

# Research on the Online and Offline New Retail Strategy Research

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**Abstract:** The rapid development of China's economy and science and technology has brought new opportunities to China's retail industry, but it also faces severe challenges. The transformation of people's consumption habits has seriously affected the normal development of the retail industry, which has forced many companies to change themselves. Sales model to gain greater competitiveness. At the 2016 Yunqi Conference, Jack Ma proposed a new retail model that integrates online and offline, providing a better opportunity for the current development of the retail industry. This article analyzes the concept of new retail and the advantages and disadvantages of online and offline, and explains the feasibility of online and offline integration of new retail.

## 1. Introduction

The concept of “new retail” caused a lot of discussion as soon as it was put forward. There were a large number of fans who believed that this would completely change the existing retail model. There were also opposition parties represented by Zong Qinghou, chairman of Hangzhou Wahaha Group, who thought this was just a new concept hype. The author found through search that the current definition of new retail mainly has the following main concepts: Du Ruiyun and Jiang Kan defined in the article “New Retail: Connotation, Development Motivation and Key Issues” that “new retail refers to enterprises relying on the Internet as a platform, Use big data, artificial intelligence and other advanced methods to upgrade and transform the production, sales and circulation of commodities, and a new retail model that deeply integrates online, offline and logistics. “ Zhao Shumei and Xu Xiaohong defined in the article “The Meaning, Models and Development Paths of” New Retail “““New retail is a new type of retail format that is different from traditional retail. It refers to the application of advanced Internet thinking and technology by enterprises with the latest concepts. Hehe as a guide to improve and innovate traditional retail methods and sell products to consumers. “Wang Baoyi defined in the article “The Essence, Causes and Practice Trends of” New Retail ““ “New retail is a return to the essence of retail. It is in today's era of consumption upgrade and data-driven, to better satisfy consumers with omni-channel and pan-retail Shopping, entertainment, social integration, multi-dimensional integrated retail format. “ Based on the above concepts, this article believes that “new retail” is the use of Internet thinking, with user experience as the center to integrate the online, offline and logistics companies involved in the entire process from the user's first contact with the product to the end of use. A new way of retailing that truly takes the customer as the center and satisfies the customer.

## 2. Analysis Based on Resource-Based Theory

The resource-based theory explains the reasons for the different performance and competitive advantages of companies in the same industry. Penrose believes that an enterprise is a combination of different production resources. The difference comes from the non-market availability of its own resources and the products and services that are different from other enterprises. However, the incomplete market results in enterprises having differentiated production efficiency, which further makes the initial Competitive enterprises maintain efficient production. Barney clearly pointed out the four characteristics of “enterprise resources”. He believes that enterprise resources are resources with scarce management skills that can improve enterprise production efficiency, cannot be completely imitated by competitors, cannot be completely replaced by market resources. Due to the

non-homogeneous historical path of enterprise development, the social complexity of resources and the blurred relationship between resources and competitiveness, the differentiated resources owned by enterprises constitute the source of competitive advantages for enterprises in the same industry.

With resource-based theory, we can understand the reasons and significance of mergers and acquisitions in the Internet industry more deeply. Unlike the traditional industry, the Internet industry is characterized by light assets. The most important resource is user traffic. Enterprises establish a strong Internet ecological chain through mergers and acquisitions, capture market gaps, and gradually enhance their competitive advantages and monopoly power. A perfect Internet ecological network enhances user stickiness, improves traffic levels, and accelerates monetization ability. The most efficient way to build an ecological network is corporate mergers and acquisitions. Therefore, the purpose of mergers and acquisitions in the Internet industry is mainly to increase user traffic by establishing a closed ecological chain, thereby enhancing enterprises Value and profitability.

