Analysis on Marketing Combination Strategy of Small and Medium-sized Retail Enterprises under the Background of New Retail

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Abstract: With the development of economy, people have higher requirements for living standards and quality of life. Therefore, the number and scale of retail enterprises are increasing. In order to adapt to the development of the times, the retail industry has been technologically transformed, each era has a new economic and population environment, the emergence of new technologies, spawned the continuous development of the retail industry. Therefore, in order to prevent the retail industry does not lag behind the community, Jack Ma put forward the "new retail" word, the new retail era, the business unit launched the data technology for wireless era business more efficiently operation, improve in traffic speed, efficient conversion of traffic, businesses can directly operate their own crowds, to achieve “focus on experience, prosperity and ecology, enabling businesses and consumer upgrades.” This article discusses the theme of “new retail background, small and medium retail enterprises marketing mix strategy analysis”, it is very important for retail enterprises, “new retail” is not only an opportunity, it is a challenge.

Keywords: new retail; online line; marketing mix strategy

1 New retail background analysis

At the Yunxi Convention in 2016, “new retail” was first proposed. Jack Ma certainly believed that two decades after the electricity business will be disappeared, replaced by the new retail. Simply put, the new retail situation is only the birth of online and offline logistics together. “New retail” means that the combination of online and offline organic, online business and offline business entities, from the original independence and conflict to the mix and integration. In the context of new consumption, consumers will enjoy the integration of consumption and experience of the new consumer experience.

According to China’s industry research data shown that by 2018, the global smart shop software market will reach the total size of 139.65 billion yuan, China will become the world’s most important one of the smart store market. As shown in Figure 1, for the third quarter of 2016, China’s online retail B2C market transaction size of 708.56 billion yuan, an increase of 40.7%. With the development of e-commerce and online retail faster and faster, and gradually into the growth period, the traditional retail industry suffered a shock, faced with high cost, high competition, low return, difficult to expand and several other problems. As the competitive environment changes, consumer demand is changing, in order to meet the changing needs of consumers, we must always keep up with the pace of consumer demand. Alibaba
and Brilliance Group merging, so that people re-understanding of the development of the retail industry. Jack Ma held a clear meeting to the layout of the new retail determination, the new retail is the transform of retail cloud transformation, the new retail is “from heaven into the ground” superimposed channel, to create a universal retail network. Specifically, its essence is the online and offline integration of large data driven, whether you are shopping offline or online shopping, you can enjoy this pleasant and convenient shopping experience. This is a set of integration of online platforms, offline entities and the retail system of the three sides of the depth and high consumption experience, to create a full time, multi-scene, high efficiency of the new consumer experience, with particular emphasis on emphasizing the whole line online full- entertainment and other multi-ethnic shopping and consumer experience. Improve the supply of goods and update efficiency, and ultimately achieve a win-win situation.

Figure 1 2013Q3-2016Q3 China's online retail B2C market transaction size

2 Retail industry market environment analysis

Since China’s reformation, China’s GDP has maintained a good momentum of development, GDP was increasing year by year, the development of the retail industry also increased, but also exposed to the drawbacks of the retail industry. Consumers pay more and more attention to the consumption of the service industry. The staff members are more inclined to healthy, personalized, convenient and emotional and the change of the consumption structure. The traditional retail industry has to be upgraded to the development of the new retail business. From 2008 to 2015, China’s total retail sales of consumer goods as shown in Figure 2, the total retail sales of social consumer goods by 2015 is 300931 billion yuan, up to 14.68% over the previous year, after deducting price factors, the actual growth of 10.70%. In addition, the first half of 2015, the focus of large retail enterprises completed a total sales of 330.53 billion yuan, up to 30.64% over the same period in 2014, of which the retail sales of 230.88 billion yuan, an increase of 32.22%. Today's retail industry caused a huge impact to a lot of traditional industries. In recent years, the retail industry in China’s consumer market occupies an absolute dominant position, with the economic level, retail distribution network distribution, many enterprises formed a commercial network, which led the development of related industries. At the
same time, the development of the problem also followed, the retail industry has gradually revealed a high cost, more competitiveness, less resources, low returns, difficult to expand, performance decline and other problems. Therefore, the combination of retail and technology industry is bound to be effective use of the Internet, the use of online operations and offline entities integration approach, which is the greatest extent possible to solve the various problems of the retail industry.

