

Research on Synergetic Development Mechanism of Logistics Service in Innovation and Transformation of Entity Retail Enterprises

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Abstract. Entity retailing is the important foundation of commodity circulation. But in recent years, affected by the operating costs rise, consumption structure changes and rapid development of the retail network and many other factors, the main index of retail growth rate fell down, some enterprises operated difficultly and shop closed frequently, as a result, retail enterprise innovation transformation is imminent. Today, with the rapid development of e-commerce, the integration of online and offline development can complement each other, which is the future development direction of the retail industry, what's more, the coordinated development of logistics service is the key to the success of the Internet era transformation.

Introduction

The development of e-commerce has brought about tremendous changes to our life, and also greatly impacted the survival and the development of the entity retail enterprises, making the retail enterprise innovation and transformation imminent. For retail business transformation[1][3], the trends and rules of integration and logistics industry, further establish retail enterprise logistics strategy to adapt to and promote the rapid development of the retail entity will be faced with my physical retail enterprises and logistics enterprises need to solve the problem. The influence on the distribution and application of Electronic Commerce: Elliot(2004)[2]Rabinovinch analyzed the logistics distribution model for electronic commerce and electronic commerce logistics distribution service level, and on the basis of analysis of the impact of electronic commerce logistics distribution service level as well as the price of electronic commerce logistics distribution. Ding Yi (2011)[5] with VANCL and PPG as the study object model of self logistics for e-commerce enterprises, the study pointed out that the core self logistics mode of e-commerce enterprises lies in the establishment of logistics center, logistics, information flow and business flow to ensure the smooth and common development. Wen Guanglong (2009)[6] for the three kinds of logistics distribution mode of the common comparison in the distribution pattern of enterprise how to choose the right and no more research, three kinds of common distribution modes for logistics distribution mode, logistics agent model and Alliance Logistics Distribution mode.

Based on the study of previous scholars, this paper thinks that the logistics distribution mode of e-commerce is reasonable and advanced, the entity retail enterprises in the transformation and upgrading of the logistics should be fully refer to the logistics mode under e-commerce and developed a collaborative development mechanism adapting to the development of the entity China's retail business logistics combined with the actual situation of retail business entities. Under this background and demand, the application of O2O model in e-commerce is the key to the transformation and upgrading of the traditional retail industry. Under this mode, the research of logistics mode is the focus of this study.

Relevant Basic Theory

Retail is defined as "all the activities involved in selling goods or services directly to the end consumer for their personal non-commercial use." Retailers are businesses whose sales mainly depend on retail activities. Retail industry is a commodity marketing industry composed of retailers, which is the terminal market in the whole market system, can feed back the consumers' most real demand information and finally satisfy the purchasing behavior of consumers[4].

With the rapid development of e-commerce, great challenges have fallen down to the entity retail enterprises: (1) increase costs in operating, including rental costs and labor costs; (2) seriously affected by the electricity supplier, resulting in that the retail enterprise market share is gradually swallowed; moreover, the emergence of electronic commerce make retail prices more transparent, so that the traditional retail enterprise sales price range is more and more narrow to the traditional retail enterprise thus to bring the pressure of price competition; (3) singular business model. With the continuous development of manufacturing, sales channel is becoming more and more mature and the logistics grow rapidly, retail enterprises provide different products and services in more and more similar form, while brand management and differentiated management are seriously insufficient[10].

The concept of e-commerce has been continuously developed and improved. It was firstly defined as E-Commerce, and then a concept of E-Business was put forward a year later. But this two concepts and content are different, the former refers to e-commerce, some scholars also attribute it to narrow e-commerce while the latter refers to generalized e-commerce; the former indicates that the activities in each phase of the whole transaction have been realized electronically, while the latter indicates that the whole business process is realized electronically on the basis of the Internet; the former focuses on the electronic transaction process, while the latter focuses on the scope of e-commerce.

