RESEARCH ON NEW RETAIL CONNOTATION AND BUSINESS LOGIC BASED ON THE PERSPECTIVE OF CONSUMER EXPERIENCE

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ABSTRACT. *With the research of "new retail" by many scholars, its conceptual connotation and development model are more abundant and perfect. On the basis of literature review, this paper defines the concept of "new retail", and makes a comprehensive study from four perspectives: information technology, reconstructing people, goods, place and platform, integration of "online + offline + logistics", consumers experience customer-centered and consumer-centered values. This paper outlines the logical relationship between the key elements of "new retail" and points out that "new retail" will achieve the two goals of meeting demand and improving industry efficiency.*
Keywords: New retail, Development model, Representation

1. **Introduction.** The term "new retail" was put forward by Ma Yun at the Hangzhou Yun Qi Conference in October 2016: "The era of pure e-commerce will soon end, and the next ten or twenty years... Only when the term 'new retail' is used, that is to say, online and offline logistics must be combined together to create a real 'new retail'". "New retail" soon became a new word in the industry and was widely spread. Many entrepreneurs, scholars and the media have been heated about it. 2017 is known as "the first year of new retail", and it is also a year in which various new retailing formats and elements erupt centrally with the obvious actions of some enterprises with strong comprehensive strength as the main line. From the Baidu search index, we can see that since the emergence of the new retail concept, people have been paying more attention to the concept of new retail. The biggest action of commerce, which is called "new retail", is that e-commerce enterprises represented by Ali invest or acquire offline enterprises and carry out offline business by self-operation or joint venture. The underlying logic is that the space of e-commerce is narrowed, while the potential of offline retailing is infinite, and huge economic benefits drive enterprises to develop new retailing formats. At the same time, in recent years, the growth rate of mobile Internet users in China has slowed down year by year, and the total scale of online retail users tends to be stable. According to Hai Tong Securities' calculation of Ali's customer acquisition cost, the development cost of online customer has become higher and higher. According to the Statistics Report on the Development of Internet in China, as of December 2018, the number of Internet users in China had reached 829 million, with 56.53 million new Internet users added throughout the year, and the Internet penetration rate was 59.6%. In the stock market, the effect of

attracting more consumers by relying on low-price strategy will be worse and worse, and the stickiness and repurchase rate of consumers become more and more important. At the same time, enterprises need to dig deeply into the potential needs of consumers, so as to release consumption capacity. All these require enterprises to know consumers better and provide consumers with "better experience", and the concept of retail industry has changed from "low-price retail" to "experiential retail". New retail is more experience-oriented retail, and its core motivation is to seek greater market profits. The existing research results have been studied from many perspectives, such as the concept of new retail and the development model of new retail. Therefore, on the basis of discussing the definition of the concept of "new retail" and its form of business, this paper summarizes the focus of "new retail" from information technology, reconstructing the integration of people, goods, place and platform, "online + offline + logistics", customer-centered and consumer-centered values, clarifies the logical relationship between the key elements of new retail, and more clearly outlines the new retail development direction.

2. **The Definition of New Retail Concept and Format of Business.** Many scholars have explored and studied the concept of "new retail" as soon as it was put forward. Many scholars have summarized the concept of "new retail" at different levels. For the "new retail" focus from information technology, reconstruction of people, goods, place, platform, "online + offline + logistics" integration, consumer experience value as the center of many other factors were studied comprehensively.

By synthesizing many scholars' definitions of "new retail", we can conclude the core elements of new retail. In order to satisfy consumers' online shopping, entertainment and social experience needs, enterprises, based on the technical support of Internet (mobile), big data, cloud computing and artificial intelligence, reconstruct the system of organic linkage of people, platform, place and goods by using the dual advantages of traditional supermarket and business to achieve a new online and offline deep integration of retail mode. New retail centers on consumer value and provides better customer experience, which can make retail return to orderliness and reduce the whole social cost. Enterprises can share data online and offline, reduce operating costs and improve operating efficiency. Table 1 shows the definition of the concept of "new retail" by scholars.

