



The Innovation Transformation of Traditional Retail Enterprises in the Background of "New Retail" Explores --Take "Suning" as an Example

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Abstract: The development and construction of new retail and become a trend in major enterprises, in this context, take Suning as an example, through understanding the concept of new retail, combined with the shortcomings and defects of its traditional retail model, to provide innovative ideas in the context of new retail and explore, and finally in the depth of data analysis, consumer high side writing and production and marketing integration of three angles to give advice, so as to promote the long-term development of Suning enterprises, but also to provide models for other enterprises.

Keywords: New Retail Innovation Transformation Consumer Side Write.

1. Introduction

In November 2016, the policy of exploring the transformation of physical retail innovation gave the concept of new retailing a new sprout, combining retail entities with networks.

In March 2017, the concept of "smart retailing" was innovatively proposed by Suning's leadership. "Smart Retail" relies on big data analytics to deeply interpret consumers' spending habits, thus providing diverse and quota products and unique services.

In July 2017, JD. kyung leaders also proposed the concept of "unbounded retailing". Finally, "new retail" is a new retail model that combines the production, circulation and consumer demand of goods by relying on high-level science and technology such as big data analysis and Internet innovation algorithm, so as to integrate online and

offline to meet diversified needs.

2. Suning traditional retail model exists shortcomings and defects

2.1 The space-time limit is high and the shopping experience is poor
Traditional sales have more time and space constraints, and consumers can only enjoy services at specific times and places. Suning has a combined 154 stores in Shanghai, with a number of stores in various provinces. But even with so many stores, consumers struggle to reach them in short periods of time and have low commute satisfaction. Due to Suning's strategic deployment and consumption power in different cities, the number of stores in third- and fourth-tier cities has also declined proportionally, so the number of stores in Shanghai is much smaller than other urban consumers in Shanghai is difficult to get a good service experience.

In addition to space constraints, Suning offline store opening hours also have a considerable impact, Suning business hours from 8 a.m. to 8 p.m., traditional stores can only cater to most people's living habits, cannot meet personalized needs, at the same time, Z era of people shopping habits and contemporary office workers' working hours, and business hours are still relatively different, which also increases the burden of consumption and dissatisfaction.

The inconvenience of time and space in the traditional retail model seriously affects the shopping experience.

2.2 Suning is difficult to meet the diversified needs of consumers

In the case of traditional retailing, enterprises can only take into account the needs of the majority of consumers, while traditional retail enterprises in the production technology and customization capabilities and supply chain and other objective conditions can only provide standardized, bulk goods or services. These highly homogenized products can easily accumulate when the market changes. In 2012, JD promised to conduct cost-benefit analysis of large appliances to achieve a gross margin of 0, which would make the price at least 10% cheaper than the Suning chain. JD. co., has made its reputation famous through price wars, but it has also made Suning suffer heavy losses, homogenized goods in the competition has no advantage, cannot adapt to consumer demand for quality, style.

Unable to meet the diversified needs of consumers, Suning, which is facing a price war, is struggling in the traditional retail industry and urgently needs to improve the retail path of innovation transformation.

2.3 Low level of informationization and low data processing capacity

Traditional retail enterprises have limited data, and there is not enough data to make it difficult for traditional retail enterprises to predict customer behavior, and their data analysis ability is generally composed of ERP system and SAP system services, and

there are bottlenecks in their data processing. Therefore, Suning retail employees generally through inquiries and sales staff's subjective judgment to determine customer demand, inefficient. In addition, the same urban area of various types of stores of low degree of information interoperability, can only achieve the collection of overall data, cannot stagger potential customers, or even different stores between the situation of competition, enterprises cannot break the traditional retail unique boundaries, and make it difficult to fight each other, cannot coalesce different retail development, become a whole. The fragmentation of systems such as supply systems and sales systems makes it more difficult for traditional retailers to reduce inventories and reduce costs.

3. Suning's "traditional retail" and "new retail"

3.1 The comparison between the two industries

By exploring the shortcomings and defects of traditional retail models, we can see that new retail has a strong competitive advantage over traditional retail. The traditional retail model can only rely on physical stores with great limitations in time and space to do business. Due to various objective conditions, they cannot be a single consumer-oriented personalized service cannot be customer demand-centric. A large number of products are single in price, homogenization is serious, it is difficult to innovate, development bottlenecks are obvious, and economies of scale are weak.

Traditional retail technology based solely on big data processing technology is also slightly thin, it is difficult to achieve resource acquisition and integration. The data processing capacity of traditional retail is not enough to support the resource allocation of the industrial chain to become more rational, it is difficult to achieve low inventory and high transaction costs.

First, the new retail industry can optimize the industrial structure and resource allocation. The new retail focuses on consumers, and through the integration of big data technology, information collection is achieved and resource allocation is completed, thus depicting the consumer group image, in order to carry out the retail form of "cure the disease".

