

Research on the marketing strategy of Tomorrow Advancing Life online education group in digital economy

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Abstract. In the era of big data, the digital economy is experiencing rapid growth. The combination of the digital economy and education has made online education an entirely new educational model. The online education market has received wide attention, which also makes the field of education face the challenge of digital transformation. At the same time, with the support of the Chinese government and the public demand for education, online education has reached an unprecedented level of development, and many online institutions have flooded the market. Therefore, the analysis of marketing strategy will help training institutions adapt to the backdrop of the digital economy and set them apart from the fierce competition in the marketplace. This article takes Tomorrow Advancing Life(TAL) as a case in point, decomposing the main marketing strategy in China under the background of the digital economy. To enhance marketing strategy of TAL by analyzing the marketing strategy and its existing problems.

Keywords: Digital economy, Online education, Marketing strategy, Tomorrow Advancing Life.

1. Introduction

1.1 Research background

With the continuous development of digital economy, the channels of education services in China have undergone great changes. Online education has progressively attracted broad attention, and increasing attention has begun to focus on it. Statistics show that in 2020, the size of the online education market in China increased by 20.2% compared to 2019, reaching RMB 485.8 billion [1]. The growing popularity of the industry has sparked financial attention. At the same time, as the market for e-learning is expanding and its users are growing, many training institutions are pouring into the market. Homogeneous competition between institutions is becoming increasingly fierce, and the war for marketing is on the verge of breaking out.

Big Data brings great changes to marketing strategy of companies, and encourages them to develop better marketing policy. On the one hand, big data enables more effective online marketing. It can help companies quickly understand the distribution zone of target customers, accurately capture users' pain points, and avoid inefficient marketing. On the other hand, big data enables enterprises to assess the impact of existing marketing strategy, to have a deeper knowledge of user characteristics, and to optimize products.

1.2 Literature review

For several years, the research on online education never stopped, especially in some top online education organizations like TAL education group. Zhao Fengling(2013)indicated that different from English vocational training or other vocational technology learning, the primary and secondary school learning stages are very important in children's growth process, and also the time that parents prefer spending money and time to cultivate a child [2]. Zhang Ye (2021) indicated that TAL pays more attention to the brand's marketing strategies, including brand personality construction, brand spreading, branding sales, and brand management and maintenance. He concluded that the brand

publicity of head education organizations advances synchronously with the internal teaching performance, the brand marketing strategies and staff accomplishment, and teaching quality achieve the corresponding values, which provides references to related industries [3]. Li Ren(2012)researched that the brand reputation cannot build only by advertising, and news reports are also restricted as soft advertisements, the content should be the interest of participants as the main part [4]. For the education service industry, improving service quality should be a fundamental one, and reputation is also an important spreading way. Hu Tiancheng(2020) said that the 12-year time span of primary and secondary education means when retaining a customer, there will be a series of repeated spending. It can be said that this kind of market can build a high-reputation brand the value is inestimable. Thus, a clear division and cognition of the market, creative market segments, and capturing elite education are the significant factors for the success of TAL. Regarding high-cost performance serve as the brand advantage is the correct choice [5]. In addition, successful pricing is also very important. Yan Shurong and Shang Jing(2022)pointed out that if an enterprise wants to occupy more market share, and build a good reputation and image, the enterprise must increase the profit rate of products by reasonable pricing strategies, the actively improving and optimizing price strategies to promote the enterprise has a sustainable healthy development [6].

1.3 Research content and significance

This paper adopts the case analysis method, it illustrates the research background and significance in the introduction section, and it also points out the current situation of TAL's online education. It mainly analyzes the main foreign marketing strategies adopted by TAL, including experiencing marketing, branding sales, and hunger marketing, and analyzes the benefits and risks brought by each marketing strategy. By combining 4P theory, we pointed out the existing problems of TAL, and corrective suggestions combined with the external and internal environment.

This paper studies the marketing strategy of TAL education which has certain theoretical significance, analyzing the existing advantages and disadvantages, so as to fill the research defects in related fields. Meanwhile, as an emerging form of education, online education takes the network as a support for connecting teachers and students in different regions. It makes it possible for education to overcome space constraints and greatly optimize the allocation of educational resources. Also, it helps students from low-resource areas to access education resources of high quality and reduce the educational cost. It can be expected that the online education industry has great development prospects. The study on the marketing strategy is of great importance in promoting the development of the education industry and the reasonable allocation of quality education.

