

Problems and Countermeasures in the Operation of Suning E-Commerce Platform

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Abstract: With the rapid development of e-commerce in China, online shopping has been loved by consumers. However, in the current network market, the homogenization of products is more prominent, and the competition among various e-commerce platforms is also very fierce. On this basis, the operation of e-commerce platform has become the key to the development of e-commerce enterprises. Suning e-commerce, as an enterprise from traditional offline physical stores to online and offline double line integration, has realized the effective connection of online and offline business of Suning e-commerce platform. After years of development, the overall operation trend of Suning e-commerce platform is good, but in the actual operation process, there are still a series of problems. This paper first analyzes the problems in the operation of Suning e-commerce, and then puts forward targeted countermeasures, hoping to promote the operation level of Suning e-commerce platform and realize its sustainable development.

1. Introduction

China's e-commerce companies have experienced rapid development, and the current e-commerce market has become saturated. Due to the early opening of China's home appliance market, the market competition for the home appliance industry is particularly fierce, and its market size is also huge. According to the research data of Zhongyikang Consulting Group, the scale of China's home appliance demand has reached 6.8 trillion yuan by the end of 2018, accounting for 7.68% of the total demand for consumer goods in the country. . Since 2012, China's home appliance companies have begun to transform, shift their development direction to online, and began to seek cooperation with e-commerce to realize their further development. Suning Tesco also transformed its own operating model during this period. All sectors of the society have begun to pay more attention to the long-term development of the home appliance industry. As the most successful enterprise in the transition from offline to online operations in China's home appliance industry, Suning Tesco has further improved its market adaptability and its core competitiveness. To achieve this purpose, it is necessary to conduct a comprehensive analysis of its own operating methods. In today's increasingly fierce market competition, Suning Tesco needs to further analyze the problems existing in its own operating process, and use corresponding solutions as a basis to ensure that it can occupy a certain extent in the fierce market competition. Advantage. On this basis, it is particularly necessary to analyze the operation of Suning Tesco's e-commerce platform.

2. Introduction to Suning Tesco's e-Commerce Platform

Suning Appliance was founded in Nanjing, Jiangsu on December 26, 1990, and is a pioneer of China's home appliance retail chain. In 2013, Suning Appliance began to adapt to the development trend of Internet operations and was named Suning Yunshang Group Co., Ltd. After more than 20 years of development, Suning Tesco today covers all kinds of traditional household appliances, consumer electronics, department stores, daily necessities, books and other comprehensive products.

There are more than 1,600 physical stores offline, and Suning Tesco Online is located in the top three B2C in China. The new trend of online and offline comprehensive development of Suning Tesco is quite instructive in China.

Suning Tesco's online layout is relatively early. As early as 1999, Suning Appliance began to try to cooperate with some online enterprises to develop online appliance malls to try to realize the grafting of portals and shopping. In 2005, Suning Appliance set up its own e-commerce team and tried to build Suning Appliance's online mall in Nanjing. In 2006, Suning's online mall began to expand from Nanjing to other large and medium-sized cities in China. Until 2007, Suning Appliance began to cover the whole country and had a relatively independent online service process. In 2009, Suning Appliance's online mall was upgraded again and updated to Suning. On February 1, 2010, Suning Tesco officially launched and launched.

In the development process of Suning Group, it was the first to sell 3C products. The operating model adopted in the process of developing e-commerce was the B2C operating model commonly used by many e-commerce platforms at that time, but with the continuous enrichment of Suning Tesco's product categories and the integration of Suning Tesco's online and offline channels, its development began. Constant regulation and other strategies also began to make continuous adjustments, which eventually made Suning Tesco an important carrier of the O2O model.

3. Problems on Suning's e-Commerce Platform Operation

3.1 Delay in Town and Village Logistics Delivery

For many traditional retail companies, the key issue that needs to be solved to achieve the connection with e-commerce and complete their own transformation is not the issue of technology. Because the current related Internet technology is already relatively mature. How to gain an advantage in the fierce competition of the e-commerce market is the key to finding a breakthrough. An important shortcoming in the operation of the platform is the current delay of village logistics delivery.

This problem also exists in Suning Tesco's operating activities. When Suning Tesco was still a traditional offline physical store, the group headquarters established full coverage from first-tier cities to third-tier and fourth-tier cities. Began to try to establish its own logistics channels and distribution network. However, in the process of actual deployment, this offline logistics transportation channel is obviously subject to geographical restrictions. However, consumers will not be restricted geographically by using the Internet to make purchases. Under this situation, some consumers at the county level and village level will face the problem of logistics and distribution once they choose to shop at Suning Tesco. These logistics and distribution problems existed as early as Suning Tesco or a traditional store. As a result, many rural buyers have to go to city-level stores to pick up goods after purchasing Suning Tesco's electrical products online. Or you need to pay the logistics cost, and then the store will send someone to distribute and install. And some consumers in fourth-tier cities, even if they buy Suning Tesco products in offline physical stores in Suning Tesco, in the process of actual transportation and installation, there will still be problems of unsmoothness, and they want to ship the products to rural areas. , Often there is the problem of difficult delivery, or consumers need to bear extra costs.

