

Research on the Impact of Online Marketing on Enterprise Performance: Analysis of Financial Statements Based on the Food Industry

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ABSTRACT

With the development of network economy and e-commerce technology, the expansion of online marketing models for enterprises has become an inevitable trend. Online marketing has broken through the time and space limitations of merchants selling products. Enterprises use multimedia technology to interact with customers online, display products, and increase market sales. This article takes Uni President Enterprise as an example and uses case analysis method to analyze the financial performance of relevant financial indicators of Uni President Enterprise. Based on market conditions, it adjusts online marketing strategies, expands the brand awareness of the enterprise, enhances sales revenue, and improves financial performance, which has a positive effect.

KEYWORDS

Online marketing; Marketing strategy; Enterprise performance.

1. INTRODUCTION

At the end of 2019, the COVID-19 suddenly led to a serious decline in the traditional offline sales performance. The customer shopping mode changed from offline to online, and online marketing became a new sales mode. Merchants promote their products through online media, utilizing the influence of internet celebrities, self media bloggers, and traffic celebrities to display relevant information about their products online and guide netizens to place orders and make purchases. In the context of the internet economy, with changes in customer demand, consumption patterns, and market competition, enterprises must adjust their marketing plans in order to achieve greater economic benefits in future development. Online marketing plays a positive role in improving corporate performance.

2. THE CURRENT DEVELOPMENT STATUS AND ADVANTAGES OF ONLINE MARKETING IN CHINA'S FOOD INDUSTRY

2.1. Current Development Status of Online Marketing in the Food Industry

According to relevant survey data, more than 100000 enterprises in China have joined the army of online marketing and are still showing a rapid growth trend. However, under the current conditions of the internet economy, China's food industry is constrained by many factors, and there are many marketing problems that need to be solved. Both enterprises and consumers in the food industry have not had a correct understanding of online marketing, and online marketing needs to be promoted. In

the era of the internet economy, food industry companies engage in online marketing by building their own websites or TV advertisements. Marketing content cannot effectively attract consumers, and the efficiency and quality of online marketing cannot be effectively improved.

2.2. Advantages of online marketing in the food industry

With the transformation of customer consumption behavior, the sales model of the food industry has shifted from offline to online. Compared to offline models, online marketing can effectively reduce enterprise costs and marketing expenses, better meet customer needs, and price advantages can also better achieve enterprise marketing goals. The most prominent feature of the Internet is that it does not have constraints of time, space, and time. Therefore, through the Internet for marketing, companies are not limited by factors such as scale, and can directly access the global information trade network and directly contact potential customers around the world, effectively expanding their market scope.

3. CASE ANALYSIS

Since 2019, as a unified food enterprise, it has kept up with the changes of the times, invested a large amount of funds in online marketing, actively expanded its online marketing channels, fully understood the needs of the food market, timely grasped the changes in industry trends, continuously innovated in marketing methods, and achieved good performance.

3.1. Analysis of Unified Enterprise Network Marketing Environment

Uni President Enterprises invested and established a factory in mainland China in 1992, selling products mainly including instant noodles and beverages. The 2020 New Health Consumption Trends Big Data Report shows that consumer health awareness is constantly improving, health needs are constantly refining, and diverse dietary demands are also increasing. Facing the situation of numerous competitors in enterprises, with the popularization of the Internet, expanding new network operation channels and adding new online operation models are necessary to establish a foothold in a fiercely competitive environment.

3.2. Analysis of Unified Network Marketing Strategy

3.2.1. Strengthen brand and enhance brand promotion

The premise of consumer loyalty to the enterprise is inseparable from product quality control and thoughtful service. In recent years, China's food industry has become more inclined towards healthy development. The unified enterprise "Tang Daren" has occupied a major sector of instant noodle revenue, laying a leading position in the high-end soup market. The unified enterprise has also gradually shifted from offline marketing mode to online marketing mode. In addition to food safety, people are beginning to pay more attention to nutrition and health. Green and low-carbon living and sustainable development have become a consensus, and "Unified Green Tea" is positioned as "youth, vitality, and health", continuously building a new national youth brand.