2. Impact of the digital economy on online education

2.1 Related notion

2.1.1 Digital economy

The digital economy is a new type of economy. It takes digital-related information as the key element of production, innovative digital technology as the core driving force to realize the integration of digital technology into the real economy. It contributes to the improvement of the intelligent and digital level of traditional industries, realizing the reconstruction of economic development and the corporate governance model [7]. The digital economy mainly involves digital industrialization and industrial digitization.

2.1.2 Online education

Online education is a new model on education that combines Internet technology with traditional teaching. Compared to traditional education, the benefits of e-learning include flexibility, diverse content and fragmented learning [8]. It can be divided into preschool education, kindergarten through twelfth grade, higher education, vocational education and other segments.

2.2 The digital economy background on online education

2.2.1 Market size has continued to grow

The scale of the e-learning market in China is constantly increasing. Over the past few years, with the development of Internet technology, the size of Internet users in China has surged, and the digital economy has entered the rapid path of development. Awareness and acceptance of online education by users in China has also been significantly enhanced. In particular, since 2020, the epidemic has made it difficult to continue many offline educational activities, and informationization has become an important means of ensuring the education of students. As a result, the country has also increased investment in e-education, paving the way for explosive growth of the online education market. According to the Internet Development Report of China in 2021, as shown in Figure 1, the size of the online education market in China reached RMB 485.8 billion in 2020, an increase of 20.2% compared to 2019.

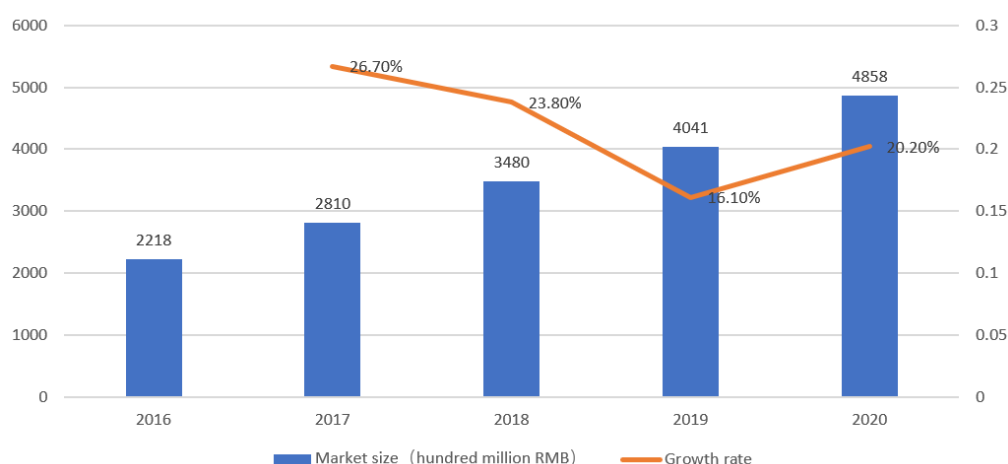


Figure 1. Market size of online education in China from 2016 to 2020 [1]

2.2.2 Number of fee-paying users keeps growing

The popularity of the internet makes internet users the major consumer of online education, and the scale of subscribers in the online education marketplace is growing. The development of the digital economy has given people more access to education, and the combination of the digital economy and education has also promoted the general improvement of people's willingness to receive education. According to market statistics, as figure 2 shows, the number of users in China's online education sector reached 342 million in 2020, an increase of 27.13% over the last year, maintaining a steady growth trend. Going forward, users will continue to improve their acceptance of online education, and their awareness of online payment will also be progressively developed.