Figure 2 Total retail sales of social consumer goods in China from 2008 to 2015 (100 million yuan)

3 Marketing strategy for new retail industry

3.1 Product strategy issues

As with the general store, the “new retail” product is also a retail service. But the two services are different, the general store with the consumer line is the relationship between the business, consumers directly to the store, according to their own hobbies, like the degree of the purchase of a commodity, and the Internet does not form a very close contact. Therefore, the “new retail” service has a short arrival time, a wide range, flexible pick up and so on. “New retail” enterprises to facilitate the people-oriented, “fast, convenient, high quality” for the service concept, improved service quality. The “Fast” in “new retail” required of goods can be quickly sent to the hands of customers, there is no redundant procedures, to avoid the delivery time to the customer with an invaluable loss. The “Convenience” in “new retail” required consumers to follow their own time and place, hobbies, to provide customers with the greatest convenience, but also reduce the crowds of shopping malls. The “high quality” in “new retail” required to allow customers to feel the real online and offline integration, make their own into the technology, feel the technology quickly and get the best shopping experience.

According to this product characteristics, should take the product line online and offline integration strategy to create an integrated system, so that products on the Internet have the corresponding AR, VR technology display, consumers can not only browse the goods in all directions, you can also buy goods online, online orders and delivery in only a very short time to complete. Customers can also be provided to the physical store to personally collect the item, which is convenient and quick.
3.2 Price strategy issues

Consumers have been the pursuit of low prices for the deepest needs of the heart. The traditional retail industry is also developing low-cost competition, all kinds of discount coupons, special will, pre-order, hot pick item and other forms, are around the commodity prices make a fuss, to the consumer a visual illusion, long-term “loss” price competition is undoubtedly a failure, no one business in this price competition attained the real profit. But at the consumer level, consumers enjoy the “cheap” benefits, the deepest needs of the heart has been met, from the “valuably buy” to “prodigally buy”, but also to a certain extent led to a waste phenomenon.

In such a new retail environment, companies fully realize that “low price does not mean low quality”, value for money is still the fundamental commercial sustainable development, only through the optimization of resources, reduce production and circulation links, improve efficiency, for consumers to provide high-quality goods. In recent years, businesses through more channels to foreign good merchandise sold at low prices to domestic consumers, this is the cross-border electricity business, the global purchasing mode. Mi is that more consumers can use the smart phone as a concept, is committed to mining social resources, integrated design and production, the price of smart phone products to reduce the thousand dollars and below. With the prosperity of economic consumption, consumer attitudes from the focus on commodity performance, inexpensive to the high price of consumption means progressive, tend to “high consumption value”, many factors will affect consumer spending decisions, and the price is only one, the environment, convenience, service, and experience also have a certain degree of impact

According to this price characteristics, it should take value for money strategy, pricing should be reasonable combined with product performance, characteristics, role, the use of value to product pricing, pricing too low will make consumers mistakenly believe that the product quality is not high, pricing too high will make consumers lose interest in buying. That is, to do a good job on product, but also to do the value of the product.

3.3 Channel policy issues

3.3.1 Ubiquitous, everywhere self-service intelligent retail terminal

Retail channel “down to the ground”, reflected in the sales terminal everywhere. Whether in the district, the school, and the subway, the park, as long as the consumption scene, there is a corresponding sales channels, and most of them are “no one look at the shop, free pays, that is, shopping fast and convenient.”

The internal layout and distribution of each self-service terminal need to have a strong background cloud “processor” to the large data for accurate budget and measurement. Such as a robot’s intelligent brain, through the cloud to orderly control of each body parts through the integration of resources to form large data, according to the data can be analyzed to master the customer’s information into a marketing means to meet the needs of consumers to provide a better and more guaranteed service.

3.3.2 Pervasive super e-commerce platform

Retail channel “heaven”, embodied in the sales and customer service focused on the “online” while offline there is only a fragmented retail service experience, which is now the era of diversification is not enough, the consumer experience should not only stay in the fragmented retail service experience, but should be more to enjoy the intelligent technology and consumer experience and services by using of modern large data, intelligent transformation of e-commerce platform.
In other words, no matter where you are, when you are, as long as you have a network of mobile terminals around, you can quickly meet all your needs. Entity terminal through the “cloud” channels, the Internet and logistics system to meet the various needs of consumers, all-pervasive access to the consumer’s consumer life vision. At the same time, the retail channel can have a variety of forms, no longer just a single physical store, it can also be a person, or a virtual network account, or even a virtual network page. With the Internet and the logistics system on the development of goods, the distance between the brand and the consumer is getting shorter and shorter, different consumer level consumers can get a different consumer experience, more and more contact, consumers accept brand more and more normalized and fragmented, everyone will become a retail terminal.