Second, the new retail has changed the way consumption is consumed, reshaping the structure of the industry and the business ecosystem, forming a customer-centric industrial chain that makes customers stickier, and business models difficult to replicate, naturally increasing corporate exposure. The combination of information acquisition, market perception, combing of sales relationship and advanced forecasting is realized, the retail products and services under the enterprise are unified, the resources that the new retail can grasp are effectively integrated, and an organic whole is formed on this basis.

Third, the new retail improves consumer satisfaction, through the physical store and network link process, timely meet the changes in consumer demand, improve the consumer's shopping process and experience.

Fourth, the new retail model improves consumer stickiness, innovates and reforms Suning retail model, complements the defects caused by the price war, and thus produces economies of scale and realizes Suning retail's turnaround.

3.2 The development of new retail sales in Suning

In 2017, Smart Retail was proposed by Suning and is committed to the development of new retail, building a new retail platform from the following three dimensions.

First, online varieties are diversified, and offline scenes are fully stated.

On-line platform Aspect Suning tries to increase online multi-platform convergence. Suning online platform initially for their own production of products, varieties and channels are very limited. In order to solve this problem Suning to the suppliers of Suning Tesco to adopt a three-free policy, exempt the annual fees, platform fees, margin, attract other suppliers into their own platform, by2019 non-proprietary platform rose to30%. In addition to Suning Tesco platform, Suning has also set up other online platforms such as "Suning shopping", "Suning small group", "Suning pusher" and other platforms to deal with different target groups. At the same time, in order to strive for greater progress, Suning began to acquire other categories of platforms, opening up the expansion of the entire category.

On the offline side, Suning has made screening and adjustments to its offline platforms, from closing negative cash flow or smaller positive cash flow stores to improving the store's style to meet the consumer mindset environment. Different managers in these stores organize different promotions. Suning is also more in response to the national call to care about the sinking market, in more small cities to launch Suning's unique service site to meet consumer demand.

Second, open source of technology to the industry, expand Suning smart retail potential.

Suning launched Data Treasure, the predecessor of Data Easy, in2013. Suning continues to improve its systems with the data it has and the volume of business it does. Improve business efficiency and reduce operating costs by analyzing problems encountered in operations. At the same time, Suning through this information can better develop marketing planning, so that enterprises more accurate forecasting of the market. Connecting suppliers through Data Easy Suning has resulted in huge benefits among them. In2017, Suning announced the opening of all kinds of resources to the whole industry, and the open and shared data will flow into Suning, improve Suning's existing system, and help Suning's smart retail construction.

Third, open resources, forging the business community.

Suning uses the "products, information, capital" industry-wide resources formed by its business to market and open up its collection to provide value-added services to consumers, brands and suppliers, and to conclude a physical business community.

4. Suning's new retail innovation transformation proposal

4.1 In-depth use of data analysis technology to build a platform-wide diversified services

The new retail is new, mainly relying on modern Internet analysis technology, online to grasp the consumer's group image, with the combination of offline to build an industrialization of the retail ecosystem layer. For Suning, the development of "smart retail" makes it have the advantage of leading the new retail data, grasping the advantage, combining with the old traditional retail offline, actively using this as the boundary to broaden diversified services, the whole platform of data integration, can more favorable grasp of consumers, through the self-media platform and other mobile e-commerce services, add other experience modes besides the consumer experience, with new channels to expand the consumer margin, and thus improve the consumer environment, improve human-machine interaction, The level of interaction with everyone, relying on data analysis, for a full range of perfect user experience.

4.2 Improve the description of consumer groups and enhance their satisfaction

At the heart of the new retail is a consumer-focused desire to meet its range of consumer entertainment and social leisure needs. Traditional retail can only grasp the general direction and cannot accurately user's deep experience, then we not only need to write the specific group image of consumers after data analysis, but also deeply tap the customer's cultural needs and consumption habits, improve their satisfaction, at the same time, the improvement of economic efficiency will also be with the improvement of consumer satisfaction and the scale effect.

On the other hand, the traditional retail industry cannot take into account the communication needs and perception of consumers, the new retail model needs to add a certain amount of emotional concept and communication needs to the existing products and services, Suning should be its corporate culture and product services linked, in the existing "Suning" lion and other mascots, a series of Suning culture "imprint", market-oriented services and personalized emotions, in order to truly grasp the individual needs of consumers.

Finally, optimize the integrated technology for production and marketing and increase the capacity for the integration of new retail resources

The traditional retail model leads to the dispersion of resources, the situation of competition, and the new retail can effectively integrate resources, provide the technical advantages of production and marketing integration, the new retail model

can not only optimize the existing configuration, but also be able to carry out structural reform on the supply side, on the source of a certain amount of data analysis, through the portrait of consumers to further confirm the supply demand for quota product consumption, so as to make the supply and marketing integration, the formation of a complete supply chain management system To ensure a reasonable level of production, but also to ensure that the use of commercial resources to maximize.

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