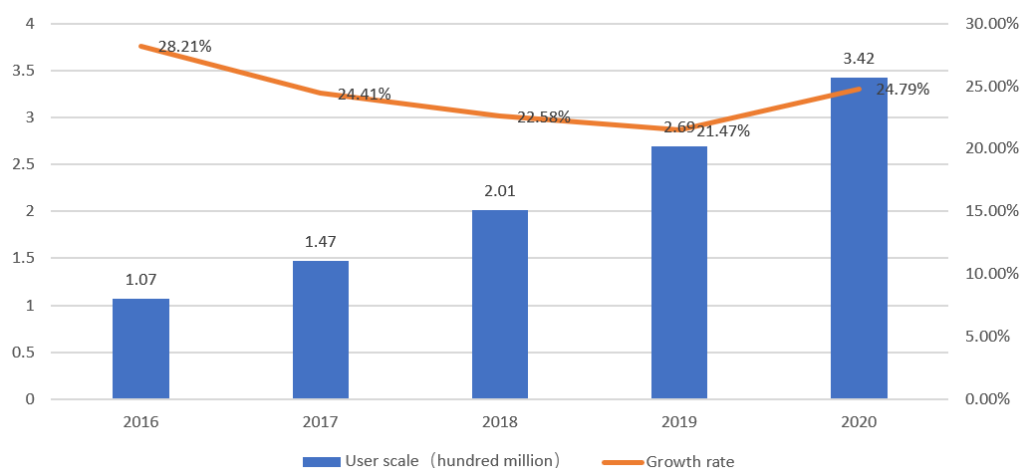


Figure 2. User scale of online education in China from 2016 to 2020 [9]

2.2.3 Industrial structure is increasingly optimized

Thanks to the promotion of blockchain, machine learning and other artificial intelligence, the level of educational informationization in China has significantly improved, and online education has thus entered the intelligent development phase. A large number of training institutions have flowed into the online education market. They place greater emphasis on personalized training services, and are committed to integrating resources, course experience and technical services. On the one hand, online educational resources are progressively moving from single to diversification, offering users a variety of course choices to meet the needs of users from different backgrounds. At the same time, as institutions mature, there are also teams specialized in the provision of content and technical services, which greatly fosters the development and maturity of the online education industry chain.

2.2 Marketing strategy for e-learning under the digital economy

2.3.1 Network marketing strategy

The network marketing strategy is based on modern marketing theory, with the help of network, communication and digital media and other technologies, utilizing a variety of network applications to realize a range of business marketing activities. Under the background of the digital economy, network marketing is arguably the most widespread and common method of marketing used by training institutions. Network marketing is the means of taking the Internet as a basis for building online advertising activities. The marketing of traditional training institutions is often product-oriented and service-oriented, but does not take into account the important role of communication channels. However, in the era of digital economy, the perfect combination of high-quality educational services and rich network marketing channels can produce the most competitive platform, and both "product" and "channel" are essential.

2.3.2 Brand marketing strategy

Brand marketing refers to the marketing strategy in which companies take the brand building as the core, displaying and distinguishing the brand image from the standpoint of consumers. In the context of the digital economy, the brand marketing strategy of the online educational industry has also changed radically. Firstly, as the benefits of traditional marketing gradually fade away, internet advertising has become the main focus of brand marketing, and learning resources, after-school services have gradually become the main competitiveness of online educational institutions' brand marketing. Moreover, big data helps training institutions complete the market division of brand marketing, and provide better customized education services according to users' pain points, so they can set themselves apart from many homogeneous competitors.

2.3.3 Experiential marketing strategy

Experiential marketing defines the marketing strategy from the senses, emotion, thought, action and association of consumers, stressing that the business model of building good experiences is highly profitable [10]. In the final analysis, experiential marketing is to give users a unique experience. As the digital economy developed, experiential marketing strategy was also widely used in the online education industry. For example, some online educational institutions will offer free trial lectures to potential customers. And after the trial class, they will visit the user through the network, getting the feedback from the user. Big Data is used to analyse users' real needs based on feedback results, design customized learning plans, and thus gain the favor of users.

3. Marketing strategy of TAL

3.1 Price strategy

3.1.1 Low-price strategy

TAL uses a low-price strategy. in the past few years, TAL promoted "1 yuan lessons", "20 yuan lessons" and free live courses, and made students experience the online school's teaching style and learning mode as the main purpose, which has significant achievement and built a good reputation,

the number of online registrations is still increasing. However, the long-term strategy of low prices made the enterprise sustain losses, which not only lose the trust of investors but also disappointed parents. Because the suspicion of education quality on the online platform has a bad influence on the long-term future of online schools. Besides, these kinds of lessons are easy to be registered maliciously, the network may not be able to filter the real target customers, resulting in a waste of resources. In addition, the economic aspect of this industry makes a bad proportion between income and online students, which makes teachers reluctant and has a bad influence the teaching effectiveness.

3.1.2 Cost-based pricing strategy

TAL sets four kinds of online teaching modes, which are 1v1 lessons, small classes, large classes, and online education responding price from high to low, but the profit is the opposite, because the difference between price and profit has a high connection with cost, setting price strategy based on cost-oriented. First of all, compared to traditional education institutions, online education platforms don't need to pay high venue fees, and can control labor costs to decrease the operating costs, so, the price is lower than face-to-face teaching. Secondly, compared to live classes, recorded classes have a higher rate of utilization of resources, and each additional user will increase a certain marginal revenue. The more users the greater the revenue, so the price of recorded classes is obviously lower than that of live classes.

