Research on Consumption Upgrading and Retail Innovation Development Based on Mobile Internet Technology

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Abstract. Under the background of mobile Internet technology rapid development, the traditional retail formats and electric business platform depth fusion, new forms and new business models and rapid development, China's consumers and consumption behavior present the new characteristics. Meanwhile it not only provides technical support for retail entity enterprise transformation and upgrading but also opens up a new channel for China's retail industry development and reform. This article is based on mobile Internet technology consumers and consumer behavior, and China's retail industry development situation in our country combined with the impact of the process of traditional retail development, proposes China's retail industry innovation and development to give full play to the advantages of the mobile Internet, implementing the resources sharing, product sharing and retail logistics share. Therefore realizes the coordinated development of online and explores the new development model of multiple forms of retail business innovation.

1. Introduction
Retail industry as an important part of the third industry has played an irreplaceable function in our country to our country economy high quality development. It is one of the important channels connected the consumption and production. With the development of mobile Internet technology, the rising popularity of smart phones, structure upgrading and level promoting of all kinds of consumer spending in the consumption expenditure, the retail industry's contribution to the high quality of economic growth will be greater. On October 31, 2018, Economic Daily joint with Jingdong, Jingdong Daojia, Wal-mart and Tencent issued "2018 Annual Report on Chinese Retailers Full Channel Integration Development", stating the China’s consumption structure change and retailer development trend by listing grand data analysis. In November 2018, the CPC Central Committee on “Implementation Plan on Perfecting and Boosting Consumption System and Further Stimulating Consumer Potential(2018-2020)”, pointed out that the consumer is the ultimate goal of production
and the power, to lead innovation by upgrading supply consumption, to create the consumption point of new growth by supply promotion, to achieve the balance of supply and demand in a higher level unceasingly. Therefore it clearly point out the direction for consumption upgrading under mobile internet technology, rapid growth of promoting retail industry, upgrading and developing of retail enterprises transformation from the state level.

The development of mobile Internet technology, with the help of VR technology, Internet of things, intelligent logistics, grand data, cloud computing, REID retail terminal and so on, provides technical support for the transformation and upgrading of physical retail industry and opens up new channels for the innovative development of China's retail industry. What changes have consumers and consumer behavior under gone under mobile internet technology? What characteristics of the upgrading of consumption? These two elements have played the direct effect to China’s retail industry. How much impact will the mobile internet development cause to the retail industry creation development. How will retail industry upgrade transformation and creation development with the help of mobile internet technology implementation. This research has important practical significance.

2. Analysis of consumption upgrading and retail development status under mobile Internet technology

2.1 Consumption upgrade under mobile internet technology

Consumption upgrading is the structural upgrading and level improvement of various types of consumption expenditure among the total consumption expenditure, which directly reflects the consumption level and development trend. In background of mobile Internet technology rapid development, the traditional retail formats and electric business platform have deeply integrated, new forms and new business models have developed rapidly. At the same time, under the background internet technology relationship between business and users has changed. As China's consumption has upgraded, the consumers’ demand and experience has changed.

China's consumption power continues to grow. According to the National Bureau of Statistics, China's per capita disposable income has continued to increase, from 8,896 yuan in 2013 to 25,974 yuan in 2017. At present, the number of China's middle-income group has exceeded 300 million people, roughly more than 30% of the global middle-income group. Middle-income groups have higher income and consumption vitality. The data shows that the "post-80s" and "post-90s", people aged between 20 and 39, have become the main consumer groups in China. They are also the main groups of mobile Internet users. They have the ability and willingness to improve personal consumption level, and have higher standards for quality, experience and freshness. The single online or offline retail model is difficult to meet their needs, and the integrated online and offline shopping model is more popular.

With the transition of consumer demand, "only buy expensive things, do not buy the right things" and other consumption concepts have been replaced by "buy fine things buy good things" concept. Consumers’ spiritual consumption level has entered to a higher level, but their material consumption level can not keep up, but consumption upgrade just cut into their urgent psychology.

In addition, for their richer knowledge of the commodities they consume, stronger brand awareness, international vision and channels (all kinds of overseas purchase and purchasing agents), they have high requirements for consumption. As Japanese consumer society research expert Atsushi Miura said...
in his book "the Fourth Consumption age" that today's young consumer groups have gradually abandoned the "expensive is good" consumption concept, but this does not mean that they are not in pursuit of quality. On the contrary, they pursue the best balance between price and quality, ensuring a better quality of life without paying unnecessary premium.

In addition, the boundary between online and offline consumers is gradually blurred, and the consumer shopping channel is moving from fragmentation to integration. With the change of consumer demand and the development of the industry, consumers no longer simply use a single online or offline consumption, but according to their own needs, choose the most appropriate way. Consumer scenarios are diversified, consumer choices are more diversified and convenient, and user experience is getting better and better. According to the survey data, 5% of consumers choose to purchase goods purely online, 79% of consumers will combine online and offline shopping, and 16% of consumers only make single offline consumption. In addition, consumers aged 18-30 are more likely to use shopping online and men are more likely to use shopping online.

2.2 analysis of the development status of China's retail industry under the mobile Internet technology

Since 2010, China's retail industry has been rapid development. Especially in 2013, after the First Year of the Internet Financial, the retail sales growth became more prominent: the national social total rapid of growth of retail sales of consumer goods increased from 1.2718 trillion yuan in January 2010 to more than 32005 one hundred million yuan in September, with an annual growth rate of 9.2%, respectively (deducting the price factor, the actual growth was 6.4%. What noted below are nominal growth unless they were specially explained). Additionally, retail sales of consumer goods above the quota were 1,276.2 billion yuan in total, with an increasing rate of 5.7 percent.

