

Research on Innovation Model of Circulation Supply Chain Based on Consumption Driven

Min Yu

Jiangsu College of Tourism, Yangzhou Jiangsu, 225002, China

Keywords: Consumption Driven; Circulation Supply Chain; Business Model; Innovation Model

Abstract: As an important way to upgrade and innovate the circulation industry, consumption-driven can make an important contribution to the reconstruction of the circulation supply chain and the innovation of the business model. Especially, the new retail with the core of consumption-driven has become a driving force for the rapid development of China's circulation industry, which provides a technical basis for the construction of new support points for China's economic development. Based on this, this paper focuses on the analysis of the current consumption-driven mode and the basic connotation of the circulation supply chain. On this basis, the business model and theoretical framework of circulation supply chain are analyzed, and the innovation of circulation supply chain business model driven by consumption and its related contents are analyzed, thus providing effective basic technical support for promoting industrial development.

1. Introduction

As a new economic development trend in the new era, consumption-driven technology has gradually emerged with the progress of Internet, big data, cloud computing and artificial intelligence [1]. With the emergence of these new technologies and theories, the whole e-commerce sector has formed a relationship between consumers, commodities and consumption space, focusing on improving consumer experience [2]. Of course, under this mode, it fully embodies the people-oriented business concept, providing basic support for improving sales costs and improving circulation rate. For the circulation supply chain, it is a network chain structure that links brand dealers, distributors, retailers, information services and consumers in the process of product circulation [3]. In this organization, relying on the main line of production, through the distribution of distributors at all levels, goods can be quickly conveyed to end-users, thus simplifying the embedding of information technology service providers in this link to provide information technology and logistics services for all links of the supply chain.

2. Exploration of Consumption-driven Model

As an important e-commerce mode, consumption-driven mode mainly comes from Taobao, which has a far-reaching impact on improving people's shopping consumption mode [4]. For this model, by putting people's daily necessities on the online sales platform for sale, it has formed an electronic sales mode consistent with the traditional market sales categories. It carries out sales business through a popular sales mode, and expands the corresponding scale through the way of merchants stationed. Thus, the overall breadth and depth of the market will be enhanced. On this basis, the essence of the responsible attitude to consumers, the use of shopping evaluation to determine the trust of businesses, and so on, to provide consumer guidance for the majority of consumers, which can provide protection for the overall consumption process of consumers, thus enabling consumers to make reasonable consumption. This way is the basic content of the consumption-driven model, through which the overall level of consumption can be significantly improved and consumption upgrade can be promoted.

3. Connotation Analysis of Circulation Supply Chain

Circulation supply chain is a functional network structure that integrates brand dealers, distributors, retailers, end consumers, logistics service providers and information technology service providers. It integrates logistics, information flow, capital flow and business flow. As shown in Fig.1, the starting point is brand dealers and end consumers, while the others are all circulation. Links, through the flow of this complete link to achieve consumer demand, so as to provide basic support for the flow of the overall supply chain.