With the academic research of "new retail", the "new retail" entity business has gradually emerged. From the financing situation of new retail in various fields, the form of new retail has undergone new changes. At the same time, "new retail" appears under the box horse fresh, super species, Su fresh, RISO, fresh food romance, whale selection, 7FRESH and new supermarket mode.

3. **"New Retail" Research Literature Review.** By combining domestic literature on "new retail", the existing research can be divided into the research of customer value that has consumer as the core, the online and offline collaboration based on new technology, and channel integration with Internet, big data, and artificial intelligence applications. Four areas are interrelated and distinct from each other.

3.1. **"New retail" takes the consumer experience as the core value.** The core of "new retail" is the improvement of user experience, including online and offline collaboration with logistics, integration of goods and logistics, enhancement of experiential consumption services, realization of consumer scenes, creating a platform for effective docking of various entities, and a model of omni-channel industrial ecological chain [1]. Yan and Liu [2] believe that "new retail" is a process of re-allocation of factor resources with consumers as the core, relying on resource integration and reconstruction to achieve an online and offline organic combination, which involves the restructuring of the industry chain and value chain. Su [3] thinks that the "new retail" creates more value for consumers than the customer value in the general sense by exploring that the new value is

TABLE 1. Summary of the definition of "new retail"

Scholar	Year	Definition (view)
Yan Zhanghua	2017.01	Through the form of online and offline integration, we can obtain all-round data and improve retail efficiency from the perspective of consumers (experience).
Du Ruiyun	2017.02	"New retail" refers to a new retail mode in which enterprises upgrade and transform the production, circulation and sales process of commodities by means of big data and artificial intelligence, relying on the Internet, and then reshape the business structure and ecosphere, and deeply integrate online service, offline experience and modern logistics.
Xu Yinzhou	2017.05	New retail is a kind of retail form based on the application of new generation information technology, which focuses on satisfying consumers' experience needs to the greatest extent and realizes the maximum efficiency of retail business in the whole society.
Zhao Shumei	2017.05	New retail is to apply the advanced ideas and technologies of the Internet to improve and innovate the traditional retail mode, and use the latest concepts and thinking as a guide to sell goods and services to the final consumers. It is not only the simple integration of O2O and logistics, but also the integration of cloud computing, big data and other innovative technologies. It includes all channels and transcends all channels, breaking all the boundaries of the past, and contacting consumers with a new look.
Wang Baoyi	2017.07	"New retail" is the return of the essence of retail. It is a comprehensive retail format in the era of data-driven and consumer upgrading, which can better meet the multi-dimensional needs of consumers in shopping, entertainment and social interaction through all channels and pan-retail forms.
Su Dongfeng	2017.09	Under the background of the development of modern information technology, "new retail" is a traditional retail or traditional electricity supplier that adds value creation links or elements such as logistics and production. Through the use of advanced Internet plus technology such as big data and artificial intelligence, it can achieve synergy and integration, and even promote the formation of the retail ecological circle, thus creating a new retail mode for consumers to purchase more value.
Qi Yan	2018.11	The connotation of new retail is based on information infrastructure such as Internet, cloud computing, artificial intelligence, and big data. By means of online and offline full channel integration, it realizes the reconstruction of people, goods and markets centered on consumers' comprehensive experience, thus improving retail efficiency and reducing retail costs. Its essence is people-oriented, data-driven, all-channel integration, and reconstructing people, goods and markets. Realize cost reduction and efficiency increase.
Wang Jiabao	2018.12	New retail is a new retail mode that combines big data with artificial intelligence to break through the shortcomings of pure online e-commerce, to realize data sharing online and offline, to bring into play the dual advantages of online and offline retail, and to realize a new online and offline integration.