### **3. Development Status of New Retail Online and Offline**

With the rapid development of technology in the new technology era, the integration of online and offline is gradually maturing. With the deepening of the “new retail” model, the Internet giants have made arrangements. In 16 and 17 years, Alibaba invested in Sanjiang Shopping and Suning, acquired Intime Department Store, RT-Mart Supermarket, combined with Tmall online, singled ahead, omni-channel integration, and millions of offline and offline stores. Master

Big data uses the Internet and Internet of Things technology to perceive consumer habits, guide consumers, and provide personalized and diversified services and products. All stores are fully digitized, and new retail is constantly growing. Tencent bought shares in Yonghui Supermarket and countered Ali's new retail by holding Yonghui Supermarket, hoping to take a slice of the new retail boom. Tencent is the majority shareholder of JD.com. In 2015, JD.com laid millions of convenience stores across the country, opened the road of technology-wide retail transformation, and created a smart logistics and flexible supply chain to achieve a new retail strategy that combines online and offline perfectly. JD.com and Yonghui Supermarket complement each other, showing Tencent's emphasis on the new retail market.

The rise of the Internet in China at the beginning of this century has been developing for more than ten years. Although online development has been good, it only accounts for 20% of retail, so the offline retail market is the home of the future. The most popular places for people to shop offline are shopping malls and supermarkets. Therefore, when Internet e-commerce and traditional retail business are combined, and artificial intelligence is added, all foundations are implemented with the development of technology, and new retail is about to thrive.

### **4. Problems and Challenges Faced by New Retail Online and Offline**

Offline retail enterprise technology needs to be strengthened Most domestic shopping malls or retail industry, the overall lack of technical teams, technology conversion, but online large Internet companies such as Alibaba, JD.com, etc., they collect and develop data. Transaction data helps companies better develop products, serve consumers better, and increase more value added. The accumulation of offline enterprise sales data is very limited, and there are not many who really value data and do a good job of data collection. Many offline companies are unable to adapt to the tide of the Internet quickly and have been affected. Although offline companies can use big data, advanced management methods and other technological means, compared with online Internet technology companies, the breadth and depth of the technology used are not on a platform, and the gap is at the exponential level. Of the order of magnitude.

Cost control issues, realizing the unification of online and offline prices In addition to catering, other offline retail enterprises have entered a depression period. The cost pressure of rent and labor has caused the offline prices to be significantly higher than the online ones. Many offline stores have become online fitting rooms. Consumers often compare prices online and offline, prolonging

the time for decision-making, which weakens the consumer's impulse to consume and reduces the conversion rate. If the online and offline prices are the same, there will be no cognitive uncertainties and the order will be placed directly.

Lack of supporting facilities for basic implementation. Technical support. Traditional retail enterprises lack data and technology. Their traditional main business has always been goods and services. For example, an independent development platform requires a lot of technical support and labor costs, and the subsequent publicity effect is difficult to achieve; if it cooperates with an Internet platform, it will not reflect the individual needs of the retail industry; if it is entrusted throughout the process, the retail industry's own data It can't be grasped comprehensively and correctly, which affects the company's strategy formulation and future development. Balance supporting facilities, such as logistics and payment methods. Online + offline must be achieved through logistics carriers, is a key step to achieve new retail. China has a vast territory and a sparse population. There is a certain gap between the east and the west. The logistics infrastructure in the Yangtze River Delta is well-developed and there are abundant commercial facilities. Many facilities in the Midwest are relatively scarce. Whether in the Midwest or the East, there is always a certain gap between the city and the countryside. The city's supporting facilities are relatively complete, and the countryside is lagging behind, while new retail is mainly carried out in the city. In online payment, many platforms use their own third-party payment, and consumers have no right to choose other payment methods. Big data, artificial intelligence, the Internet of Things, etc. are still in the growth stage, and are in a stage of rapid development. It will take some time for various technologies to be applied from the laboratory to the business, and our scientific and technological workers need to continue to deepen. Research to better and faster realize the value of new retail, help companies to reduce costs, improve work efficiency, and enhance consumer experience.

## **5. New Retail Online and Offline Optimization Strategies**

Encouragement and guidance of national policies. The proposal of Made in China 2025 further encourages innovation, and functional departments further simplify administration and decentralization to solve the problem of data silos. New retail will connect all kinds of data from consumers, manufacturers, supply chains, etc., and integrate online and offline seamlessly. Through national policy support for innovative technologies such as big data, cloud computing, and Internet of Things, companies are encouraged to develop and realize channel integration, in-depth integration of all channels, and docking with online stores, physical stores, factories, suppliers and other channels to achieve new retail.