3.2 Products strategy

TAL incorporates a unique business philosophy and teaching ideology into its brand. It focuses on a human-centred educational philosophy, so the personality of the company's brand is its best product. TAL aims to develop individualized teaching to meet the specific needs of students. Building a good reputation and using the brand's good reputation for implicit marketing is the most realistic reflection of TAL's "down-to-earth work and student achievement". The team of famous teachers escorts the teaching results, but their role is the icing on the cake, definitely not overly dependent on famous teachers, and TAL follows the principle of personalization, carries out whole subject learning planning for each student's characteristics, and teaches according to the actual situation of the students, and the teaching assistants keep track of the situation to ensure the quality and effectiveness of teaching. TAL has been upholding the teaching philosophy of quality first, improving the staff's business ability first, and promoting and marketing to form a synergy that will truly give TAL a good reputation among parents and students. Through reputation, TAL can strengthen its brand personality and create a good brand image at the same time, which will bring long-term and stable income to the enterprise.

3.3 Channel strategy

Internally, TAL is actively engaged in training and education for employees and other aspects of enterprise culture building, including induction training for new employees and remodeling of professional standards for old employees. In this process, the enterprise's brand of people-oriented and teaching according to their abilities is emphasized and internally marketed within the company, which also enhances the core competitiveness of the enterprise. Externally, the company plays an active role in society. Besides investing some funds for social influence spreading to let more people know about TAL, it also participates in some social welfare activities appropriately, such as assisting remote mountainous areas, and donating money, some education to poor and so on. And provide some fair reports on this to give back to society. This not only establishes a good company image in front of the public, but it is also a very important marketing method. While performing social behaviors such as public welfare, it also promotes TAL's brand, which can be said to be a double win.

3.4 Promotion strategy

TAL involves a wide range of students and a relatively large age range. These students and parents have different demands, so it is necessary to visit them or conduct a survey to adjust the sales strategy correspondingly. No marketing strategy can be tested all the time and applied to any environment and

any time. Therefore, TAL develops different marketing strategies according to different market conditions. When an educational institution's products are just facing the public and initially entering the public's view, the competitive pressure of the society is not particularly large. In this process, TAL uses the volume of students it already has and the accumulated reputation to quickly open up the situation through active recommendations to consumers, including free trials, auditions, and full refunds if not satisfied to quickly occupy market share.

After a product has gained a certain market share, meaning that it is widely accepted by the public, TAL will try to maintain a brand image and reputation as much as possible, and continue to insist on high-quality teaching. At the same time, TAL spreads positive news about the quality and dedication of teachers through media promotion and by inviting consumers to share their experiences with the product. This also increases customer stickiness as much as possible, giving the public the impression that the teaching quality is high, and the price is affordable. Focusing on brand marketing has enabled TAL to reap the benefits of reputation, which is good for the long-term competition afterwards. Relying on the scale and low price to occupy the market is more suitable for the blue ocean market, and entering the red ocean market must-have brand awareness! Because consumers think in terms of category and make the final choice by brand. Brand marketing strategy and teaching quality are mutually fulfilling. The right brand marketing strategy can embed a good brand image into customers' minds, while high-quality teaching will further strengthen the positive image of the enterprise. The long-term survival of any educational training institution cannot be separated from the positive operation of the cycle of "marketing → teaching". For parents, if an institution has a very good and positive brand image, then the parents' trust will be very high. It can be said that in today's very competitive education market, the brand effect is the most powerful sales weapon. According to TAL statistics, the percentage of reputation students has reached nearly 40%, which shows that TAL's brand marketing strategy is very successful. People recognize the brand, and as long as the corresponding teaching quality assurance and standardized teaching services are done, TAL will have very large development potential. But the risk is also existing because brand collapse also often comes from inappropriate brand marketing strategies and inconsistent teaching quality. Or, if there is a mismatch between brand marketing and real teaching quality, then the damage to the company's image will be even greater than it was. Therefore, this is also a good spur for TAL, the brand marketing strategy forces TAL to ensure the quality of teaching and not slack off.

