

Research on Collaborative Development of Customer Relationship Management and Category Management in Retail Enterprises

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Abstract: As a mature product management technology, category management is a process of continuous improvement. In the implementation of classification management, no fixed method can be proved to be successful. To understand the current situation of the implementation of classification management in domestic retail chain enterprises, analyze the potential obstacles to the implementation of classification management, clarify the problems and difficulties encountered in the implementation process, and put forward the key factors for the success of classification management. The sustainable development of chain enterprises in China.

1. Introduction

Classification management is a retail management process, which focuses on consumers, uses classification as a strategic business unit, and relies on data. Through the effective cooperation between suppliers and retailers, it can find and meet the needs of consumers to improve enterprise performance. The core of classification management is retailer's strategy and business process[1]. The retailer strategy is the basic framework to guide the management decision of classification management. The eight categories of overall planning business process, category definition category role, category evaluation category, posture, category strategy category, tactical category planning and category criticism work every day in order to implement strategic reference. This process uses a consumer perspective. Through the most efficient and effective actions, more valuable products and services will be provided to guide chain retailers and suppliers.



Figure 1 Flow chart

2. Difficulties and Misunderstandings in Promoting Category Management of Domestic Chain Retail Enterprises

2.1. Enterprise Strategy

Many enterprises do not have a clear strategy to support their implementation of classification management in development. The matching degree of enterprise strategy and classification management is low, and the following contradictions exist in the implementation plan[2]. First, the

diversity requirements of classification plan, standardization of store location, manageability, region and random selection are contradictory. Second, the contradiction of classification function, classification strategy and enterprise strategy. Thirdly, there is a contradiction between the purchasing operation Department and the classified evaluation index. Fourth, the short-term and long-term interests of the company. Fifth, there is a contradiction between the efficiency of single store competition and the overall competitive advantage of the enterprise. Most enterprises lack the plan of choosing warehouse. In order to attract customers who don't care about promotion, the evaluation indexes of different categories are unscientific. They are used to meet the needs of differentiation and competition. Then, variety and uneconomic sales are fragmented. Moreover, this will weaken the overall competitive advantage of the company[3]. These contradictions have an impact on the implementation of classified management of chain enterprises. Therefore, it is a prerequisite for the implementation of classified management to make clear the strategic objectives of enterprises.

Table 1 Learning results

Order	Training results	Desired output	Error (%)
1	0.8583	0.861	0.270
2	0.6008	0.604	0.320
3	0.3394	0.340	0.060
4	0.4726	0.488	1.540
5	0.7078	0.713	0.520
6	0.9274	0.931	0.360
7	0.8057	0.810	0.430
8	0.6420	0.641	-0.100

2.2. Suppliers and Chain Retailers

Faced with many classification management decisions, there are also differences between retailers and suppliers. In the consumer survey, retailers pay attention to the study of the shopping behavior of customers in the store. The supplier studies the demand trend of the salesmen, and the retailer tries to improve the efficiency of the Schiff management. Suppliers want to leave their brands and products on more shelves; as for product prices, when retailers consider product prices, they will have more fate for customers who come to shop, while suppliers' product pricing mainly considers the overall price level of products in the market. And corporate positioning[4]. In the process of classified management of chain enterprises, there are two tendencies when dealing with the cooperative relationship with suppliers. Some enterprises, classified management, keep the edge of brand goods. Some suppliers do not understand the increase and decrease of commodities, the adjustment of shelf layout, the change of marketing and price strategy, the change of category strategy and strategy, and the change of internal operation mechanism, etc., which cannot be adapted for a while.

2.3. Internal Management Level of the Enterprise

For many domestic enterprises, implementing classified management means abandoning the opportunity oriented strategy. To clarify the strategic direction of the enterprise, change many inherent concepts of the enterprise, break the relationship between various departments of the enterprise, and make the strategic objectives, behaviors and organizational processes of the enterprise imperfect. In the process of implementation, it will encounter resistance and opposition from all aspects. Moreover, this has set many obstacles to the promotion of classified management.

Table 2 Test results and classification

Order	Test result	Expert evaluation results	Error (%)	Simulation classification	Expert classification
1	0.4508	0.4600	1.68	Weak	Weak
2	0.8366	0.8170	2.37	Good	Good

3	0.66153	0.6300	4.74	Middle	Middle
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In the implementation of classified management, there are many blind companies compared with the practices of other companies[5]. The actual situation of the enterprise is the center to optimize the target information system and train talents. There are often deviations in the actual implementation of classification strategy and tactics. In addition, many chain companies tend to focus on the improvement of short-term financial indicators..

Classification management is a kind of management tool, including the use of a variety of theories and methods. In many past classification management consulting and training, classification management is more about the so-called "standardization process" in theory. There is not much progress in actual operation. When many international well-known enterprises carry out classified management consultation in Chinese chain enterprises, they do not understand the consumption and regional market characteristics of product structure adjustment in Chinese market[6]. Classification management often "landing" between chain companies, corresponding between consumer behavior and shopping characteristics and existing product structure.

