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Research on the Development Status and Transformation Strategy of Traditional Retailing under the Internet Economy Environment

Rong Jie

Lecturer, Business College, Heze University, Heze, China

Abstract:

With the continuous enhancement of China's economic strength and comprehensive national strength in recent years, Internet technology has developed at a high speed, which has a great impact on China's traditional retail enterprises. Both physical stores and large department stores have faced unprecedented challenges. In this paper, the traditional sorting and analyzing the present condition of the development of retailing, it is concluded that retail sales model of single channel, consumer experience feelings of lag, lack of cooperation, the influence of scale, such problems as lack of professional talents, and puts forward changing management idea, promote the development of O2O mode, increase the experience type service, strengthening the cooperation of the parties, reduce cost, increase of related talent introduction and training of the solving measures, such as for the transformation of the traditional retail enterprises to provide certain theoretical reference.

Keywords: Internet economy, traditional retail, O2O model, experiential service, talent introduction

1. Introduction

Internet economy means on the basis of the Internet platform of the sum of many economic activities, in the current stage of development can be roughly divided into e-commerce, instant messaging, online games, search engines and Internet financial five types, for today's era of information network belongs to a new kind of economic phenomenon. In the era of Internet economy, the production, consumption, distribution, exchange and other activities of economic subjects as well as the economic behaviors of financial institutions, governments and other departments all reflect the development trend of information network. This requires the many functions of the economic subject and now when making their own activities more inclined to network channels of access to information, and based on the vast amounts of data analysis for the corresponding forecast of economic activities and related decisions, their trading activity is also can see on the attempt of the development of certain information network platform.

2. The Characteristics of the Internet Economy

At present, China's Internet economy is advancing by leaps and bounds. It is closely related to people's lives and is reflected in all aspects of life. The characteristics of Internet economy mainly include the following aspects:

| Performance | Characteristics |
|---|----------------------------|
| Instant messaging, email, WeChat | Communication |
| Online shopping, ticketing | Online trading |
| Sharing of electronic market, portal resources | Sharing of resources |
| Data and maintenance services, Internet of things | Service objectification |
| Weibo, space, blog, BBS | social |
| Internet TV live media | Innovative |
| Media (video, music, documents), games, information | Advancing with The Times |
| The network shopping | For the convenience of sex |
| Network marketing, traffic, etc | Developmental |

Table 1 Features of Internet economy

As can be seen from table 1, people's lives have undergone incredible changes driven by Internet technology. On the one hand, people begin to try more convenient life style gradually. On the other hand, in the aspect of entertainment and social media, people pursue communication mode that emphasizes fast speed and sharing, so as to achieve people's yearning for high-quality and high-speed life.

3. Analysis on the Development Status of China's Traditional Retail Industry

According to relevant data, the sales situation of China's traditional retail industry has been declining since 2010, and the economic benefits have been declining under the impact of the Internet economy. By 2015, our country enterprise of chain sales data will only increase by 4.3%, and even nearly 30 companies in the enterprises of the sales data of zero growth or even negative growth, its full-year net profit margin is only 1.8%, lower than in 2014, about 0.1%, more than half of the enterprise's net profit margin also appeared different amplitude of decline. In addition, according to the statistics of lianshan.com, the number of major retail stores in China closed up sharply in 2015, increasing to 865, up from 201 in 2014 and 35 in 2013. Not only that, many collapse distributions can be found that the kinds of stores throughout the 865 home most of the stores, all is management department stores and supermarkets, can be inferred from this, in recent years, China's chain enterprises of wanda department and vanguard in department stores and supermarkets business enterprises such as loss of business, has become the important factors that affect its development planning. According to the statistics released by the chain management association, the growth rate of the top 100 enterprises is the lowest in nearly 10 years, and the top 10 of the top 100 enterprises also show negative growth rate.

