



# Research on Retail E-Commerce Logistics operation mode of china

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**Abstract—**This paper discusses the retail business enterprise logistics operation four common, self-logistics operation mode, the mode of operation of third-party resources, logistics alliance mode of operation and large logistics mode, and the first four models from the amount of capital investment, capital flows Comparative analysis of research, logistics, cost control and other aspects.

**Keywords—**Retail E-Commerce; Logistics Operation Mode; Logistics Alliance

## I INTRODUCTION

Logistics operation mode is in accordance with the requirements of customers, order information extracted through goods, picking, packing and other work with a range of goods, the movement of goods to consumers, and stored procedures directly from the warehouse or distribution center, which is based market-oriented to meet customer requirements for the purpose of minimizing the cost of acquisition of logistics mode of operation to adapt to modern logistics and retail electricity business enterprise development

## II.FOUR OPERATION MODES

Now, there are four operation modes in retail and introduce as follow.

### A. Self-logistics operation mode

Their self-logistics operations, called self-logistics refers to retail electric providers logistics companies in order to meet the needs of their business, to establish their own logistics system, including the company's own investment in the acquisition of logistics facilities and equipment, configuration, logistics and operations personnel, self-organization and management of specific logistics business to operate retail electricity provider of logistics. Retail electricity providers in the early development of China's logistics company mostly by traditional storage company change comes, it cannot meet the retail business enterprise logistics needs, therefore, many companies conduct their retail electric providers by means of the development of logistics experience business, namely retail electricity providers operate their own logistics. B2B companies such as Haier Logistics, B2C companies Jingdong Mall, Suning, Gome, etc.

Mode analysis(as show in figure1): Consumer complete orders through e-commerce network platform, ordering information is passed to the enterprise's own logistics center, consumer goods ordered by complete logistics and distribution services, and handle return logistics business. If the enterprise's logistics capacity is relatively strong, to meet their logistics needs, while still a considerable surplus, you can undertake foreign logistics business.

### B. Third-party logistics operation mode

This mode refers to the retail electricity supplier companies do what they do best, such as platforms, data and other services such as the production and logistics are outsourced to a third party professional companies ultimately do little to make the company bigger customer base. Retail electricity supplier companies to focus resources and energy on their core business, not good at his own

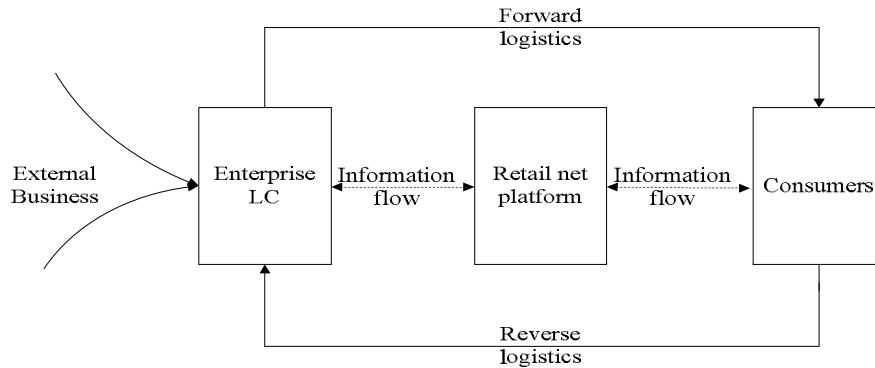


Fig. 1 Self-logistics operation flow chat

logistics business or temporarily unable to do in certain areas of the logistics business, all by way of contract entrusted to a professional third-party logistics company TPL) retail electricity providers to maintain close contact with the TPL enterprise IT systems through docking to achieve full retail electricity provider of logistics management and control. That business enterprise truly "go nuclear" and "outsourcing." B2B companies such as Dunhuang, C2C companies such as eBay.

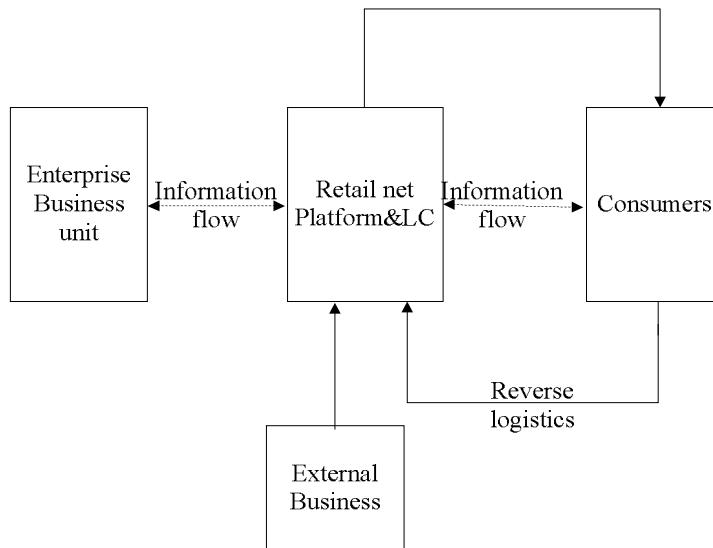


Fig. 2 Third-party logistics operation flow chat

Mode analysis(as show in figure 2): Third-party logistics companies to provide all logistics facilities, through interactive communication and e-commerce enterprise business management, access and distribution of consumer goods ordering information, and then use their own logistics facilities, management personnel and professional delivery team to complete replacement service delivery to consumers.