In addition to the problem of logistics distribution channels, Suning Tesco also has a significant delay in distribution time. From a macro perspective, the current e-commerce companies in China are pursuing 12 to 24 hours delivery, which has greatly shortened the distance between consumers and online retail companies, making consumers' psychological expectations available. Stronger. The reason why many consumers choose to shop on Suning Tesco is because of the convenience of Suning Tesco distribution. If in the process of actual consumption, you find that the delivery of your goods is delayed, it will inevitably affect the psychological expectations of consumers. Suning Tesco's offline logistics and distribution channels have now extended to Chinese towns and villages, but its distribution capabilities still have significant shortcomings compared to other enterprises.

Especially in some remote areas, even the weekly delivery method is implemented, which has led to a delay in the speed of consumer harvest.

3.2 After-Sales Service Needs to Be Further Improved

Due to the relatively limited space of traditional offline physical stores, Suning Tesco's various types of goods displayed at the time were relatively single. Mainly to some 3C products. And each supplier has a long-term cooperation with Suning Tesco. Coupled with Suning Tesco, in the long-term development process, a relatively complete procurement chain and supply chain have been formed, and products rarely have quality problems. Due to the long-term offline layout and the positioning of Suning Tesco in various cities, Suning Tesco has a more comprehensive after-sales service system, which guarantees the quality of after-sales service to a certain extent. However, after Suning Tesco built the online mall, its quality problems and service problems began to stand out, which had a certain degree of negative impact on the company.

The current product sales model of Suning Tesco platform includes two types. One is Suning's own operation. The price quality and service of these products are the same as those of Suning Tesco offline physical stores. The Suning Group is responsible for sales; the other is stores that are occupied by some merchants, in short, the distribution platform of other merchants. After all, the number of products operated by Suning Tesco is extremely limited. If you rely solely on Suning's products for consumers to choose, the types are bound to be very limited. Therefore, Suning Tesco is open to register like some well-qualified merchants, making them sell their products on the Suning Tesco platform. Although Suning Tesco currently adopts a relatively strict review system, due to the management issues of its partners, after doing product sales, after-sales services are obviously out of touch. This has largely affected the reputation of Suning Tesco.

3.3 Increased Competition Pressure Due to Comprehensive e-Commerce Positioning

Suning Tesco's positioning is a comprehensive e-commerce, in fact, this positioning is not accurate. Suning's most specialized field is home appliances, which later developed into some 3C products, and then realized de-electrification in the subsequent O2O layout, and began to develop in the direction of comprehensive e-commerce. Its industrial chain and sales chain have a certain extension in this process. This makes Suning Tesco abandon its most specialized field and move towards a comprehensive online shopping mall. However, China's comprehensive online shopping malls include Jingdong, Taobao and other industry giants. They are intensive cultivation in the industry, and the operating model is mature. In essence, such a mode of marketing operation needs further discussion. According to the survey of China's online retail market transaction share, as of the fourth quarter of 2018, Tmall ranked first with a market share of 61.5%, JD.com ranked second with a share of 24.2%, and Tesco accounted for the overall market The share of 6.7% ranks third. From the perspective of market share, Suning Tesco showed an upward trend from 2015 to 2018, but the growth rate was extremely slow, with an average annual growth rate of less than 1%. It is another comprehensive e-commerce platform, but it is growing rapidly at a rate of over 3% per year. In addition, some traditional electrical sales groups have begun their online transformation, such as Gome Mall, and Suning Tesco faces increasing competition pressure. Compared with some other platforms, its sales have a relatively large gap.

3.4 Poor Marketing Promotion

From the perspective of market promotion, Suning Tesco attached great importance to market promotion at the beginning of its development, but Suning Tesco's market promotion effect was unsatisfactory. As early as 2008, Suning Tesco went online and invited some celebrities to endorse its e-commerce platform. The star effect I brought brought Suning Tesco to a real fire at that time. But this is only a period of time, and Suning Tesco then began to try to promote different channels. Specifically, it includes three aspects. The first is to use the advantages of offline stores to conduct offline promotion and publicity; the second is to use online platforms to implement online publicity; and the third is to use various television network media to achieve publicity. However, the actual benefits brought by these propaganda to Suning Tesco are not very obvious. According to relevant

research statistics, throughout the year of 2018, Suning Tesco spent 240 million yuan in investment in various promotion channels, but under such a huge capital investment. The overall platform conversion rate of Suning Tesco is less than 15.8%, which is a very significant gap with JD.com and Tmall. It is precisely because of unfavorable market promotion that Suning Tesco encountered great pressure in the process of online competition.