Today, with the rapid development of e-commerce, there are many advantages compared to the traditional retail: (1) personalized service. E-commerce is a global market where shopping can be conducted anytime, anywhere, and at any will. At the same time, enterprises can also use the network positioning, the analysis of each consumer's needs, preferences and shopping habits, in order better to provide personalized service to customers. With the development of mobile Internet, the new e-commerce model, C2B and F2C, put more emphasis on customer participation, and even provide fully personalized customization. The development of C2B enables customers to fully participate in product design and satisfy customers' deeper individualized requirements; (2) cost advantage. The development of e-commerce greatly reduces the transaction costs of both sides of the trade; (3) efficiency advantage. The Internet will standardize the data information in the transaction, so that transaction data can be quickly completed in different places, transmitted and processed automatically by the computer, forming an integrated system of information transmission and information processing; (4) the advantages of time and space. E-commerce breaks through the limitations of time and space, through the online platform to maximize the outward sale of their products and services. Customers from all over the world are their marketing groups[7].

The development of O2O mode in e-commerce is an important turning point for the traditional retail enterprise. It accelerates the process of merging online and offline. Traditional retail enterprises can make use of the existing physical store logistics network to distribute the offline business, which plays an important role in the success of the entity enterprise transformation[11].

Introduction to O2O theory

O2O opened the online and offline obstacles, the Internet and traditional retail shop together, make the Internet become the next line of retail service front line retail stores can use the Internet to find customers, and customers can choose on the Internet retail line service, and then to the next line of retail service or wait for the next line of retail distribution. It not only expands the scale of online payment, but also creates a passenger flow for the store.

O2O model refers to the integration of the offline real economy and the Internet, the effective polymerization of online resources and online shopping groups through the Internet, and the offline resources pushed to the user's business model. It is the integration of information system and management process, such as warehousing and distribution to maximize rather than replace a line. (1) cost saving for retail enterprises. Lower line retailers rely on shop location, and strive to high degree of integration of information, logistics and sharing, so that the real breakthrough retailer shelf space limitations of the traditional force, greatly increases the efficiency of distribution logistics. (2) Consumers can be satisfied through many channels. Compared to a single network channel, B2C retailers, such as Taobao, Tmall, and Jingdong, O2O retailers can enhance the shopping experience of consumers through more channels. Maximizing logistics costs and providing consumers with a wide range of choices is the biggest advantage of physical retailers competing against a single e-commerce retailer. (3) provide a good platform for widening commodity categories. Compared to traditional stores, online display of goods is not limited by space and low cost. It provides a good platform for retail enterprises to enrich their product categories[12].

The current situation and problems of O2O logistics model of real retailers

In the real retail model, consumers take it for granted that they should buy products at a retailer's physical store. In order to make consumers more convenient and easier to store, the retailer should choose the position of the shop which is relatively concentrated in the downtown area as far as possible to reduce the "last mile" distance, but at the same time, shops operating cost is higher that is ultimately borne by consumers. Retail stores generally maintain a level of inventory, which is provided by a regional distribution center (ROC), while a large number of suppliers continuously supply ROC.

However, the expansion of the online shopping market and the electricity supplier enterprises compete for consumer services, the logistics and distribution industry put forward higher requirements. The problem of logistics warehouse explosion, lost goods and delivery delays often occur at the same time, the logistics enterprise profit is on the decline, all this life all the lag of logistics distribution management system of electronic commerce enterprises as a whole, and the rapid development of the electricity supplier has been unable to match the market, seriously affect the overall satisfaction of consumers shopping.

Logistics Problems Faced by O2O in the Transformation of Real Retail Enterprises.

(1) the "last mile" of logistics.