brought by "new retail", but it is the value that consumers get, experience, and perceive during the shopping process, that is, the value of shopping. Wang [4] believes that "new retail" is centered on consumers, it is necessary to provide consumers with as much convenience as possible to meet multidimensional needs, and it depends on the construction of retail channels and the improvement of services on the surface. It essentially depends on the production of the product and efficient supply. Xu and Lin [5] think that the combination of online and offline and logistics is based on the comprehensive opening of consumer-centric data, and the goal is to provide all-channel, all-category, full-time, full-experience service to meet the full range of consumer needs. Zhao and Xu [1] provide a wider range of experiential consumer services and realize consumer scenarios from the perspective of consumer scenes. Consumption scenario is the most important development direction of "new retail" and the development direction of customers' future demand. Xu [6] believes that achieving omni-channel retail and the integration and upgrade of online and offline are centered on the customer experience, relying on relationship marketing and service innovation to meet the multi-dimensional needs of consumers, and the integration and reorganization of new technologies, new resources, and new finances is the basic path for its development. Han and Wang [7] consider that the essence of retailing is serviced from the perspective of customer social interaction, based on experiential consumption to meet the multi-dimensional needs of consumers. In the research of Wang and Li [8], this paper explores the evolution and development logic of new retail from the perspective of consumer experience. By coordinating the main body of the new retail ecosystem with data, the three ports of retail can provide intelligent and efficient services for consumers, and then enhance their shopping experience.

3.2. "New retail" is supported by the Internet, big data and artificial intelligence technology.

Su [3] thinks that in recent years, with the rapid development of information technology, new technologies such as computer technology, Internet technology, integration of three networks (new generation Internet, broadband telecommunication network, data television network), big data, cloud computing, block chain and artificial intelligence are emerging. From the perspective of traditional industrial upgrading, these technologies can be collectively referred to as "Internet +" technology. Moreover, with the passage of time, the "Internet +" technology will continue to be dynamically updated and updated, and the application of these technologies in retail business will also be constantly innovating, creating numerous possibilities for "new retail" in how to "+". Wang and Xiang [9] drive retailing and supply chain restructuring with "new technologies" such as big data and artificial intelligence, and promote the transformation and upgrading of physical retailing with Internet thinking. In the "concept, model and case study of new retail" published by Euro Think Tank, it is believed that "new retail" can be integrated through the whole channel through the infrastructure of Plasticine, intellectualism and collaboration in the future and the combination of online and offline depth. The digitized mode of big data, Internet of Things, cloud computing is fully excavated to realize C2B and experiential consumption. Through the collection of consumer behavior, perceive consumers and predict consumers. In recent years, the development of artificial intelligence, Internet of Things, big data, intelligent robots, virtual reality, block chains and other emerging technologies has been applied in retail industry, which has changed many aspects of retail. Based on the new technology, we can feel that the delivery speed of express is faster and faster, the E-commerce interface is more accurate, and shopping is more interesting because of shopping guided robots in shopping malls.

3.3. "New retail" reconstruction of the "people, goods, place, and platform" linkage system.

In the study of Yang et al. [10], scholars believe that no matter the "new retail" or the traditional retail, there are three elements: people, goods and market, but in different technological environments, the emphasis is slightly different. "New retail"

is to enlarge and innovate the interaction among the three elements of human, goods and market by integrating online and offline channels. On the human side, customer portraits based on consumer data help to understand the deep-seated needs of customers; in commodity production research and development, customer-to-factory (C2M) model based on user needs really realizes the reverse traction of consumption to production; in consumer scenarios, offline physical stores, live broadcasting, virtual reality (VR), mobile terminals are applied to consumer scenario innovation. Xu believes that through the reverse traction of production change at the retail end, we can achieve the effect of adding industrial chains, connecting supply chains and multiplying value chains. Based on the consideration of consumer demand factors, a new retail platform model, which includes employees in retail enterprises and upstream and downstream partners, is built, that is, a new retail industry ecological chain with all channels. This ecological chain includes not only the employees of retail enterprises, but also the upstream manufacturers, downstream businesses and all partners in the channel. It will cooperate more deeply and broadly on a public platform to achieve mutual benefit and win-win. Consideration is made on the basis of changing customers and consumers into participants, product upgrading and flexible supply chain transformation are carried out, and a series of elements are reconstructed in the whole process of changing market from simple terminal to retail. Wang [4] new retail realized the linkage of people, terminals, markets and goods at any time. People are consumers, ends are platforms, goods are suppliers and markets are merchants. Four links are closely linked to achieve seamless refinement.