Construction of digital platform. To realize the "new retail" era of online and offline integration, we must use data as a benchmark and use the role of big data to conduct a scientific analysis of physical retail and e-commerce sales, understand the differences between consumer groups in various regions, and continue to increase users The stickiness of the company complements the advantages and disadvantages of various elements online and offline, strengthens the research and development and application of scientific and technological forces such as big data, the Internet of Things, the Internet, and cloud computing, improves product upgrading, and customizes the flexible supply chain, and From the information chain of product design, research and development, production, sales, etc., the realization of intelligent and collaborative online and offline basic new retail. For example, if Ali established the Dharma Institute, the best talents in the world can realize the transformation of technology and realize a digital tomorrow.

Continuous innovation in the operation mode of offline physical stores. Retail enterprises that strengthen the traditional supply chain must keep pace with the development of the times, aim to achieve long-term development, subvert their own backward business models, redistribute their corporate structure and benefits, reform the bad system of enterprises, and integrate e-commerce and enterprises. The various departments carry out scientific integration to achieve online and offline coordination, big data connection, and solve the problem of distribution and counterfeit goods to achieve the last mile.

New retail is a mode that requires all participating companies to form a whole, exert their

respective advantages, and realize supply chain management. This model focuses on online order consumption and offline product experience, but it is not a simple online-offline linkage or O2O model. Because O2O aims to direct online consumers to offline physical stores, reducing the limitations of consumers' understanding of offline commodity service information. The “new retail” we advocate emphasizes the realization of deep online and offline integration, and the integration here is centered on the “consumer”, reorganizing the business processes of the enterprises involved in the entire supply chain, so that online and online Xiahe logistics enterprises form a whole. For example, Uniqlo, a Japanese apparel brand with unusually hot sales in the past two years, has set an example for the development of new retail. For online consumers, UNIQLO adopts a variety of promotional methods, including ordering online and offline stores to pick up goods, publishing exclusive QR codes for offline stores, and guiding the location of surrounding stores through the Uniqlo app to guide the offline stores; For offline store consumers, Uniqlo uses high-quality products and services to increase customers' shopping experience and brand recognition, while ensuring online and offline prices are the same, thereby promoting the growth of online sales; logistics will be based on online and online Under the sales situation, increase the store's inventory in time, and truly achieve cohesion and development.

Online and offline consumer experience of new retail. With the continuous development of the market, consumers' needs are becoming more and more diversified and personalized, and the market is increasingly changing. Whether R & D or production of an enterprise must be guided by the needs and wishes of consumers, make full use of computer and Internet technology to cooperate with the offline physical layout, no longer only for consumer goods as the ultimate purpose, but to achieve consumer goods to consumer Customer service as the goal, improve retail

The overall service quality of the industry provides consumers with a better service experience. While consumers get better services, it improves the competitiveness of enterprises in the market and maximizes the interests of enterprises.

In the new retail era, people are increasingly pursuing the shopping experience and personalized demand. The traditional way of thinking of attracting customers through advertising and promotion is outdated. The Internet thinking centered on user experience has emerged. Internet thinking is from the user's first contact with product information to the end of the product's use. Whether it is online or offline or logistics companies, all links with users are part of the experience [12], companies should promptly carry out each link Data analysis, understand the real needs of customers, and provide customers with corresponding products and better services accordingly, so that customers are satisfied. For example, three squirrels, as a pure e-commerce enterprise positioned on the Internet, is also a leader in the online retail food industry. At present, it has opened food stores in many cities. These food shops have changed the way traditional snacks are placed, and they emphasize the design of the entire shopping scene and environment, creating a shopping experience that makes consumers feel like they are in the forest. It not only improves sales performance, but also Enhance the customer's shopping experience, thereby gaining higher customer stickiness and attracting more consumers.

## 6. Conclusion

As new retailing gradually enters our lives, people's discussion about new retailing is no longer a concept or a model, it is also the people's longing for and pursuit of a better life. In the future, people hope to get better products and services with better experience, lower prices, and more convenient ways, without having to think about whether to use online or offline channels.

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