A Study on Construction Plan of the Intelligent Home Supply Chain Integration Service Platform in the North of Zhejiang

Yuyan Shen¹ and Yan Qian²
1-2. Qianjiang College, Hangzhou Normal University, No.16, Xuelin Street, 310018, Hangzhou, Zhejiang, China
Email: shenyy225@sina.cn (corresponding author);

Abstract. This paper has combined the opportunity of Zhejiang Province to develop the modern supply chain, as the double factors of endogenous and external demands, the home city has met the urgent need to improve development, based on Haiyan convenient transportation and good location advantages, construct Zhebei Intelligent Home Supply Chain Integration Service Platform. Through the creation of a characteristic commercial complex, aim to become a characteristic commercial complex through the overall transformation and upgrading of the market. The construction of Zhebei Intelligent Home Supply Chain Integration Service Platform is conducive to optimize the investment environment of Haiyan and enhance the competitiveness of Haiyan City.

1. Instruction
The transformation to the supply chain integration platform has become the future development trend of the professional market. Governments at all levels provide a good policy environment for the market development. Zhejiang Province will soon launch the "Zhejiang Modern Supply Chain Development Action Plan (2018-2022)" and propose to focus on the development of smart circulation supply chain. Based on the needs of professional market transformation and upgrading, build a comprehensive supply chain service platform with functions such as capital management, information services, warehousing & distribution, resource integration and public services, develop vigorously a flexible, personalized, customized and fast response supply chain in the new retail era, and build an Intelligent Network Collaborative Platform based on big data to achieve the close interaction between retail and production.

In 2018, Zhejiang Province will integrate the reform of the whole & retail industry into the top ten action plans to strengthen the province and enrich the people, and introduce the "Zhejiang Province Action Plan of Promotion of Wholesale & Retail Industry (2018-2022)", take the creation of a new trade center as the goal, take the reform innovation as the driving force, take the development of digitalization, platformization and branding development as the guide, promote the transformation and upgrading of the wholesale and retail industry, play its better role to guide production, promote consumption and safeguard people's livelihood, provide solid support for the goal of struggle to accelerate the realization of “two high levels” in our province.

The Zhebei Intelligent Home Supply Chain Integration Service Platform aims to improve the management mechanism and strengthen dynamic management by building a characteristic commercial complex and market overall transformation and upgrading.
2. Under the Dual Factors of Endogenous and External Demand, the Home City has Met the Urgent Need for Development

2.1. All Categories of Home Decoration Building Materials can be Achieved by the True One-stop Shopping

Zhejiang Haigang Intelligent Home City is located at No. 365 Yanbei Road, Wuyuan Street, Haiyan County. It belongs to Wuyuan New City Block, which is transformed and upgraded from the original fastener hardware city and Ganglong Decoration City. The market is operated and managed by Haiyan Haigang Market Management Co., Ltd. The market consists of several major blocks, such as home building materials area, e-commerce area, and community neighborhood center. It is divided into four areas of ABCD. The home building materials area is divided into 12 major theme areas, and the business scope includes ceramic sanitary ware, floor stone, paint & coating, lighting fabric, cabinet ceiling, iron art door, hardware & electrical fittings, pipe fittings, light steel keel, wood plywood, furniture and other decorative materials.

2.2. Zhejiang Haigang Intelligent Home City has been Awarded by Zhejiang Professional Market Association

It has been awarded with the title of “Zhejiang Key Professional Market” and “Zhejiang Most Investment Potential Market” by Zhejiang Professional Market Association, and it has been awarded with the title of “Home Furnishing Town” by China Building Materials Circulation Association. Haiyan Haigang Market Management Co., Ltd. has been awarded with the honorary title of “Advanced Enterprise of National Building Materials Circulation Industry” and “Special Contribution Award of China Building Materials Circulation Association” by China Building Materials Circulation Association.