From January to September 2018, the total retail sales of consumer goods reached 27,429.9 billion yuan, with an increasing rate of 9.3%. In addition, the retail sales of consumer goods above the quota reached 10479.2 billion yuan, with an increasing rate of 6.9%. Shown in Chart 1.

![Chart 1 Monthly Growing Rate of Retail Sales of Consumer Goods](image_url)

Chart 1 Monthly Growing Rate of Retail Sales of Consumer Goods

Obviously, China's retail industry rapidly developed in the eight years after 2010, and showed a sustained growth momentum, which laid a solid foundation for the cultivation of new fashion that Chinese household consumption galvanizes the growth of economy.

With the help of mobile Internet technology, online retailing began growing rapidly in China. Since
the fierce growth of online retailing, both retail sales and proportion significantly rose: our social physical goods in the retail business of online retail was accounted by 8.3% in the first quarter of 2015 to 17.5% in the third quarter of 2018, which has doubled in less than four years. Online retail business continued to maintain a rapid growth momentum in 2018. According to statistics from the national bureau of statistics (figure 2), in the year of 2018, from January to September, China's online retail sales reached 6278.5 billion yuan, increased by 27.0%. What is more, online retail sales of physical goods were 4793.8 billion yuan in total, increased by 27.7% and accounting for 17.5% of the total retail sales of consumer goods. Among the online retail sales of physical goods, food, clothing and use increased by 43.8%, 23.3% and 27.7%, respectively. China has developed a new retail industry pattern of joint development among online and offline, wholesale and retail, and urban and rural circulation market. China's online retail sales has accounted for more than 10% of the total retail sales of consumer goods.

| Time                  | Online retail sales (billion yuan) | Year-on-year growth (%) | online retail sales of physical goods (billion yuan) | Year-on-year growth (%) |
|-----------------------|-----------------------------------|-------------------------|----------------------------------------------------|-------------------------|
| January to September 2017 | 48787                             | 34.2%                   | 36826                                             | 29.1%                   |
| January-October       | 55350                             | 34.0%                   | 41782                                             | 28.8%                   |
| January-November      | 64306                             | 32.4%                   | 49144                                             | 27.6%                   |
| January- December     | 71751                             | 32.2%                   | 54806                                             | 28.0%                   |
| January to February 2018 | 12271                             | 37.3%                   | 9073                                              | 35.6%                   |
| January- March        | 19318                             | 35.4%                   | 14567                                             | 34.4%                   |
| January- April        | 25792                             | 32.4%                   | 19495                                             | 31.2%                   |
| January- May          | 32691                             | 30.7%                   | 24819                                             | 30.0%                   |
| January- June         | 40810                             | 30.1%                   | 31277                                             | 29.1%                   |
| January- July         | 47863                             | 29.3%                   | 36461                                             | 29.8%                   |
| January- August       | 55195                             | 28.2%                   | 41993                                             | 28.6%                   |
| January- September    | 62785                             | 27.0%                   | 47938                                             | 27.7%                   |

Chart 2 China's online retail sales and growth rate in 2017-2018

3. Innovative development path of retail industry

In the context of mobile Internet, although China's retail industry has rapidly developed, we need to give better play to the support of mobile Internet for the innovative development of China's retail industry, based on the influence mechanism of mobile Internet on the development of retail industry. We can start from the following aspects:

3.1 "online + offline" collaborative development

The change of consumers’ demand is driving the merging development of retailer supermarket industry integration between in both online and offline ways. In addition, cloud computing, artificial intelligence, big data, Internet, AR/VR, block chain and other unconventionally mobile Internet technology gradually applied to the retailer industry each link, providing a strong support for retail
realizing the coordinated development of the online and offline. We can use integration based on the efficiency of the supply chain, which we use technical methods to get through and optimize all retail links, relying on large data and information systems to merge customers' comprehensive perception, intelligent command and synergy, accurate service and crucial security elements into a whole, eventually making services become more precise and supply chain more transparent, flexible and agile. Hence, we can hugely improve the efficiency.

It can also adopt the mixture of scene based on real-time consumption, which mainly reflects in the platform's, enabling offline stores, helping offline stores realize online and e-commerce upgrading, and satisfying consumers' demand for convenience and immediateness of high-frequency consumer goods procurement through real-time distribution. Another method is the fusion based on the reconstruction of consumption experience. The core lies in the optimization of consumers' store experience through online and offline integration and the application of numerous retail technologies.

3.2 Realization of value network management by taking advantage of mobile Internet technology

With the upgrading of consumption, personalization and customization have become the consumption characters of the new generation. Mobile Internet technology enables different roles in the supply chain, breaking through the boundary to realize communication, connection between customers and manufacturers, and providing the same value network for both manufacturers and consumers. Consumers directly provide feedbacks of their expectations of products to manufacturers. Hence, we could guide production according to requirements and meet consumers' personalized requirements. In addition, by involving consumer experience in design and production process of products, the sense of participation among costumers can be maximized, in order to make retail experience and value-added services the highlights of new retail.

3.3 Innovate retail mode by taking advantage of mobile Internet technology

According to their own characteristics, retail enterprises need to fully develop retail business model innovation, to improve "retail + O2O mode + mobile electronic payment mode", and to build retail value + experience + brand culture ", "retail + big data applications, precise marketing", "retail +dynamic supply chain+ dynamic logistics" and many other innovative formats. We need to apply the experience and brand consciousness into specific consumers. Then, merge the individualization of costumers into the daily management of retail enterprise, which could optimize the retail enterprise supply chain and logistics system. Hence, this would attract consumers, enhance consumer's viscosity, enlarge the precision of the retail enterprise marketing ability, and reduce the retail business cost of retail enterprises. Therefore, it could promote the innovative development of retail business as a whole.

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