is unclear, the market research and consumer insight in the international market are low, and the pace of internationalization development is difficult to accelerate. Sixth, the foundation of industrial international cooperation is weak. There are few exchanges and cooperation between Beihai Nanzhu Industry and other major international jewelry industry centers, and the ability to understand the global industrial development trends and technological frontiers is limited.

4. The Innovative Countermeasures of Beihai Nanzhu Marketing Model

In the era of “internet plus”, how to carry out marketing, better realize product realization and industrial transformation and upgrading, and enhance product value through marketing are the problems that Beihai Nanzhu enterprises need to face and solve in the development process under the new format.

(1) Create a live broadcast matrix and customize high-quality scenes [11].

There are many wholesale and retail industries in Beihai Nanzhu, but few official jewelry enterprises. For example, Beihai Nanzhu Palace, as the most representative “time-honored” enterprise in Guangxi, should match the live account, anchor personnel and live scenes. In addition to showing Nanzhu's main account, it should also set up category numbers such as beauty and skin care, hotel management, build suitable scenes according to different live content, and attach importance to communication and conversation with fans. On the one hand, it can enhance users' shopping enthusiasm, on the other hand, it can attract new users into the live room with the participation of real users. As of January, 2023, the number of users in Tik Tok is as high as 800 million. Brand self-broadcasting and big V cooperation can be concentrated in Tik Tok and Aauto Quicker platforms. Brand self-broadcasting can be simulcasted with category accounts, and big V cooperation can cooperate with Guangxi head anchors and famous online celebrity stars, which can not only expand the scope of communication, but also rely on fan traffic to promote product realization.

(B) innovative design elements, heritage of cultural significance

From traditional pearl jewelry to China fashion jewelry and fashion items pursued by young people, the public's demand for new consumer culture is increasing. The inspiration of innovative design can come from popular art, popular games, movie characters, costume design, traditional culture and so on. For example, the diamond inlaid pearl daisy pattern elements in the classic film *The Great Gatsby* are integrated into the trend jewelry design to create elegant trend jewelry. It has also become a trend to blend in with the national fashion. Nanzhu culture comes from Hepu Zhuhuan, a legendary story recorded in *Meng Changzhuan*, the later Han

Dynasty, which shows that Nanzhu brand has a certain traditional cultural heritage. For example, the dance drama Blue Sea Silk Road, which is set in Hepu County, Beihai City, makes the public know more about Nanzhu culture, and takes this opportunity to let culture and history speak, and integrate Chinese excellent traditional cultural elements into product design, extending from product name and product design to product CCTV, enjoying the beauty of Nanzhu, continuing Chinese cultural confidence and inheriting Chinese culture.

(3). Co-branded super products to create a younger IP

The new consumption concept is no longer limited to cost performance and quality, but also pays more attention to the needs of individuality, uniqueness and innovation. Jewelry is no longer a female patent. For example, Neymar, a world star, wears a pearl necklace, which shows the tenderness of an iron man. Pearl tide brand joint works, based on the theme, design a series of characters, color series, natural theme series and other related styles. Pearl consumers are also showing an obvious trend of youthfulness, and creating a young IP is the top priority. Such as HelloKitty bracelet, Pang Hu necklace, seahorse baby earrings, etc. The diversification of Nanzhu styles provides consumers with a variety of choices, stimulates enterprises to innovate, and introduces more high-quality and creative products to attract consumers.

(D) product differentiation marketing, improve channel sales

Strengthen online and offline operations at the same time, or differentiate marketing of different styles of the same product. Marketing can be carried out by dividing product grades and cycles. Taking Nanzhu Palace as an example, Nanzhu Palace operates high-end jewelry as an offline entity, while online products are developing in the direction of cost performance, fashion, innovation and personalization, with prices close to the public, while ensuring the diversification of online products, such as beauty and skin care, health food, arts and crafts, and reducing marketing costs. You can also sell out-of-season goods or old products through online channels to clear inventory, and use products, promotions and prices to implement limited-time sales, coupons and other activities to attract consumers.

(E) The deep integration of literature and tourism to promote brand marketing.

The government and enterprises cooperate to carry out offline marketing promotion on the basis of the integration of literature and tourism. In Beihai Highlights Tourism Project, exclusive characteristic elements are incorporated, with Nanzhu as the starting point, and a unique Nanzhu characteristic town is built with the cooperation of the government and enterprises. The government can provide stamp album punching in Beihai Highlights Tourism Area in a fixed place, and give small gifts such as souvenirs, commemorative coins and imitation Nanzhu pendants provided by enterprises to attract consumers to buy in enterprises or shops. As a favorite tourist game, stamp collection punching can attract more people to “trace by chapter” and provide consumers with tourism directions. The deep integration of cultural tourism has started the intangible culture of Beihai and the brand of Nanzhu, attracted public attention, and promoted the harmonious development of Beihai society with the intercommunication, integration and interaction of economy and culture.

5. Conclusion

Under the trend of rapid development of “internet plus”, Guangxi Beihai Nanzhu, as one of the traditional industries, has been impacted. It is necessary to make full use of the marketing environment, formulate scientific and reasonable marketing strategies, attach importance to its own resource elements, implement appropriate development strategies, find innovative and effective marketing models, understand the public trend and adapt to the changes in market demand, so as to make Beihai Nanzhu stand on the forefront in the complex marketing environment and maintain its competitive advantage. This will not only promote the revitalization and prosperity of Beihai industry, but also promote the common development of China pearl industry.

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