According to this channel characteristics, it should take the line under the line of integrated channel strategy, combined with advanced science and technology mobile terminal to create online and offline integration channels to provide consumers with convenient shopping environment to increase the fun of purchase, but also according to consumers diversify the purchase needs, rich channels of diversification and comprehensiveness.

3.4 Promotion strategy
Promotional strategy is the last part of the 4P strategy, is the product from the store to the consumer an important step in the hands. Good promotional strategy to give consumers a psychological interest and now many businesses are engaged in discounts and limited time to buy such a promotional activities, low-cost product promotion to the consumer a great deal of satisfaction, which from a certain extent on the decision of the store to decide what consumers buy, this business model emphasizes the consumer in the shopping process of pleasure.

According to this promotional features, it can take points promotions, holiday promotions and advertising promotions and other strategies. Points promotion activities are used by most businesses, it is highly reliable, can attract consumers in order to get points and non-stop to buy goods. Holiday promotions in most businesses are also more fiery, businesses use the heat of the holidays to attract consumers, consumers are holding the preferential activities to buy discounted promotional merchandise and shopping with the characteristics of the festive atmosphere to drive consumption the advertising promotions are particularly broad, leading to intense competition in the network marketing, businesses are to promote their own products, advertising on television, to do the program, and even invited celebrities to their own endorsement, these three promotional strategies, the scope of advertising strategies is large, the effect is better, spread a wide range, but the cost is correspondingly high.

4 Case study
Case 1: Amazon’s Amazon’ Go, it’s offline shopping refresh people’s minds. It uses the most simple and most convenient way, you can directly get into the store, do not have to line up checkout, you can take things directly and leave. According to the Amazon official website, the technology combines a wide range of machine learning, computer vision, sensor technology, artificial intelligence and other cutting-edge technology, constitute this check-out shopping experience under the shopping system. Just ‘Walk’ Out technology can track the goods in real time, can sensory detect the good being taken away and put back, this tracing technique can detect the goods out of being taken up by consumers and walked away from the store. Directly to the store to buy food, do not have to queue up and wait, which helps office workers and student parties offer the greatest convenience and save time. Amazon’s deep understanding of the physical business of the biggest advantage is to give users the greatest satisfaction, which is the largest business short board, in this piece to the user the most profound and most effective experience to retain customers. Data shown
that Amazon’s early launch of the fresh business in the United States more than 8,000 billion dollars in food grocery market share of only 1% share, but with the physical store to expand, is expected to be among the top ten food miscellaneous goods nationwide. As shown in Figure 3, for Bloomberg 13 years for the United States forecast grocery store size, is expected to achieve 700 billion line consumption level in 2018. In addition, as shown in Figure 4, the forecast of Amazon in the grocery market to seize the share in 2021.

Figure 3 US grocery market forecast

Figure 4 2021 Amazon in the United States to seize the share of the forecast

Case 2: Last year in November, the Gome integrated all of its sections, including the Gome online, Gomesenger, Gome steward, GOME cellar, Gome overseas purchase, set up the Gome Internet Company. After that, the Gome Plus is a new mobile Internet products, put forward “social + business + benefit sharing” business philosophy. Gome Plus integrated online services and the Gome under the line of physical stores, adding social and benefit sharing new features
for the Gome user resources and service resources have a higher channel. Fang Wei said that the Gome for different people have different understanding, some people can be understood as a social tool, it can be shared platform, and it can be a platform for all. You can shop, run their own circles and fans, found in the circle of good goods can also be made on the Internet to share, from which to obtain indirect benefits. From the Gome direction model, the Gome Plus break the traditional to the one-way platform link model, the new set of social, business, benefit-sharing circle link mode, that is, the role of the original business community to join the social attributes promoter's role. As shown in Figure 5, the interpretation of the Gome Plus.

![What is Gome PLUS?](image)

**Figure 5 Gome Plus**

**Conclusion**

“New retail” for online retail and offline entities, is a dose of birth control agent for the online retail business and physical business gave birth to a more advanced way of life, a new type of development path, not only to the online retail business specified the future direction, but also encouraged the development of traditional retail industry, will eventually become the driving force of China’s domestic consumption of the locomotive. For small and medium retail enterprises, the “new retail” is an opportunity for development, should fully integrate online marketing resources, always to customer spending habits, customer needs as the center, develop and implement a practical marketing mix strategy.

This “new retail” reformation war will push the development of “quality” of “enterprise” to improve and consolidate enterprise management, sales management, supplier management and logistics management, accelerate the establishment of internal talent and team and training for the development of retail enterprises escort. “New retail” development will rely on Internet data driven, not only driven by the growth of domestic consumer demand, but also
activate the domestic consumer market power, to stimulate China’s economy to make a significant contribution.

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