3.4. **"New retail" is an innovation in online and offline synergy mechanism.** Wang [11] interprets the "new retail" in detail, believing that "new retail" actually advocated that the enterprises concerned should combine online, offline and mobile channels to promote the comprehensive transformation of price consumption to value consumption. Wang considers from a more detailed point of view that for consumers, they need to rely on logistics to connect online and offline, and meet their personalized and fragmented needs based on precise and fast experience service, for logistics enterprises, they need to integrate logistics resources efficiently based on the whole chain of big data, and change to intelligent logistics. Zhao and Xu [1] through the analysis of channels that online and offline logistics combined, achieves the integration of commodities and logistics channels. While online and offline retailers continue to open up online channels and offline retailers continue to open up offline channels, offline and online retailers cooperate with each other to achieve complementary and win-win channels. This cooperation is not a simple O2O, but to break all the original boundaries. Many online and offline retail enterprises cooperate to form a virtuous circle of all-channel products and logistics distribution network, among which consumers are the most convenient. Wang and Huang [12] elaborate the role and role of logistics in "new retail" from the perspective of development. They believe that online and offline logistics should develop in coordination with logistics. Deep collaboration of the online and offline is the core of "new retail", and the collaboration between the two and logistics is the guarantee of the development of "new retail". Wang [4] interprets "new retail" in more detail. He believes that "new retail" actually advocated that related enterprises should combine online, offline and mobile channels to promote the comprehensive transformation of price consumption to value consumption.

4. **The Logical Relationship between the Key Elements of "New Retail".** New retail is a value concept with people's experiential consumption as its core. With the support of new technology, it rebuilds the business process of consumers, goods, places and platforms, and realizes the online and offline integration mechanism model. With experiential consumption as the core, new retail follows the change of consumer's demand,

effectively meets and releases consumers' individualized demand of online shopping, entertainment and social interaction, so that the value created by retail matches consumers' demand. Experiential consumption uses big data, Internet, Internet of Things, artificial intelligence, and cloud computing technology to obtain consumer behavior records and transaction data of consumer and platform, consumer and place, goods and place and conduct in-depth digitization and analysis of business activities.
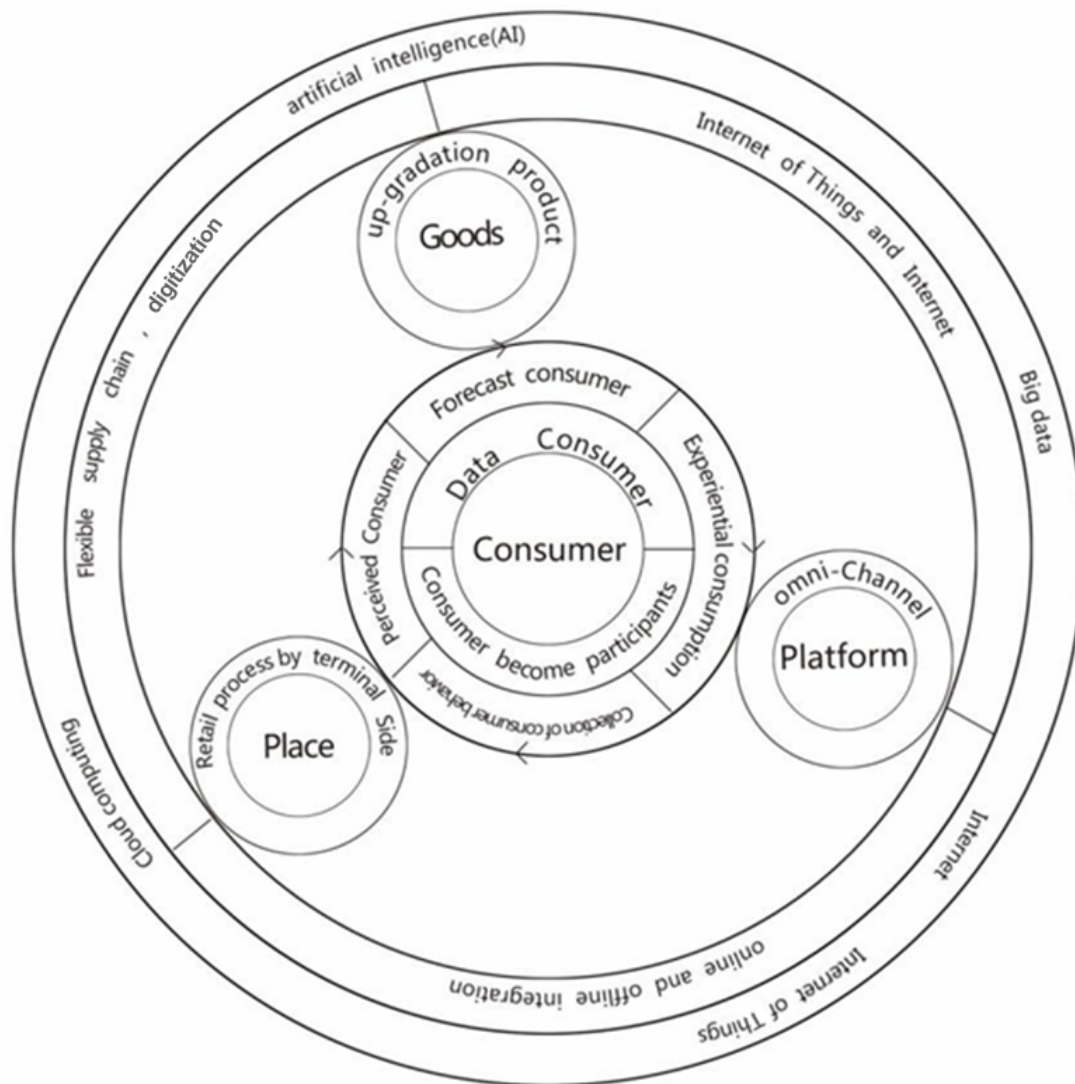