3.2.2. Expand online marketing channels and leverage word-of-mouth marketing functions

Starting from 2020, enterprises will expand and implement online marketing channels. The subsidiary brands utilize advanced new media marketing methods to attract consumer attention to brand products, thereby expanding the enterprise market. In 2021, Uni President Tea Beverage ranked first in the milk tea category with sales exceeding 5 billion yuan. In 2021, due to the sustained popularity of celebrity endorsements, the annual revenue of "Kaixiaozao" showed double-digit growth. It dominated the pre-sale list, hoarding list, and other rankings for three consecutive years on Tmall 618, bringing new growth to the company's overall performance development.

3.2.3. Enhance product marketing and strengthen knowledge management

Enterprises utilize social media and search engine optimization strategies, utilize data analysis techniques to optimize product promotion and sales, improve the visualization of online products, and expand potential customer groups. And establish and manage a network database, build systematic and timely knowledge management, and improve the management efficiency of the enterprise.

4. REPORT ANALYSIS OF THE IMPACT OF ENTERPRISE PERFORMANCE

Online marketing has an impact on unifying various financial indicators of enterprises, which in turn plays a positive role in improving their performance.

4.1. Profitability analysis

Before adjusting its online marketing model, Uni President's online user stickiness was not high. Therefore, the company upgraded its food and beverage business and strengthened its traditional advantages in offline product channels. At the same time, a large amount of funds have been invested in online channels to update and upgrade enterprise online marketing, and establish a dual channel marketing model for online and offline. In 2021, Uni President Enterprise hired spokespersons such as Xiao Zhan to expand its market share, and its revenue showed an increasing trend.

From 2015 to 2020, the operating revenue remained almost unchanged, hovering around 20 billion yuan for several consecutive years. In 2020, the company's operating revenue was 22.762 billion yuan, a year-on-year increase of 3.37%; The operating revenue in 2021 was 25.231 billion yuan, a year-on-year increase of 10.8%; In 2022, it was 28.257 billion yuan, a year-on-year increase of 12%. From the data, it can be seen that the operating conditions of Uni President Enterprise have further improved in 2020. The reason is that since 2020, Uni President Enterprise has formulated an online marketing channel expansion plan, carried out marketing strategy system construction, and strengthened online sales channels. In addition, the change in consumer attitudes in the domestic food industry has led people to pay more attention to healthy eating, and the demand for healthy products has driven an increase in the operating revenue of the unified enterprise "Tang Daren". Therefore, after adjusting its online marketing model, Uni President's profitability has significantly increased.

4.2. Analysis of operational capabilities

For enterprise managers, paying attention to asset liquidity, fund utilization efficiency, and asset composition is a necessary condition for the long-term development of the enterprise. In the new operating model, do enterprises have the corresponding ability to fully and efficiently utilize the assets they possess.

4.2.1. Analysis of accounts receivable turnover rate

The smaller the accounts receivable turnover rate, the longer it takes for the enterprise to recover accounts receivable, and the greater the likelihood of bad debts occurring; On the contrary, it indicates that the efficiency of enterprise fund operation is higher, and the company's accounts receivable are generally more timely to be collected.

The accounts receivable turnover rate of Uni President Enterprise was lower than that of Kangshifu from 2018 to 2019, but the liquidity of accounts receivable improved after the increase of online marketing models in 2019. Therefore, the growth rate of accounts receivable turnover rate accelerated from 2019 to 2021, and the accounts receivable turnover rate of Uni President Enterprise was higher than that of Kangshifu in 2021 and 2022. This is mainly because Uni President Enterprise's sales scale

and market share increased after expanding new online marketing models, The number of customers has increased, therefore the accounts receivable turnover rate is relatively high. In 2022, due to the comprehensive impact of rising prices of bulk raw materials and freight rates, the costs of Uni President Enterprise and Kangshifu have increased, resulting in increased pressure on the enterprise and a decrease in accounts receivable turnover rate. Overall, within the entire analysis range, adding new online marketing methods has improved the liquidity of accounts receivable for the unified enterprise, alleviated the pressure on operating capital, and also helped to enhance the operational strength of the enterprise.

4.2.2. Liquidity analysis of inventory

The inventory turnover rates of Uni President Enterprise and Kangshifu are both in a downward trend from 2018 to 2021, but both are higher than the industry average. The continuous decline in inventory turnover is mainly due to the difficult situation faced by enterprises in raw material procurement. In the rapidly changing economic environment, Uni President Enterprise has improved its online marketing model by closely collaborating with teams, adjusting marketing methods, and expanding its network marketing model, resulting in some improvements in 2022.

