The Way of Integration of New Retail

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Abstract. In the past two years, the concept of new retail has started to boom. There are different opinions about the concept of new retail. What is new retail? This article explores the essence of new retail business by combing practical experience and theoretical frontiers. New retail is not only e-commerce, but also not a simple e-commerce + entity store, new retail is not the use of artificial intelligence brush face to pay for the unmanned shop. In fact, integration is the key to new retail. New retail refers to the integration of e-commerce and many fields, including the integration of e-commerce and entity stores, the integration of e-commerce and new technology, the integration of e-commerce and service industry, and the integration of e-commerce and international resources.

Introduction

The new retail concept set off an upsurge in 2017. The new retail refers not only to e-commerce, but also not to “e-commerce +” entity store. The new retail is not the unmanned shop with the use of artificial intelligence either [1]. In fact, integration is the key words to the new retail, and integration is the direction of the future of e-commerce [2]. Integration is embodied in many aspects, one is the integration of online and offline, the second is the integration of e-commerce and manufacturing, the third is the integration of e-commerce and financial and logistics services, the fourth is the integration of e-commerce and new technology. The integration is not a simple superposition of two factors, but the infiltration of multiple factors and a full range of chemical reactions, which will eventually burst out new formats, produce new kinetic energy, change the entire industrial chain, improve the efficiency of the transaction, and bring new experience to the consumers.

Integration of Online and Offline

Entities Is Facing Development Bottlenecks

Since the reform and opening up, China's traditional retail business has introduced foreign business models, and the retail industry has diversified directions. Moreover, due to the vast territory and uneven development, the retail industry is fragmented. At present, there are still some problems restricting the rapid development of traditional retail industry in our country [3]. The first, organizational level is low, together with extensive development mode, high cost, low efficiency, and lack of leading enterprises in the market. The second, the operation is not standard, product quality and service quality are promoted slowly. The third is that the layout is unreasonable, and there is repeated construction with Low level competition. The fourth, there are few commodity varieties and lack of effective supply. According to incomplete statistics of Lian Shang net, in 2016, 46 companies closed 185 stores. Brand stores are also not optimistic. Bosideng has closed nearly 550 stores.

E-commerce Retail Is Also Faced with Bottlenecks

One is that the dividend of users will be exhausted, the cost of obtaining new customers is high. The second is the limited retail category of e-commerce. At present, clothing and household appliances are still the main products. Fresh products and high value goods are difficult to break through. The third, e-commerce still faces problems such as product quality, after-sales service,
consumer experience and information security. In 2017, a number of e-commerce platform enterprises, such as XuXian and BiAn, were closed down due to the fragmentation of capital chain.

**Integration Becomes the Breakthrough of Growth**

The integration of the entity store and the e-commerce platform will complement each other on the flow, complement each other in the product category, and complement each other on the consumer experience[4]. It will be a new direction for the development of the new retail industry to integrate the virtual space of e-commerce and physical space into a unified store to meet the consumer's various material and cultural needs. With the help of big data, the store can get consumers' portrait and consumption tendency. Through considerate and meticulous service, we can establish emotion and trust with consumers, and become a close housekeeper worthy of trust. The entity stores in the future will integrate into e-commerce and other new elements, and will become a way of life for consumers. The entity store is not only a place of trading, but also a point of delivery of goods. It is also a life scene and a way of life. It is also a platform to meet the material and cultural needs of consumers. In these scenarios, consumers are not simply physical buyers, but also cultural and social consumers.

**The Integration of E-commerce and Entity Stores**

Overnight, the Chinese traditional retail industry and the retail business of the electricity industry embraced quickly, and the big companies quickly sought friends to complement each other. In particular, Alibaba and Tencent led a series of large cooperation attracted widespread attention. Alibaba's retail Cooperative partners include Yintai, Suning, HeMaXianSheng, Sanjiang shopping, Bailian Group, Lianhua supermarket, XinhuaDu and Gao Xin retail. Tencent's retail Cooperative partners include Jingdong, vip.com, daily XianYou, Yonghui supermarket, Wanda business, Carrefour China, HaiLan home, BBK. The giant's cooperation covers all kinds of retail formats, including not only department stores, supermarkets, fresh stores, but also new emerging businesses such as new unmanned stores. Moreover, Jingdong and Alibaba also announced the integration of small and micro retail resources such as canteen, spouses, and so on to achieve integration of online and offline resources. Alibaba claims to open ten thousand Tmall stores in one year, and Jingdong will open one hundred thousand Jingdong convenience stores in five years.