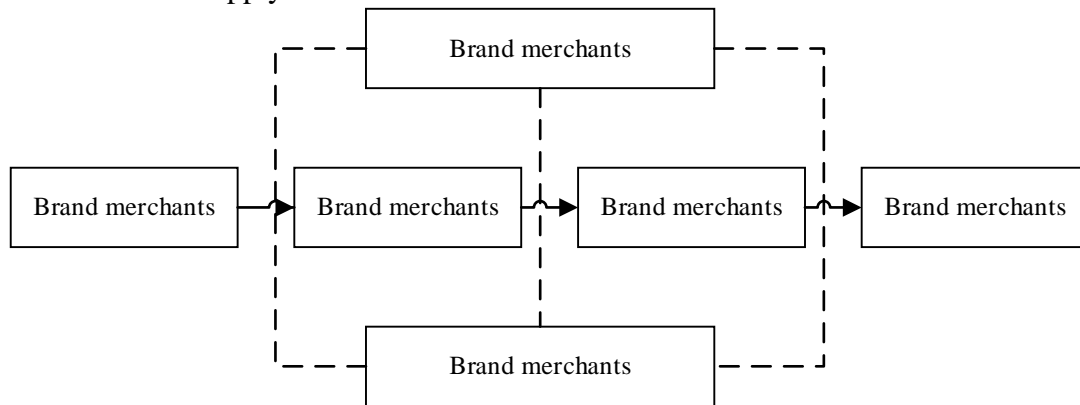


Fig.1. Circulation Supply Chain Structure

4. Analysis of Business Model and Theoretical Framework of Circulation Supply Chain

At present, the business model is developing well in the prosperous market economy today. In this respect, many researchers with business experience have put forward a combination of value proposition, value chain, value network, cost structure, profitability and competitive advantage, and some scholars will consider the main value of business participation [5]. A new business model that integrates creation and potential revenue. Another part of scholars regard profit model as the core element of business model construction. Of course, these business models have a certain degree of pertinence, that is, their formation process has a great relationship with the specific situation of the development of the relevant enterprises. But from the point of view of supply chain, the key to make circulation turn well is how to stimulate consumption, so as to activate the market and realize the reversal of the overall situation.

5. Analysis of Business Model Innovation of Circulation Supply Chain Driven by Consumption

5.1. Factor Adjustment of Business Model in Circulation Supply Chain

The advantage of supply chain business model circulation is that it can enhance the competitive advantage of its enterprises in the whole circulation process, and promote operation management. At the same time, it can realize the adjustment and upgrading of customer service, profit model and benefit distribution. For this link, the first choice is to base on consumers and build community relations, which can significantly enhance the core competitiveness of enterprises, optimize customer service and mode. In the aspect of commodity, it can realize the win-win mode around the profit model and customer service, thus forming the form of "product + service", thus realizing the promotion of supply chain circulation business model [6]. Finally, in terms of consumption space, relying on the commercial marketing advantages brought about by new retail, it can provide basic support for consumers to upgrade their shopping experience and reliable consumer guidance.

5.2. Upgrading and Transformation of Business Model of Circulation Supply Chain

The upgrading and transformation of business model in circulation supply chain is an important link of business model innovation driven by consumption, which reconstructs the relationship between the circulation industry and the participants, and changes the traditional circulation business

model to a certain extent. This change is mainly reflected in the following aspects [7]: (1) The core competitiveness of the circulation supply chain has changed to a certain extent, from the traditional enterprise-centered to the consumer-centered, with the ultimate purpose of stimulating consumption; (2) The business model of the circulation supply chain has changed in customer service, especially in the field of customer service. It has changed from a traditional single service model to a multi-level business service model with personalized characteristics; (3) The profit model has undergone significant changes, the traditional way is to make profits mainly by the middle price difference, while the new business model with consumption-driven as the main body can achieve profits by providing business value-added services. Profit; (4) The pattern of profit distribution has changed. The main way of gaining profit in the traditional way is to get profit through inventory clearance and decrease step by step, while in the current consumption drive, it relies on the size of contribution to divide the benefits.

6. Analysis of Business Model Innovation Path of Circulation Supply Chain Driven by Consumption

6.1. Optimizing the Supply Chain of Circulation on Line to Realize the Transformation and Upgrading of Oxygen Dioxide

At present, with the rapid development of e-commerce, market competition intensifies, and the corresponding dividend growth continues to decline [8]. Therefore, in the context of the continuous upgrading of consumption, online and offline services can well tap the market potential and promote the upgrading of domestic consumption. For e-commerce, in the long-term operation of online commerce, it has gained flow, capital and technological advantages. Transplanting these advantages to offline channels can fully enhance the consumer experience of offline consumers, enhance the penetration of consumers online and offline, thus improving consumption patterns and ways, thus providing consumers with an excellent body. Experience, and bring new profit channels for businesses. At present, many e-commerce companies in our country begin to develop offline services, thus promoting industrial upgrading and promoting the sound market economic mechanism.

6.2. Expanding the Channels Off-line to Flatten the Circulation Chain

At present, the core of e-commerce model innovation based on consumption-driven is to provide consumers with high-quality consumption experience, which is also the main advantage of this business model. Therefore, in order to play a good role in the mode innovation, it requires relevant parties to integrate online and offline business models organically, and provide online consumers with high-quality experience services, so as to construct the O2O business model, enhance offline advantages and competitiveness. Of course, this way can build a direct relationship between consumers and brand merchants, optimize the allocation of high-quality resources, achieve the reduction of intermediate process, thus significantly enhance consumer experience, thereby promoting the further development of this business model.