Unlike other online education and training institutions, TAL tends to enrol a large number of students with a good learning base. All students enrolled in TAL are required to take an entrance test before enrolling and are entered into different classes such as basic, advanced, top, and super classes according to their scores. Students who have a good foundation tend to pass the entrance test more easily and have a better ability to accept knowledge and self-discipline, which is in alignment with TAL's goal of "Excellence in Education". They are committed to cultivating excellent students and helping them break through themselves. On the other hand, students with excellent qualifications are more likely to achieve excellent results in further education than students with ordinary qualifications, which improves the training institution's tutoring rate, they create positive feedback on the tutoring effect of TAL, creating a good reputation of the platform, and helps attract more users.

4. Problems existing in the marketing strategy of TAL

4.1 The design of the product has some defects

4.1.1 The design of the product ignores extracurricular expansion

At the current stage in China, the main attraction of parents to choose after-school tutoring is to ensure the learning effect. As a result, the initial intent of e-learning platforms is primarily to improve academic achievement and promotion rates, and TAL is no exception. Therefore, curriculum of TAL are mainly set according to the in-class teaching by professional teachers using the textbooks. However, such curriculum do not take into account the extra-curricular development of children and their training in divergent thinking.

4.1.2 Recorded lecture lacks summary of knowledge

Within the course portfolio, TAL primarily adopts the combination of live courses and recorded courses. The live course takes 45 minutes to teach. After the live class, students can use the spare time to review and consolidate the knowledge. However, the recorded lecture lacks the corresponding summary of the knowledge, which cannot realize the effective interaction and tract the learning effect after the class. Moreover, the current clients of TAL are mainly the students of lower age groups, who lack sufficient self-control and summary ability, which will affect the learning effect of the course to a certain extent.

4.2 Low-price strategy may cut both ways

When it comes to e-learning, the investment in curriculum development is relatively fixed, so that the marginal cost of new users is lower and the profit is higher. In order to obtain more clients, TAL has chosen to use a low-price drainage method to attract people. By providing products of high quality, they form the sticky client and word-of-mouth effect, converting traffic into a renewal rate. However, in the long run, low-price strategy can have a negative impact on the platform.

On the one hand, the low-price strategy is easy to get users to challenge the quality of teaching in the long term, and creates the preconceived illusion that the course have not been effectively improved. Therefore, despite low-price strategy may increase the number of users enrolled in a short period of time, long-term low prices may also affect the brand value.

On the other hand, low prices can lead competitors in the same market to follow suit, triggering price wars between major institutions. In this context, it will be difficult for TAL to get the advantage of the low-price strategy. Furthermore, If TAL wants to adjust the price to go back to the normal profit range, it may lose the original users at the end. A low-price strategy can help the platform gain market share, but customer engagement and loyalty will always be dependent on the quality of the services it delivers.

4.3 Marketing channels have limited diversity

4.3.1 Self-built website is not suitable for long-term development

At present, the marketing channels of TAL mainly include self-built websites and O2O marketing channels, which have certain limitations in the platform development process. Self-built websites are often restricted to the educational industry to which the platform belongs, attracting specific groups through websites, forums and blogs to get traffic. This way demands less investment of funds, and can accurately attract target clients. However, it also makes the lack of high-quality marketing from the internet, which is not conducive to the long-term promotion of the platform.

4.3.2 Online to offline marketing is simple to lose users

TAL hopes to use the O2O marketing channel to complete the conversion from online users into offline users. It uses its website to collect and aggregate traffic, converting some of its traffic into registered online educational users. Meanwhile, TAL draws users to become paid users through the experience of free courses, using online courses to build a good reputation and laying the foundation for offline education. However, in this mode, users are easily lost and filtered. Users can return to online education while being unaffordable to bearing expensive offline tuition, making it hard to expand the offline market.

4.4 The promotion strategy is ineffective

Advertising and low-price promotion are the most used promotion strategies of TAL, but it cannot be ignored that the platform of promotion strategy still exposes certain disadvantages. To begin with, in different regions, TAL has not adopted differentiated promotion strategy. At present, the first tier and second tier cities have a higher acceptance degree of online education, while the underdeveloped cities, despite their low acceptance degree, have more potential for business. Therefore, TAL should target different promotion strategies based on the actual situation in different areas. Furthermore, low-price promotion is also tend to reduce the interests of older users, leading to user aversion and loss.

5. Related suggestions

5.1 Product design could be richer

5.1.1 Increase extracurricular practical courses

Nowadays, parents choose to let their children take outside remedial classes mostly for the grades and higher education, but in the process, they often neglect the cultivation of children's body, mind, and soul, emphasizing only the knowledge inside the classroom and neglecting the outside expansion. Therefore, TAL can cooperate with public institutions regularly to establish a learning practice base, develop some extracurricular course products, and develop children's potential and thinking skills regularly and appropriately, to ensure children's comprehensive development. In addition, appropriate practical activities can make children interested in learning, and they can learn outside of class, to make learning through practice and practice in learning. The combination of the two can achieve the effect of complementing each other and getting the double win. If TAL can develop this kind of special teaching, it will be very beneficial for children's interest cultivation and external reputation promotion.