**The Integration of E-commerce and Manufacturing Industry**

**The Transformation and Upgrading of the Manufacturing Industry Is Imminent**

After decades of reform and opening up, China has become a big manufacturing country. Due to the highly developed commodity economy, China has changed from "seller's market" to "buyer's market". With the surplus production capacity, enterprises have problems such as inventory backlog and decline in efficiency, even bankruptcy. China's traditional manufacturing industry urgently needs to get out of the predicament, and also needs to transform from a big manufacturing nation to a world-leading manufacturing nation. However, there is another phenomenon in the market, in which a large number of Chinese tourists buy luxury goods in Europe and America, buy toilet cover and rice cooker in Japan, and buy cosmetics and clothing in Korea. According to the National Bureau of statistics in 2017, the amount of overseas consumption of our residents exceeded US $200 billion, at least half of which was spent on shopping. These signs suggest that it is not the lack of national demand, but the products or services produced by Chinese enterprises cannot meet the demand, which leads to the contradiction between supply and demand. As the Nineteen Major Report points out, "the major social contradictions in our country have been transformed into the contradiction between the growing needs of the people and the uneven development of the imbalance".

**E-business Helps the Manufacturing Industry to Transform and Upgrade**

The e-commerce platform can directly connect with the suppliers and suppliers, promote the traditional enterprises to understand the market, accurately butt the user's needs, and promote the
supply side reform and service transformation [5]. E-commerce platform enables information to be more transparent, sufficient, effective and timely. E-commerce platforms converge producers and consumers to become the information ocean of products and needs. The products and reputation of each enterprise are displayed on the Internet platform. Users can search for the products of the same kind, compare the price of the same kind of products, check the experience evaluation of other users, and have a clear view of the information of the products and merchants. Even if there is something wrong, users can communicate with customer service through instant messaging software. Similarly, the enterprise on the platform, can understand the user's purchase information, browse information, through the large data tools to analyze the needs of users, accurate positioning, according to the requirements to provide products and services, to achieve effective sales. The e-business platform expands the boundaries of the market and connects the global market. Enterprises can also provide personalized customization services on the platform, and achieve the one to one service according to the needs of consumers. The seasonally strong product can also take advance sale model, the enterprise can get the advance sale order and fund, can organize the production in advance according to the demand, so that to evade the market risk.

The Integration of Traditional Enterprises and E-commerce Has Opened

Driven by favorable policies, the traditional field continues to explore the path of deep integration with e-commerce. In recent years, after the explosion of e-commerce in iron and steel, all kinds of commodity e-commerce also continued to be optimistic. In 2016, the size of the bulk business market reached 13 trillion and 360 billion yuan, up 20.14%. Other areas of e-commerce have also made breakthroughs. In 2016, the total sales volume of medical and e-business enterprises reached 61 billion 200 million yuan, and the growth rate was over 50%. The field of shipping also has a wave of "Internet +", with the number of domestic shipping Internet platforms up to 200. Household appliances are still the hot spot of online shopping. In 2016, the scale of B2C home appliances online shopping market in China was 384 billion 600 million yuan, up 27.9% over the same period last year.

Integration of E-commerce and Finance, Logistics and Other Service Industries

The Coordinated Development of Supporting Services and E-commerce Must Be Coordinated

The core of e-commerce is the efficient operation of information flow, logistics and capital flow, and the three streams are indispensable. E-commerce is not only a part of online transactions, but also involves the whole process of business, including delivery of goods and transfer of funds. Logistics and capital flow are also key components of e-commerce. Today, with the market economy highly developed, logistics and capital flow are not an e-commerce platform enterprise can bear. It need to carry out the social division of labor and cooperation, the need to integrate the whole society, the logistics, finance and other supporting service enterprises to work together, form a commercial ecosystem, build a symbiotic and all-win cooperation relationship, Coordinated development.

The Bottleneck Problem of Supporting Service Industry Needs to Be Cracked

With the prosperity of e-commerce, China's logistics, finance and other supporting services have also made significant progress. However, there are some bottlenecks in China's services industries, which impede their further development and support for e-commerce. The main problems in the logistics industry are as follows: one is the shortage of logistics resources on the one hand, and the other is a serious waste. According to statistics, the total cost of social logistics in China accounted for 14.6% of GDP in 2017, almost 2 times that of developed countries. The second is the lag of infrastructure construction, the existence of unbalanced development and unmatched conditions, especially the low development level of the cold chain logistics, restricting the development of fresh e-commerce; the third is the lack of leading enterprises in the logistics industry, the lack of talents, the low level of modern management, and the lack of standards and standards for the management
of the logistics industry. The most important problem in the financial industry is that the financing channels of our enterprises are few, the financial support for the real economy is small, the second is that the ability of financial risk prevention is weak, the investment channels of residents are few, the number of illegal capital collecting cases is high, and the last is the lag of financial supervision [6].