FIGURE 1. Logical diagram of key elements of new retail

New retail not only achieves more real consumption scenario experience between consumers and platforms through experiential consumption, but also collects consumers' all-round behavior, merges shop consumer portraits and third-party user data, and generates complete user portraits of consumers to perceive and predict consumers. Based on label, personalized push and accurate marketing are carried out to consumers, and related products are pushed to guide consumption upgrading based on consumer preference brand. Thus consumers in the business interface can see more precise push, in order to meet the needs of consumers personalized customization. New retailing transforms "place" from retail terminal to retail process. Through the drainage of online customers, more passenger flow is brought to offline stores. Online payment stores to pick up goods while increasing the experience of consumers in offline stores shopping. The application of new technologies not only brings freshness to customers, but also improves operational efficiency and brings opportunities for upgrading offline stores.

New retail realizes the deep integration of online and offline development. The key point of opening channels is not to open stores online and develop APP online. What is more important behind them is the digitalization degree of enterprises, the ability of data mining, the ability of co-ordination of cloud, and the ability of co-reaction of online and offline stores and logistics system. The core of the whole channel is to provide consumers with seamless shopping experience. Its function is to achieve seamless transformation of online and offline traffic. At the same time, new retailers put forward higher requirements for goods, and then upgrade products. The application of technology helps logistics to achieve automated warehousing and efficient distribution.

5. **Conclusions.** "New retail" is a new technology, a new model and a comprehensive reflection of new value, namely, the progress of science and technology, the innovation of business model, and the creation of new value centered on customers. New technology is to use the Internet, big data, cloud computing, artificial intelligence, the Internet of Things and other advanced technologies to support the reconstruction of people, goods, place, platform, and innovate the business model of deep integration of online and offline, and ultimately provide new value for consumers. Among them, the new value mainly emphasizes the core of consumers. Therefore, the development of new retail is conducive to improving the efficiency and performance of consumers, reducing the cost of enterprises, improving efficiency and creating social commercial value optimization. In the future, it is necessary to pay attention to the integration of online and offline so as to enhance the empirical research of consumer experience, and determine all aspects and concepts of consumer online and offline shopping experience.

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