5.1.2 Improve the summary mechanism of recorded classes

TAL is mainly taught through live and recorded classes, but because most of the students are young, their ability to summarize on their own is weak, and the lack of summarizing knowledge points in the recorded classes will greatly affect the students' learning effectiveness. In this case, TAL can have the instructor summarize the knowledge points of the course ten minutes before the end of each lesson, and at each stage, summarize the overall knowledge points of that stage and print them into handouts for students. In addition, TAL could conduct summary sessions regularly in mid-term or end-of-term.

5.1.3 Increase flexibility in course design

Although TAL has a wide variety of teaching courses, it still cannot cover the needs of a wide range of students, and the design of the courses lacks flexibility. In the learning process, each student has different weaknesses. Teachers can set up more courses, such as dividing high school math into geometry-specific and algebra-specific courses, so that students can strengthen their weaknesses in addition to their regular classes. This increases the diversity of the courses and provides more options for students to meet their needs.

5.2 Low-price strategy needs to be used properly

In the short term, a low-price strategy can quickly increase customer registration rates. But in the long run, it may lead to a price war between head companies and the hidden danger of making consumers doubt the quality of teaching. At this time, TAL needs to use the low-price strategy reasonably, not just to attract customers with low prices, but with quality and reputation. The low price is only a method to attract customers to come to try it, the real killer is the content of the teaching. The real killer is the content of the teaching. Improving the quality of teaching makes it possible not to use the low-price strategy in the subsequent stable stage.

5.3 Increase marketing channels

TAL uses a self-built website that can only attract a very specific group of people. Hence, you can consider investing some traffic to the major mainstream get internet sites, which can greatly increase the exposure opportunities of your brand. TAL can even follow the recent transformation of the New Oriental school and join the self-publishing team, using short videos or free online live teaching to attract a certain number of fans, and regularly distribute some benefits to let more people know about TAL, and also can use the network's big data technology to accurately push these videos or live windows to the parents of those students or students who need tutoring to accurately attract target customers.

5.4 Improve and optimize TAL's promotion strategy

TAL's promotion strategy needs to be flexible for different situations in different markets. In first and second-tier cities, where the acceptance of education is high, the development can be centred on increasing customer stickiness, because if one has a good reputation, old customers are good marketing tools, all that needs to be done is to maintain the brand and the steady quality of teaching. If it is in a less developed area, then the acceptance of education is lower, and the market competition is not so fierce at this time, so low price strategy can be applied appropriately to attract customers through teacher's visits and publicity that is useful for their institutions.

6. Conclusion

6.1 Key findings

This paper takes into account the context of the digital economy and analyses the marketing strategy for e-learning. Overall, the following conclusions can be drawn. Firstly, the combination of the digital economy and education has made online education an entirely new educational model. Online education is gradually showing a trend towards market expansion, the continued growth of subscribers and the optimization of the industry structure. As a result, the analysis of marketing strategy will help training institutions adapt to the backdrop of the digital economy and set them apart from the fierce competition in the marketplace. Secondly, the marketing strategy of online education has changed dramatically in the context of the digital economy, with network-based marketing strategy becoming the most widely used and frequent marketing method. Only by applying network marketing and brand marketing strategy into products, channels, prices, promotion and other aspects, can the society achieve the common growth of institutional reputation and scale.

6.2 Future studies

In the future, TAL and other online education brands will gradually focus on quality education. According to the literacy skills and development direction that future talents need to master, TAL sets up "humanities" and "science" as two categories of literacy courses. The new courses will take interest exploration as the starting point of course design and cultivate children's ability to see the essence through phenomena, comprehensive practical skills, and interdisciplinary understanding. TAL hopes to nurture and care for each child's curiosity so that each child can love life, society, and the country, and all can discover their interests while developing comprehensively, transforming them into strengths and developing into abilities that will benefit the child for a lifetime. We hope that every child can have the ambitious ideal of changing the world, use the ideal to drive progress, face the frontier of science and technology, face the main battlefield of the economy, face the major needs of the country, and face the life and health of the people and strive to be explorers and pioneers, contributing their values to the development of society.

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