**E-commerce Needs to Accelerate the Pace of Integration of Supporting Services**

The integration of e-commerce and supporting services will help improve transaction efficiency, reduce circulation costs and enhance consumption experience. There are roughly four directions for integration: one is to strengthen self-capacity building, the second is horizontal integration, the third is vertical integration, and the fourth is synergy integration.

Service enterprises continue to speed up their own capacity building and improve the efficiency of supply chain services. First of all, to speed up the construction of network outlets, the post office of China Post has widely distributed outlets, increasing the scope of logistics and building 279 thousand outlets. Secondly, the level of intelligence should be improved, use artificial intelligence and other technologies to improve production efficiency and reduce labor costs. The bank is accelerating the intelligent upgrading of traditional business outlets, and the new intelligent equipment and concepts such as self-help loans, brush face withdrawals, unmanned banks and other new intelligent equipment and concepts are unavailable.

Service enterprises speed up the horizontal integration with e-commerce and expand the market scope. SF's hi and special line logistics will take the money as an innovative business to provide consumers with cash on delivery services. Financial institutions also seamlessly link up with e-commerce platforms, sharing data processing, closely cooperating payments, loans and other businesses.

The vertical integration of service enterprises and e-commerce will expand product lines, promote transactions and improve profitability. Alibaba announced the increase in the share of the network of rookie birds in September 2017. In the future, it will invest one hundred billion to create a global logistics network, and through the chain of warehousing, transportation and distribution. Two kinds of consumer financial services are launched, they are "Baitiao" by Jingdong and "Huaba" by Mayi. Consumer finance, through spend-now-pay-later credit, improves sales of e-commerce platform products, improves popularity and drives domestic demand.

**The Integration of E-commerce and New Technology**

**New Technology Is Developing Rapidly**

With the rapid development of internet, internet of things, cloud computing, large data, robot, mobile Internet, 3D printing technology, it has brought new opportunities and fundamental changes to the application of e-commerce [7]. The innovation of these technologies has promoted the transformation of production, accelerated the transformation of the economy, provided more possibilities to meet the individualized and diversified demand of consumers, and laid a solid foundation for the new rapid growth period of e-commerce across the gap.

**New Technology Can Be Able to Leap the Bottleneck of E-commerce**

The integration of new technology and e-commerce promotes the pace of e-commerce evolution, solves the pain point and difficult problems of e-commerce, speeds up the whole commercial circulation efficiency, improves the consumer experience, and drives a new round of electronic commerce. The Internet of things can accurately identify all the information of the goods, including the types of goods, the quantity, the location of the storage, the time of the import and export of the goods, the situation of logistics and distribution, etc., and share in real time to the merchants and platforms through large data, and improve the efficiency of commodity marketing and logistics management. Using the technology of VR and AR to change the traditional commodity display mode, it can bring any product to the consumer not be restricted by the physical space, realize the
scene effect experience, improve the user's sense of scene and novelty, and bring a higher transaction conversion rate. Cloud computing and big data technology have enhanced data sharing and computing capabilities, enabling data services to be obtained on demand. Block chain technology can enable information to be verified, thus building a highly trustworthy world, and can rely on technology to establish a shared credit society to solve the problem of the lack of credit in the transaction. 3D printing technology can improve the ability of personalized service. According to the needs of users, print products in real time will reduce production cycle and improve customer satisfaction. Intelligent technology makes the e-business process more simple, save customer service personnel cost, achieve 7*24 hours real-time response. Using robot in store management can reduce personnel cost.

New technology has come, and the application of new technologies is no longer a dream. New applications, new species and new formats are emerging. The change of e-business brought by new technology has already happened, and conservatism and backwardness may be eliminated by the market. With the new technology and new business opportunities, only the fittest can survive.

**Summary**

The extensive and continuous integration of e-commerce and multi fields will lead to the ambiguity of the concept of e-commerce retail. Retail will be everywhere in the future based on the Internet. That means the e-commerce platform can be retail, the traditional retailer is also Retailing Based on the Internet, the traditional manufacturing enterprises also do the direct selling on the Internet. The other Internet application services platform is retailing on the basis of accumulating traffic, and the mobile terminal merchants are doing retail. Integration has led to the emergence of retail entities in many fields around the world, and the competition is more intense. E-commerce retail industry is facing a new round of shuffling, which is driving the new retail era coming.

**References**


