

The New Retail Mode of Superstores in the Internet Environment

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Abstract. With the development of the Internet, the new electricity industry rapid rise retail industry is breaking through the traditional model, trying to offline real economy combined with online sales channels, and rely on the virtual store for operating singly traditional electricity due to the lack of communication channels, in the face of a lack of traffic, its system problems such as difficult to adapt to market demand. In the context of new retail, this paper summarizes the changes made by several influential retailers in the current industry to cope with the development of the Internet by referring to the literature, analyzing the representative businesses and obtaining their characteristics, to provide reasonable suggestions for the development of the new retail model and promote the expansion of market scale.

Keywords: New Retail, Superstores, Internet Environment.

1. Introduction

New retail is different from traditional retail. Enterprises use advanced Internet thinking and technology to improve and innovate the traditional retail way and sell goods and services to consumers under the guidance of the latest ideas and thinking. In the process of the development of the Internet, big data advertising, the use of online media to package products and other ways to make viewers have consumption impulse, become potential consumers, and indirectly promote the further upgrading of consumption trends. In the context of the upgrading of consumption trends, market demand is also significantly enhanced. Driven by interests, many enterprises and e-commerce platforms choose to combine online business with offline platforms to build new retail platforms. For example, Alibaba used big data, cloud computing and other emerging technologies to set up Hema Fresh through a new retail model that combines online and offline services with the community as its service object. Jingdong's investment in Yonghui Supermarket has opened up the online retail channel for Yonghui. These examples show that the integration of physical stores and online enterprises has promoted the combination of online and offline retail and promoted the business development of new retail.

E-commerce has gradually matured with the development of the Internet. However, in recent years, e-commerce has entered a bottleneck due to the impact of the epidemic, global economic contraction and declining purchasing power. Due to the lack of transformation flexibility, the physical retail industry has appeared disorderly competition and chaotic operation. At present, there are many types of research on business model innovation of new retail from various perspectives, but no conclusion has been reached and no consensus has been reached on relevant theoretical research, which belongs to the initial stage of research. There is not much literature on the combination of new retail and operation models, and the space for discussion and research needs to be expanded. Therefore, combined with examples, this paper summarizes the operation mode of online retail enterprises under the background of new retail, which can enrich the theory of new retail in operation management to a certain extent.

The introduction begins with the background and significance of this research, as well as the reasons and importance of this research. On this basis, it introduces the research methods used in this paper, then summarizes the research content of this paper, and finally expounds on the innovation of this paper and the existing shortcomings.

2. Method

The data and theories of this paper come from CNKI and SCI. Three keywords of "new retail", "business model innovation" and "cost control" are searched in the CNKI database.

After analysis, the total number of "new retail" literature is 1435. The total number of "cost control" is 101,477; The total number of "business model innovation" was 88,881, among which the number of new retail-related literature was only a single digit from 2007 to 2016, and the number of papers began to increase year by year after 2016, proving that the new retail system began to mature and recognized by merchants after 2016. Among them, 834 were industry analyses on new retail. Compared with the analysis of 101 new retail business models, it shows that there is less research in this field in China, and there is still room for research on new retail business models. Since the beginning of the 21st century, the number of papers published on "cost control" has generally increased, and most of the research level is focused on developing research and engineering project management. The number of papers published in 2019-2022 has decreased, which indicates that domestic research on cost control has become mature and relevant theories have begun to improve.

In the field of the "new retail" different, with 324 references on the development and management research, analysis of trade literature accounted for 44.46% of overall than the rest of the larger respectively enterprise economy, industrial economy, etc., the new retail model with previous business model approximation, to a certain extent, remain "develop new management model to save cost" of the inherent innovation model, By comparing the business models of retailers in different periods, a new model can be obtained to save their costs.

3. Discussion

In the literature review section, the literature review is conducted on the concept definition of new retail and operation mode related articles. The second part is related concepts. It expounds on the concept and characteristics of new retail. The third part analyzes the industry problems.

3.1 Concept Definition

3.1.1 New retail

With the development of the Internet and e-commerce and the re-understanding of the offline real economy by merchants, the deep integration of online and offline retail has gradually become a development trend, and the concept of "new retail" has been well known to people.