#### C. Logistics Alliance mode

Logistics Alliance is a cooperative based enterprise logistics strategic alliance between it refers to two or more enterprises, in order to achieve their strategic objectives of logistics, through various agreements, contracts and form of complementary advantages, risks and benefits loose network organization shared. It is a range of logistics services between the two models above, refers to the retail electricity supplier companies and logistics enterprises to cooperate, composed of complementary logistics chain, retail electricity business platform in which to play and led to the birth of the industrial chain

by for all aspects of logistics resources reasonable and efficient integration and utilization. Such as Alibaba, including its T-Mall , Taobao.

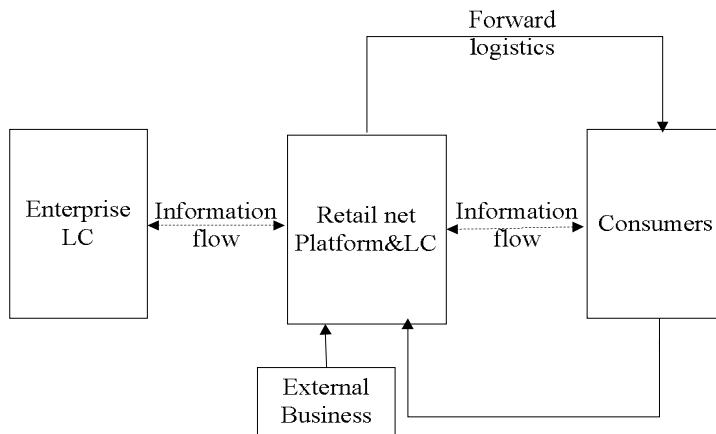


Fig.3 Logistics Alliance flow chat

Mode Analysis(as show in figure 3): Strategic alliance is an informal organization to replace the market mechanism to establish mutual trust by stable contracts, reducing opportunistic behavior leads to the occurrence of bounded rationality, to achieve long-term cooperation while reducing transaction costs.

#### D. Social logistics operation mode

The so-called "big logistics", that is social logistics refers to the shared enterprise of its own logistics and distribution of third-party logistics enterprise information and resources in order to achieve a greater level of use in all aspects of social resources, reduce total logistics expenditures and reduce operating costs. Overall, retail electric providers large logistics through the "cloud storage" and "cloud logistics" together to achieve cost-efficient operations. This mode is Mr. Chen Ping, chairman of emergency will come out first proposed by the stars, also known as "cloud logistics".

Mode Analysis: "Cloud Storage" in the implementation of ideas include:

- 1)establish an entity sub-positions, to achieve near perfect distribution;
- 2)social information systems, information sharing and cargo logistics enterprise integration;
- 3)integrate logistics enterprises and form logistics group
- 4)accelerate the formation of logistics network construction, the formation of regional distribution network.

"Cloud logistics" of the implementation of ideas include: the introduction of modern logistics management mode "cloud computing"concept.

- 1)massive order information integration, integrated logistics resources;
- 2)establish uniform standards to ensure the logistics transparency and standardization.

### III.COMPREHENSIVE COMPARISON

Learn four basic modes and then analyse these four ways in Table1 as follow.

TABLE I

Four Logistics Business Modes Characteristics Analysis

Based on the above analysis, self-logistics operation mode applies to relatively abundant capital investment, high level of logistics management, logistics and retail business is relatively concentrated business enterprises; third-party logistics

Operation mode	Amount of capital investment	Liquidity	Logistics costs control ability	Flexible logistics services	Coverage	Management capabilities	Risk
self-logistics operation mode	larger	stronger	improve utilization	larger	limitation	stronger	large
third-party logistics operation mode	smaller	weaker	reduce warehousing, transaction costs	smaller	broad	weaker	larger
logistics alliance mode	large	stronger	information Sharing, reduce transaction costs	large	broad	strong	smaller
social logistics operation mode	large	strong	utilize social resource, Reduce operating costs	large	broad	strong	smaller

operation mode applies to investment in smaller, their own lack of logistics resources plaque, and the business area is relatively fragmented retail business enterprises; logistics alliance mode applies to with a certain scale of investment partners more widely, but their resources are not very good logistics and retail electricity business enterprises; social logistics operation mode applies to retail electricity providers, logistics carriers / franchisees and customers to participate.

## CONCLUSIONS

First, the article introduce four operation modes, then analysis each modes through flow chat. Based on the analysis, carry on comprehensive comparison in amount of capital investment, liquidity, Logistics costs control ability and etc. Hope to give some suggestion to retail e-commerce companies.

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