4. Analysis on the Existing Problems in the Development of China's Traditional Retail Industry

4.1. The Sales Model Is Too Monotonous

As an important part of enterprise marketing activities, sales channels model of innovation has always been committed to the important research field of its own development, and with the continuous development of enterprise management, also from single channel to multi-channel sales channels and all channels in the direction of development, but for the traditional retail industry in our country, there are still many problems sales mode is too single enterprise, make its continually frustrated in the market competition. And in many traditional retail sales link in our country, the retailer is always in the position of the between manufacturers and consumers, and composed with the upstream in the marketing chain wholesalers business sales channels, and because of the traditional retail in the transaction process and the complexity of the transaction costs and long over the link, process features, but also makes the traditional retail industry is constantly losing in the process of competition advantage of e-commerce.

4.2. Lagging Consumer Experience

In the Internet economy environment, people's consumption concept and consumption more tend to diversification and individuation, and people in their daily shopping activity is also increasingly pay attention to emotional factors demand, namely people will increasingly shopping process as an entertainment to enjoy, for consumers, they want to go to more low prices, a wide variety of goods online stores, rather than a single variety, constraints of the traditional retail stores. They want to buy whatever they want at any time, at any place. Rather than spending a lot of money and manpower. Browse through the physical stores and find what you want. The traditional retail industry involves a limited area, which can only conduct detailed sales for some goods. The sales industry in the network economy puts people's vital needs first, and the product range launched by the platform can meet the needs of most people, and can be continuously expanded with the progress of people's cognition. The number of people in stores continues to decline, especially in first-tier and second-tier cities.

This is why in recent years more and more store portals have strengthened their customer experience and related services. Compared with the online shopping mode of emerging e-commerce, the traditional retail industry has its unique advantages in improving physical store environment and services. That is, compared with the simple way of online shopping purchase, the business mode of physical stores is easier to create an experiential service mode that meets people's psychological needs.

4.3. Lack of Cooperation Will Affect Economies of Scale

The small-scale operation of traditional retail industry is one of the existing defects of Chinese enterprises. In terms of management, Chinese enterprises almost operate independently, so it is difficult to form a scale, and expand the chain scale in the form of the direct investment of the headquarters and the establishment of direct stores. This limits the expansion of enterprises to a large extent, and owns the actual ownership and management rights of branches, which makes them costly in capital, expensive in investment and unreasonably distributed human resources. At present, China's chain enterprises cannot be effectively managed, the allocation of funds is not reasonable, and enterprises have poor ability to deal with risks, so it is difficult to obtain adequate loan support from commercial Banks. At present, the average number of stores owned by chain enterprises in China is only 15, and many enterprises only have less than 3, far from meeting the internationally recognized minimum profit standard of having an average of 14 stores. Compared with the chain operation of more than thousands of foreign large enterprises and transnational operation, it is very difficult for Chinese general enterprises to survive. American

fast food giant KFC, for example, has opened stores in most countries around the world. Annual sales have increased year after year, effectively occupying the fast food market, and promoting the sustained growth of the American economy. Therefore, it is necessary to attach importance to the development of other forms of chain operation other than those in the chain operation, such as franchise chain and free chain, so as to accelerate the expansion of chain operation.

4.4. Lack of Relevant Professionals

For many traditional retail enterprises in China, most of them are short of relevant professional talents, which is also the reason why it is difficult for them to make timely and effective efforts to emerging e-commerce in the Internet economy environment. Past and investigate its reason, and the traditional retail business environment has a very close connection: on the one hand, many traditional retail industry practitioners in China's cultural level is low, namely the industry entry barrier is relatively and emerging electricity sector a lot less, limited development prospects and salary level is more difficult to attract high levels of electricity traders to join, this leads to the traditional retail business in the relevant professional talents, especially in the high quality high level talented person appeared to be lack of reserve on; And on the other hand, it is characterized by during the development process of traditional retail enterprises in transition sought-after talent problems of data analysis, for the Internet economy environment, the big data and cloud computing makes the data analysis of the application of emerging technologies such as increasingly significant role in the enterprise operation process, many enterprises is also can use this to proceed with the analysis of past consumer spending data, to further refine the demand of consumer directivity, so as to make the corresponding transformation and adjustment, at the same time, enterprises can also use this to realize own differentiated management and intensification of operations. As for the traditional retail industry, its inherent business model of physical stores for many years has greatly restricted its own collection of consumer consumption information, and it has not paid enough attention to the analysis of relevant data, so it cannot reserve a large number of relevant professionals.