The prototype of this concept originated from the 4PS theory proposed by E. Jerome McCarthy in *Basic Marketing*[1]. According to his research, there are four major elements of Marketing. That is Product, Price, Place, Promotion, and Strategy. Neil F. Doherty and Fiona E. Elliss-Chadwick explained the new retail as new online retail and summarized it from three perspectives of retailers, consumers, and technology[2]. In the research, they believed that under the new online retail model, the Internet has circulation information and strengthens the connection between merchants, suppliers, and customers. As well as the combination of online and offline business potential, businesses should make full use of the Internet to run the store to formulate marketing strategies. Ya-Jun Cai and Chris K.Y Lo made a summary from the perspective of omnichannel retail, explaining that the new retail model can combine online e-commerce with offline physical retail experience, realize consumption scenarios and enhance user experience[3]. Sabrina thinks that the new retail appeared in the 21st century Internet popularization, the electronic commerce rapid development, market to broaden the background, the consumers can learn more information via the Internet to choose goods at a lower price, to reach own purpose[4]. This development has changed the traditional retail enterprises to compete in price patterns, many retail enterprises began to promote their unique value proposition, and develop strategies that invest in customer and supplier relationships to improve the quality of the products they sell, the quality of the services they serve and the overall price/quality ratio.

After research, this paper believes that the difference between the traditional retail model of lack of cooperation, the pursuit of interests and short-term profits, and the "new retail" model is the user experience, business cooperation in the core premise of operation. Integrates big data and other new Internet technologies into traditional physical retail, so that retailers can take into account the upstream and downstream business cooperation to increase sales channels, and promote the new business model of information connectivity between businesses and businesses, and between businesses and users.

3.1.2 Business Model

Michael Lee analyzed Costco's business model from the perspective of the corporate culture[5]. He proposed three different types of corporate culture, namely control culture, investment culture and relevance culture. He attributed Costco's corporate culture to relevance culture and analyzed it from the perspective of development prospect, value and discourse power. In addition, Lee emphasized in his paper the importance of a culture of relevance, which benefits Costco in promoting collaborative progress, maintaining employment relationships, strategic alliances and product innovation. Market Line used the SWOT model to analyze Costco's business model[6]. In the study, Costco's low-cost business model, sustainability philosophy and customer-friendly price positioning were listed as its strengths, while over-reliance on the US and Canadian market and limited inventory units (SKUs) were listed as its weaknesses. While Costco faces plenty of opportunities, such as the growth of online retail sales, growing demand in the global consumer electronics market, and the growing need for private labels, it also faces a variety of threats, whether they are labor and healthcare costs, price business competition, or foreign exchange conflicts.

Bing Li adopts the case study method, from the perspective of combining value chain business model elements, and to explore the Internet may impact the retail sales enterprise business model innovation of thinking, he will be the impact of the Internet thinking on retailers is divided into five categories, respectively, for the value proposition to customers, the enterprise value chain structure, enterprise network, organization form and the influence of the profit model[7]. In the context of the Internet, Suning has built its e-commerce platform to integrate physical stores with e-commerce platforms, expand the variety of goods sold, and implement flat management within the organization, thus realizing the transformation in business model, channel, category, technology and organizational structure.

3.2 Marketing

3.2.1 Spatial Layout

Geographical location plays an irreplaceable role in the retail industry. As MCDM, many methods have been studied and developed to solve this problem. The gravity model proposed by M is the earliest reference for the location theory[8]. Taking shopping center site selection as an example, Onut S, Efendi Gil T, and Soner Kara S divided influencing factors into 8 aspects[9]. After making fuzzy calculations and weighting influencing factors by APH, they finally concluded that "economic situation" and "total cost" were two important criteria affecting shopping center site selection.

The economic activity of the region where the store is located and the local retail activities can also be considered as one of the factors for site selection decisions. CA Hidalgo, PA Balland, and RBoschma argue in their "Relevance principle" that economic activities are affected to some extent by the knowledge talent and population density of the region[10].

To determine the relationship between store formalization and store location occupation, Jensen P put forward two coefficients to empirically describe the role of retail activities in fixed cities[11]. His research has prompted companies to redefine potential business locations based on different categories of departments.

Ming-Wei Li adopts the case study method, research on the location method of Freshment Hema, in this investigation, the factors influencing the site selection are divided into two categories: location selection principles and cost combination, and will deconstruct the cost into four aspects: the construction costs, operating costs, maintenance costs and delay costs for site selection for the four

different influence on the enterprise operating cost were analyzed[12]. In this report, a box of the horse through the use of consumption data to predict future short-term demand, so that the long-term balance between supply and demand, price stability, and fast delivery has become the box edge, but the box will most offline storage stores set up in major cities, the high construction cost, make the radiation scope expansion, second, Because the company uses independent logistics system instead of signing agreements with third-party logistics, the maintenance cost is high and its distribution scope is limited. As a result, the timeliness of long-distance distribution cannot be guaranteed and customers wait for a long time, which indirectly leads to the loss of customers.