6.3. Supply Chain Service Outsourcing, Smooth Supply Chain

In the current business model, due to the existence of multi-pole distribution links in the corresponding supply chain, the circulation efficiency and the current demand for consumer development are extremely mismatched. Nowadays, with the continuous upgrading of consumption, reducing intermediate links is the key to promote the development of consumption upgrading. On the one hand, it mainly lies in improving the responsiveness and flexibility of business models. On the one hand, first of all, the corresponding brand companies should focus on brand cultivation and R&D, and outsource the circulation supply chain, so as to improve the service specialization through professional outsourcing services, which can subvert the traditional inventory sales, improve the flexibility of the supply chain and the corresponding development speed.

6.4 Create an Integrated Service Platform and Enable Circulation Supply Chain

Building an integrated service platform and an enabling circulation supply chain is the key to

promoting the efficiency of social circulation industry [9]. On the one hand, it requires relevant parties to take information technology services or logistics services as the main circulation supply chain, to build an integrated O2O service, to build an ecological circulation supply chain, to complete transformation, upgrading and model. Type innovation. In this regard, the integrated service platform can provide integrated services for the supply chain circulation level, thereby optimizing service categories. Of course, in the process of transformation and upgrading, it is necessary to build an integrated service platform of O2O according to the characteristics of new retail, to gather the main participants of retailers, brand merchants and other supply chains, and to develop an ecological and digital circulation supply chain.

7. Conclusion

Based on the current trend of e-commerce development, focusing on the topic of "consumption-driven innovation model of circulation supply chain", this paper focuses on the analysis of the current consumption-driven model and the basic connotation of circulation supply chain. On this basis, the paper analyses the business model and theoretical framework of the circulation supply chain, the innovative connotation of the business model of the circulation supply chain driven by consumption, such as the adjustment of elements of the business model of the circulation supply chain and the upgrading and transformation of the business model of the circulation supply chain, and analyses the specific innovative paths, such as optimizing the circulation supply chain online. At present, the transformation and upgrading of O2O, the development of online channels offline, the flattening of the circulation chain, outsourcing of supply chain services, smoothing supply chain, building a comprehensive service platform, enabling the circulation supply chain, and so on, promote industrial development.

References

- [1] Liang Xiaoli. Exploring the examination mode of computerized accounting course in National Open University under the consumption-driven mode. *A comparative study of cultural innovation*, 2017 (09): 75-76.
- [2] Wang Shengguang, Mashuahua. On Supply Chain Driven Model. *China Soft Science*, 1999 (4): 34-36.
- [3] Lin Xiaohui, Liu Baoru. Exploration of Financial Innovation Model of Foreign Trade Supply Chain --- Taking Datong Foreign Trade Integrated Service Platform as an example. *Financial Science and Technology Era*, 2018, 280 (12): 22-28.
- [4] Fang Gang. Study on Rural Circulation Supply Chain Operation Optimization from the Perspective of Consumption Upgrading. *Journal of Hubei University of Economics (Humanities and Social Sciences Edition)*, 2017 (3).
- [5] Xiao Wensheng, Yan Shifeng, Yu Cuiping. Innovation of consumption-driven economic growth model in Jiangsu Province. *Journal of Jiangsu Vocational and Technical College of Economics and Trade*, 2017 (3).
- [6] Liman. On Supply Chain Model and Innovation Path. *Financial Theory and Teaching*, 2011 (5): 5-9.
- [7] Chen Xi. Innovation of Service Model of Full Channel Supply Chain Driven by Big Data. *Business Economics Research*, 2017 (11).
- [8] Parlier G H. Transforming Army Supply Chains: an Analytical Architecture for Management Innovation. *Air Force Journal of Logistics*, 2008.
- [9] Jos Mara Caridad, Hanclova J, Josefernan empirical analysis of the impact of risk factors on the frequency and impact of severe events on the supply chain in the Czech Republic. *Quality Innovation Prosperity*, 2014, 18 (2): 3123-3145.