5. Conclusion

5.1. Change Management Concepts and Promote the Development of O2O Model

Internet technology of new technology revolution has received recognition around the world, and also has become an indispensable part of modern society, it has changed people's way of life, and perceptions of retailing, traditional retail build Internet thinking, refers to using a variety of means, all kinds of data, summarizes the social opinions, multi-channel marketing management of new patterns of thinking. Consumers are the source of enterprise's survival. Putting consumers first is the first step of enterprise development. The progress of network technology makes consumers' consumption behavior more and more platform and one-stop, and consumers pursue personalized fashion, convenient, affordable and high-quality services. Through big data analysis, if businesses can effectively integrate online and offline services, it is better for consumers to choose consumption, so that consumers have more independent right to consume, and get better after-sales services, which can promote their economic growth. Should adhere to the traditional retail to develop in the direction of the Internet, to build the new development model of all channels, interdisciplinary and platform: should make full use of the Internet and consumers online real-time interactive advantage, offline platform using offline outlets to provide consumers with experience and after-sales service business, seamless docking, realize "network see goods, entity shop to pick up" a retail business model to explore and implement, to promote the development of organic fusion of traditional retail industry and the Internet, let the consumer shopping easy.

5.2. Increase Customer Experience Services

For traditional retail ignored on experiential service provides the solution of the problem, is should be further highlight the advantages of its own entity shop management, namely in the process of the transformation of the development of enterprise make full use of its existing advantages to provide consumers with more quality products and services and experience, on the basis of outstanding personalized consumer demand as the core of business model, to further increase the experiential service to enhance interaction between consumers and businesses, to achieve customer satisfaction and its viscosity. As store outside the touch screen setting and rest area wall, diversified commodity combination forms of activity to launch, the former can be products through independent consumers on a touch screen search to further enhance the shopping experience and interaction with the businessman, the latter is able to a greater degree to meet the current society many personalized needs of consumers, wall set is appeal to a certain extent for merchants to couple fixed consumer groups, such as profits, and the launch of the combination of diverse goods are for the most part meet the needs of consumers shopping autonomous diversity, For example, the gift box products of the three squirrels are featured in dozens of combinations of different types, and have been widely praised and purchased by consumers once they are launched.

5.3. Strengthen Cooperation and Reduce Costs

We all know that only through cooperation can we achieve win-win results, and so can the traditional retail industry. Cooperation is one of the magic weapons for the survival and development of an enterprise. The traditional retail trade also does not have sale of all goods, strengthen the cooperation with other distributors is particularly important, when consumer

chooses to consume, general meeting chooses the purchase of complete set goods, because the price of complete set goods will be more preferential, the second is, buy more convenient, need not rush about. The combination of retail industry is conducive to the common development of enterprises and achieve mutual benefit. Consumer market is a market with complex information, and information transmission is of vital importance. The unimpeded information can enable an enterprise to develop, and vice versa, it can also cause an enterprise to fail. Information sharing in the consumer market has become particularly important. The advantage of Internet economy is that information transmission is rapid. The cooperation between traditional retail industry and the Internet is the only way to develop.

5.4. Increase the Introduction and Training of Relevant Personnel

The solution to the problem of shortage of professional talents in traditional retail enterprises can be improved by strengthening the introduction and training of talents. In terms of specific operation procedures, education training mechanism can be established on the one hand. In other words, the operation and management efficiency of enterprises can be further improved by training and strengthening the knowledge and skills of relevant professional staff. On the other hand, enterprises can further increase the attraction of high-level technical personnel by improving the salary level and welfare treatment of relevant professionals, so as to further introduce high-level technical personnel.

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