4. Strategy on Suning e-Commerce Platform

4.1 Strengthen the Layout of Township and Village Logistics Transportation Systems

Suning Tesco should strengthen the layout of the village and town logistics transportation system. Specifically, it can start from the following three aspects: First, in the future, Suning Tesco should further improve the distribution of village and town logistics. The best way is to achieve offline Driven by physical stores. Take offline physical stores as the starting point of logistics to realize the logistics and distribution for each township level area. The one-town, one-store model implemented by Suning Tesco in South China is a good way to not only sink the logistics network to the township level, but also to ensure the services provided to consumers to the greatest extent. Secondly, to further improve the level of information and integration of logistics. All in all, the distribution of logistics is a relatively complicated process, from the receipt of orders to the production and processing of products and so on. If advanced science and technology such as big data cloud computing can be used, the intelligent level of Suningyi's shopping flow will be maximized. Achieve information-based chain management. Third, further improve the actual efficiency of logistics and optimize logistics distribution resources. At present, Suning Yi shopping flow is self-built logistics. The biggest advantage of self-built logistics is that it can grasp the initiative of logistics. Therefore, Suning Tesco should further increase its industrial layout. Build a village-level logistics distribution system, and try to cooperate with some third-party logistics companies, such as SF, Yunda, etc., to shorten the logistics distribution time as much as possible and improve the efficiency of logistics distribution as much as possible.

4.2 Improve User Experience with Quality Services

Suning Tesco should further improve user experience with quality services. First of all, in terms of product quality, Suning Tesco should strictly control the entry behavior of franchisees, conduct all-round screening of all aspects of franchisees' qualifications, conduct detailed and meticulous investigations and demonstrations. For those individuals and distributors who sell counterfeit and shoddy products on Suning's e-commerce platform, immediately clear the blacklist and never check in. For some consumers who encounter product quality issues, strengthen communication, resolve issues, and protect consumers' legitimate rights and interests. Secondly, on the basis of maintaining the original products and services, we should continue to provide consumers with more value-added services and establish a trustworthy brand image for consumers. The brand image should not just be established on the level of use, and it should be said to be good, but it should be shown to consumers. Recognize the value behind the Suning brand. Make consumers more willing to understand Suning Tesco, and thus generate loyalty to the brand; In addition, Suning Tesco should continue to improve the after-sales service system and continuously improve the quality of after-sales services, which can be targeted at the current Platform users conduct questionnaire surveys to investigate user experience, and use this as a basis to continuously optimize service quality and improve customer satisfaction.

4.3 Create Core Competitiveness and Differentiated Advantages

For Suning Tesco's e-commerce platform, it should not blindly pursue the comprehensiveness of goods, but should formulate a differentiated competitive strategy. In the process of market competition, I actively seek cooperation with various enterprises instead of confrontation, and learn from others' strengths for my use. Only in this way can Suning Tesco develop and grow to the greatest extent. If Suning Tesco can one day become the giant of China's e-commerce industry, then

it is understandable to pursue a big and comprehensive product. However, at this stage Suning Tesco should not position itself as a comprehensive e-commerce platform, or should take the path of differentiated marketing, and further expand its sales channels to maintain its own superior products. Further strengthen the marketing and operation of electrical products and 3C products, so as to continuously strengthen the market competitive advantage of Suning Tesco. The advantage of Suning Tesco is in the home appliance industry, but the home appliance industry itself is not very profitable, and the cost of product distribution and service installation exceeds the profit itself. Therefore, in the future, Suning Tesco should find ways to further extend its own industrial chain, further reduce costs to increase its own profit margin, and establish its own competitive advantage.

4.4 Broaden Promotion Channels

For the expansion of promotion channels, Suning Tesco should grasp the core content, fully understand the brand image of Suning Tesco, penetrate the brand image into every promotional activity, and use it as a basis to continuously improve itself in the mind of consumers. Judging from the current specific situation, Suning Tesco can try to establish network accommodation and cooperate with various large, medium and small websites on the Internet, so that Suning Tesco's advertising links can be ubiquitous throughout the country, further increasing the exposure. Improve the conversion rate of page views; on the other hand, use the current internet celebrity economy and short video economy as their new publicity channels, hire some popular well-known anchors, and some relatively high page views short video APP for promotion. Accurately analyze and grasp the psychology of the audience, and realize the pertinence of the promotion. Based on this, it will continuously improve the popularity of Suning Tesco and the recognition in the minds of consumers.

5. Summary

To sum up, in the course of the research, this article analyzes the development of Suning Tesco's e-commerce platform and combines the related concepts of e-commerce operations to understand the problems in the operation of Suning Tesco's e-commerce platform. Including village and town logistics delivery delays, after-sales service needs to be improved, comprehensive e-commerce positioning leads to excessive competition pressure, poor market promotion in four aspects. Based on this, this article proposes targeted measures to further strengthen the layout of village and township logistics and transportation systems, enhance user experience with quality services, create core competitiveness and differentiated advantages, and broaden promotion channels to further improve Suning. The operating level of the e-commerce platform.

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