4.2.3. Analysis of Fixed Asset Liquidity

The turnover rate of fixed assets is a reflection of how much operating income a company generates from its fixed assets over a certain period of time, and is an indicator to measure the efficiency of fixed asset utilization. From 2018 to 2019, the fixed asset turnover rate of Uni President Enterprise decreased from 1.8 to 1.4. From 2019 to 2022, its fixed asset turnover rate remained unchanged. Comparing with the industry average, it can be found that Uni President Enterprise's operational efficiency regarding fixed assets has always been at a relatively unfavorable level. This reflects that the growth of the company's revenue is mainly invested in assets other than fixed assets, and also reflects the shortcomings of the unified enterprise in asset management.

4.3. Analysis of Growth Ability

4.3.1. Analysis of main business growth rate

After 2018, the main business revenue of the enterprise has been steadily increasing. In 2019, due to the impact of the epidemic, the food market was sluggish during this period, and the development of Uni President Enterprise was limited. After adjusting its online marketing strategy in 2020, the growth rate of the main business began to return to positive growth. Therefore, Uni President Enterprise's performance increased significantly from 2020 to 2022. Compared with Kangshifu, the main business growth rate of Uni President Enterprise in 2022 has surpassed Kangshifu, indicating that Uni President Enterprise has good growth potential and significant improvement in business capabilities.

4.3.2. Net profit analysis

For shareholders, net profit can more directly reflect the index of changes in investment returns. Under the influence of the epidemic, people have spent more time at home, which has to some extent promoted the consumption of instant noodles. However, due to the comprehensive impact of rising prices of bulk raw materials and freight rates, the company's performance has shown a trend of "increasing revenue without increasing profits", which is also the main reason for the continuous decline in net profit of Uni President Enterprise for two years. In addition to the rise in raw material prices, the lack of innovation and growth in instant noodles is largely a result of cross-border strikes - rising takeout and emerging new consumer fast food categories are both seizing market share in instant noodles.

The net profit growth rate of Uni President Enterprise and Kangshifu has been on a downward trend from 2019 to 2022, and the net profit growth rate in 2021 has even begun to show negative growth. After developing online marketing models, the net profit of Uni President Enterprise still shows an

upward trend year-on-year. However, the public health incident that broke out at the end of 2019 led to a downturn in the food economy, while raw material costs also increased. The one-time benefits of the government's reduction of social security fees due to the epidemic have decreased compared to last year, but the net profit of Uni President Enterprise still remains at a high level of 1.5 billion. Compared to the net profit growth rate of Kangshifu, the net profit growth rate of Uni President Enterprise has been consistently low from 2018 to 2020. However, by 2021, the net profit growth rates of the two companies were almost equal, and in 2022, the net profit growth rate of Uni President Enterprise was much higher than that of Kangshifu. Therefore, it can be seen that the unified enterprise has a certain degree of adaptability to the external environment and optimization of internal management structure throughout the entire online marketing process, which helps to maintain the stable development of the company. The unified enterprise has good operational capabilities and enhanced market competitiveness, which also means that the unified enterprise has good development prospects.

5. CONCLUSION

The following conclusions can be drawn from the analysis of this article:

Firstly, continuously explore an operational model that combines traffic and marketing. Expand online marketing channels and expand market share; All media innovative marketing, focusing on the internal needs of consumers, developing precise marketing strategies and innovative brand content marketing, and improving customer consumption conversion rates.

Secondly, the expansion of online marketing models has a long-term positive impact on financial performance. After implementing the network marketing model of expanding structure, sales ability has significantly improved, and network marketing has a certain positive impact on financial performance, with a longer maintenance period.

Thirdly, in the context of the internet economy, online marketing is the core of enterprise profitability and development. Enterprises should constantly adjust their online marketing strategies to achieve coordinated and high-quality development of production and operation. While focusing on online business, offline business stores should also be diversified. Based on the mutual scenarios, experiences, and transformations of online and offline business, a "closed loop" can be achieved through the integration of online and offline business. When offline and online businesses are integrated and mutually promoted, with the increase of online market share, the integrated overall market share will undoubtedly reach a higher level.

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