At present, China's transportation infrastructure is developing in different regions. Horizontal imbalance, especially in remote areas, although the O2O model has conquered regional barriers to consumers, but it can not guarantee that its highway system can cover all areas of demand for consumers. Although you can use the existing retail stores set up online shopping stores from mentioning, but coverage is limited, but after all, online shopping consumers have adapted to the "door to door" service mode, it is difficult to change their habits in a short time, and Taobao Tmall "double eleven" example shows that logistics companies can improve the consumer experience only rely on third party, and even have a negative impact on brand. There are often small quantities of goods through consumers' online orders. If the enterprise can meet the consumers' demand even distribution service in the future, and separately distribute to consumers; repeated distribution problems at home or consumers do not exist will increase its logistics cost. At present, the domestic logistics infrastructure is imperfect. Completely relying on the retail enterprise itself to build logistics distribution system is not realistic, the third party logistics company distribution capability is good and bad, so as to O2O transformation is facing too many terminal transportation and distribution services[13].

(2)the existing logistics warehousing intelligence in physical retailing does not match the O2O model.

O2O mode requires the technical realization of butt joint of the retail store storage system, membership system, payment system, sales system, financial system, return system the information

service docking warehouse system database technology is more complex, needs a large number of early retail enterprises investment. Compared to Europe and the United States, its retail chain Format in the encounter before the electricity supplier to maintain high efficiency, mature intelligent logistics system and information systems to make them transition, O2O mode of success rate is extremely high. Statistics show that: in the United States, the top ten of the electricity supplier retail, of which nine are traditional retail transformation. Unified technology background information system is the traditional retail transformation of the bottleneck encountered, only to achieve seamless information, in order to accurately mining on consumer demand, and improve the efficiency of its supply chain system and logistics system.

(3) problems arising from online and offline docking.

In the process of O2O transformation, cooperation can not be avoided at all levels, and in a big way, it can be divided into external cooperation and internal cooperation. Foreign cooperation mainly in the electronic commerce platform building and business enterprise cooperation, after all, like Su Ningyun own electric business platform O2O enterprise or a minority, the cooperation pattern is divided into mode, personnel docking mode are the practical problems facing the enterprise; in addition to logistics warehousing system of cooperation, whether it is to build information database the construction of logistics warehouse or entity, also rely on their own strength is difficult to do, or not the economy, not only to solve the cooperation required technical issues, but also consider whether partners are willing to share their own internal data.

The Mechanism of Logistics Service for Entity Retail Enterprises in O2O Mode

Physical retailers transition O2O, self-built electronic business platform, such as Su Ningyun business, you can also open the third party electronic business platform, such as Taobao, Tmall, Jingdong cooperation. O2O model itself represents cross-border and integration, any enterprise can not run alone in the Internet era[8].

(1) Warehouse Integration

O2O enterprise warehouse integration refers to the warehouse sales channels and online sharing, which can realize the docking between the traditional factory warehouse and standard electricity supplier warehouse after transformation, so that the network can achieve the nearest delivery order, docking online and offline retail entity logistics warehousing system, so that consumers not only can go to the store to buy goods in the online store, you can also query the inventory[9].

(2) logistics distribution integration

O2O retail enterprises entirely rely on the self distribution system, and the return on investment is not high. However, relying on the third party logistics[10] is easy to be pinned down, which is not conducive to the improvement of the retailer's brand equity. Therefore, it is an inevitable trend to cooperate with each other. Joint distribution can form a huge logistics distribution network, reasonable allocation of logistics enterprise, standardized logistics services and retail enterprises personalized delivery service, the distribution of resources to achieve the optimization, improve the efficiency of distribution. Such as Dangdang online retail is the example using self-built logistics center and third party logistics distribution combined, not only to ensure the control of logistics, but also to avoid a large number of construction distribution network.

(3) store integration

Offline entity shops and online stores integration, sharing of resources, synchronous sales, integration management. Both are in the face, the store also can query the inventory of goods in line, either in store ordering can be ordered online or on mobile terminals, which can store pickup can also have a courier or express home delivery in fusion after giving consumers more choice.

Conclusion

Through the analysis to the problems existing in transformation and upgrade of physical retail enterprises and the advantages of e-commerce, this paper choose the first successful key of retail

enterprises' upgrade, the on-line and offline mode change -- O2O mode, and then analyzes the status quo and problems of retail business entities under this mode, finally this paper analyzes the mechanism of retail enterprise logistics service in O2O mode.

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