An-Nan Jin carries out his research on Hema Freshmen from the distribution location and coverage of stores in Nanjing[13]. By using POI to retrieve the building and road information within the distribution range of Hema Fresh Life in Nanjing. After the study, it is concluded that the building density can affect the location of the enterprise. The study finds that Hema Xian sheng maximizes the utilization of radiation effect by relying on the integration of online and offline and through seamless splicing and distribution of point-like stores with moving surfaces, to save costs and improve distribution efficiency.

3.2.2 Spatial arrangement

The Retailing literature generally supports the view that "store layout is crucial". From the perspective of consumers, a delicate store layout is conducive to creating a good shopping environment for consumers and thus improving the shopping experience. From the perspective of merchants, a good store layout can attract customers more effectively. Eleonora Pantano thought that stores can increase their profits by keeping a certain number of customers[14]. In addition, the influence of different customer flow on layout change in real stores is studied by proxy simulation method. The results show that by changing the internal space layout of stores, the customer density in this area can be affected to a certain extent while ensuring the number of customers required for profit. And quantitative customers in the store have a certain consumption value. Jones et al., pointed out that consumers usually guide themselves to shop through task-oriented thinking[15]. Based on this view, Mehrabian and Russell verified that the store environment was confirmed that store environment, layout design and social factors can confuse consumers' cognitive degree, thus stimulating consumers' shopping value[16]. And proper store layout can improve the shopping experience by increasing the number of time consumers spend in the store

3.2.3 Service Scenarios

Tian Ying studied the influence of Hema store digitization on customer repurchase rates from the perspective of customer value[17]. SOR based on the stimulus - the body - her response theory, constructs the digital service scenario, customer perceived value, customer involvement degree and repurchase intention of four variables influence relation model, put forward "in the process of digital space layout, the function of customer perceived emotional value in the digital store, employees and other customer relations and repurchase intention play an intermediary role", The advantages and necessity of constructing digital service scenarios are emphasized. In the process of improving the construction of digital service scenarios, enterprises can meet customers' demands and preferences for retail shopping scenarios by improving the atmosphere of digital stores, developing digital store functions and increasing the ways of customers' involvement, to improve customers' repurchase intention and enhance their perceived functional value and perceived emotional value.

3.3 Cost control

3.3.1 Distribution Cost

Using the case analysis method, Gu Y and Gao S [18] analyze the measures taken by E-stores to control the distribution cost in the logistics system from the three dimensions of distribution, service and management, and associate cost control with enterprise informatization degree and operation mode. The literature points out that enterprises should develop a smooth operation mode according to their

business characteristics, lock the business scope, and avoid competition risks brought by the homogenization effect as far as possible. The degree of informatization determines whether an enterprise can respond to market changes in time, adjust its future short-term strategy in time and reduce the inventory cycle.

3.3.2 Procurement cost

Liu Fei adopts the case study method, from the perspective of supply chain management of Walmart to reduce procurement cost measures were analyzed, and measures can be divided into supplier management, distribution management, demand management, information management four aspects, and points out that by strengthening investment in information system, the organic combination of the logistics industry and the computer field, to improve communication with suppliers and customers' information[19]. Timely change of sales strategy, to greatly enhance the competitiveness of enterprises. Case, Walmart through an information-sharing platform to inventory information synchronization with Procter & Gamble, promoted the Procter & Gamble for Walmart sales situation in time to master, so P&G company can adjust the product according to the sales of products in the Walmart production plan and delivery plan, and Walmart through real-time know P&G warehousing products related information, It helps to place orders according to the inventory to determine the number of goods required by the company, greatly shortening the lead time of stock preparation, thus reducing the number of procurement and additional costs such as transportation costs in the procurement process, and thus assisting the sales strategy, promoting the improvement of operating efficiency and reducing the subsequent cost of resource adjustment.

4. Conclusions

After entering the 21st century, Internet + retail business has become a most real transformation choice, in this environment, retail enterprises should abandon past single expansion offline business thinking, put some resources into electricity economy, realize the convenience of online and offline display of the characters of the experience and the service function of the integration, to promote the development of online collaboration to achieve sustainable profitability.

In the Internet environment, information transparency will gradually become normal, the information difference between enterprises and individual businesses will gradually decrease, the information advantage of large enterprises will be weakened, and the market will be more active than in the past, with more rapid and irregular changes. Traditional enterprise organizational structure needs to have the ability to respond to market changes quickly, so retail enterprises should include suppliers, brand owners and customers in the organizational structure to improve communication, transportation and other efficiencies, to reduce long-term costs.

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