There are still obstacles in the classification management information system of most chain enterprises. At present, the information system of most chain enterprises in China is not based on the data structure of classification management. Therefore, a large number of consumer data and product information need to be integrated. Database processing usually does not have a proper "data interface and processor". In the 2007 survey on the implementation of chain industry management in China, the main difficulties encountered by the enterprises in the implementation of chain industry management are: inappropriate response tools and lack of information system support. Moreover, classification management cannot make decisions based on real-time data[7]. As enterprises have no practical business experience in classification management, they understand the emergence of information systems that are not suitable for classification management. As a result, when implementing classified management, enterprises will have major concerns. At the beginning of the implementation of enterprise practice, almost all enterprises currently use the collection of basic data for internal management based on the information system category, and the conditions for class management do not meet the shortcomings of using data analysis and data analysis. In the aspect of function report information collection, enterprises do not establish relatively stable information channels and periodic information analysis feedback mechanism, and there is no corresponding information data database, resulting in low efficiency.

3. Key Success Factors of Category Management In Enterprises

3.1. Attention, Support and Promotion of Senior Management

Because it involves the adjustment of business strategy, organization, process and management control system, the implementation of classified management needs full awareness and attention. First, senior managers should understand the core ideas and concepts of category management, clarify the implementation purpose, implementation conditions, existing risks, investment resources and time of category management[8]. The understanding and attitude of classified management of senior management of the company directly affect the realization of that. Secondly, resources should be supported at a high level. The support of resources is mainly reflected in the proper training of classification managers and the effective incentive mechanism for classification management organizations and talents. In the process of implementation, enterprises need to effectively invest in information systems, equipment needed for space management in stores, and losses needed for product exchange. Third, we should actively promote the implementation process. Classification management has changed people's original business thinking mode, changed people's working methods, and changed the structure division of labor and interest in the past. Senior management of enterprises, various tasks, objectives of tasks, evaluation criteria of task results, time of tasks, responsible departments, responsible descriptions, sealed, guided, managed and adjusted coordinates of classified management talents, in order to achieve goals and achieve work progress.

3.2. Organizational Structure, Division of Responsibilities and Assessment Corresponding to Category Management

Classification management usually brings about great changes in organizational structure. For example, each category is a small and medium-sized enterprise unit based on strategic objectives. The classification of categories, according to the needs of the target consumers, breaks the unique logic of product classification and needs to make category management decisions. The main line is to optimize the organization and divide the commodity categories under the control of the classification manager according to the consumer purchase decision logic[9]. At the same time, the definition of logistics and purchasing function must be consistent with the organizational structure, and the functions of price management, space management, marketing must interact with the organizational structure of classification management. In addition, the redefinition of categories is influenced by the deployment staff of each category. Class manager should be the person in charge of class business activities. Enterprises must classify the obligations that classification managers must assume, and give decision authority to classification completely. If an enterprise changes the name of category manager to category development manager, it shall strengthen the management requirements of category development tendency and regular adjustment of category plan. The main work of other functional departments and stores must be adjusted to determine tactics rather than decisions. Due to the different roles of classification and responsibility, the requirements of evaluation index of classification are also different. Therefore, the evaluation indicators of each classification should support the realization of its classification function.

3.3. Using Information System to Support Category Management

Classification management is an information driven process, which runs management activities based on real-time market survey data and analysis and decision-making[10]. It is necessary for enterprises to collect consumers' needs and data, and pay attention to the relationship between data and setting information system indicators. The focus of information system is to optimize the reporting function of existing system. Can the establishment of the best index system reflect the target consumption? The key to the construction of information system is to reflect the change of consumer demand of practical and effective index data such as classified evaluation index. Based on the enterprise classification management, the system requirements of the upper system can be considered thoroughly and in stages, such as automatic control, partition management, analysis and classification plan. The complete classification management information system must be able to provide the following basic functions: the tendency analysis of commodities of different levels and purposes (single product, sub category and category); the analysis of the introduction of new products and the removal of old products; the analysis of product sales opportunities; the analysis and promotion evaluation of low mobile products; the analysis of commodity prices; the diversity and space management of stores; the supplementary analysis and order management. In the implementation of classification management, we usually need some comprehensive market data to support decision-making. To this end, information exchange and collection institutions such as industry, society and consulting companies will be established step by step to track the integration of classification planning in stores by using information system. For the collection, analysis, exchange and final maintenance of development trend information, set up appropriate decisions, determine appropriate opportunities, and provide appropriate information management personnel.

4. Conclusion

Since the introduction of the concept of classification management in China, there are various opinions on the classification management mode of cooperation with suppliers. Some chain companies believe that cooperation with category management suppliers can help suppliers get commodity ranking and strengthen market control of suppliers. State, this is unilateral. Most retail companies believe that the cooperation between chain suppliers and suppliers plays an important role in classification management and promoting the realization of business results. In order to

make up for the shortcomings of chain operators, the purpose of our cooperation with suppliers is to cooperate with "class leaders".

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