2.3. Since the Establishment of the Market, the Activity of Commodity Trading has been continuously Improved

The average daily flow has been increased from 2,000 persons to 5,000 persons. While the sales have been grown steadily, and the tax payments have been continued to climb. According to rough estimates, the market sales increase year by year, the performance: RMB 500 million in 2015, RMB1.2 billion in 2016, and RMB 2 billion in 2017; the tax payment: RMB 8 million in 2015, RMB 12 million in 2016, and RMB 20 million in 2017.

3. Good Innate Foundation is Conducive to Build a Smart Supply Chain Home Platform in Northern Zhejiang

3.1. Good Economic Foundation

In 2016, there are 8 companies that have been listed in the home building materials industry in China. In 2017, there are at least 14 companies that have been listed according to the incomplete statistics. The industry output value of the home and decoration materials industry in 2017 is about RMB1.1 trillion. From January to June in 2017, the added value of the building materials industry has been increased by 5.7% year-on-year, and the main business income has been increased by 12.3%. In the overall market development environment, the home building materials enterprises have accelerated as the rapid expansion of category, business model innovation is accelerated with the new trends in brand and marketing. The improvement of residents' consumption level has also driven the rapid development of the home decoration industry. In 2017, the market size of the home decoration industry has exceeded RMB 2 trillion, of which the online home scale has exceeded RMB150 billion. In 2017, Haiyan County has achieved a total production value of RMB 46 billion, an increase of 7%. The total fiscal revenue is RMB7.116 billion, an increase of 12.8%. Since the development of integrated ceiling in Haiyan County, it has formed a complete industrial chain that has become an important engine for the development of county economic development. The integrated ceiling of Haiyan County has obtained the national geographical indication certification mark, which is one of the few in Zhejiang Province, which has obtained the certification mark of national geographical
indication by industrial category. According to statistics, Haiyan County's integrated ceiling brand has more than 8,000 direct sales stores across the country, and its domestic market share is 40%. With the implementation of the Hangzhou Bay District, the G60 Kechuang Corridor and the “Full Integration of Hangzhou & Shanghai” strategy, the opportunity for the development of the integrated ceiling industry in Haiyan County has been further increased, and the cooperation with upstream and downstream enterprises has been gradually strengthened.

Haiyan County's good development atmosphere of home building materials industry and relative mature integrated ceiling industry development system have provided a good industrial foundation and economic conditions for the upgrading and transformation of Zhejiang Haigang Intelligent Home City.

3.2. Convenient Transportation Location
Haiyan County in Jiaxing City of Zhejiang Province is located in the Yangtze River Delta Economic Zone, the most active economic zone in China. It is one of the first batches of coastal development cities and counties in China, which is located in the forefront of the “Top 100 National Comprehensive Strength Counties”. The geographical position is superior. The county central town Wuyuan Town is 118 kilometers away from Shanghai and 98 kilometers away from Hangzhou. The main roads in the territory include the Provincial Highway 01 East & West Avenue, Yanhu Highway and Yanwang Highway. The vertical and horizontal river channel is 1860.7 kilometers long. The backbone rivers include Yanpingtang River, Yanjiatang River, Changshan River and Baiyang River etc. Roads and waterways are intertwined. The fourth contract project of the North Shore of the Hangzhou Bay Cross-sea Bridge is the Haiyan Hub Project, which will make the three aortas of Hangpu Expressway (Hangzhou-Pudong), Zhajiasu Expressway (Zhapu-Jiaxing-Suzhou) and Hangzhou Bay Cross-sea Bridge North Shore Link Expressway interconnected, and Haiyan has become an important traffic nerve center in the Yangtze River Delta.

Zhejiang Haigang Intelligent Home City is located at No. 365, Yanbei Road, Haiyan County, with convenient transportation and three facing streets. It is located in the core business district surrounded by Yanbei Road, Huafeng Road and Baichi Road, and it is less than 3 kilometers away from Haiyan Old Town. The external passage of the Home City is mainly highway, about 7KM by car from the entrance of Haiyan Expressway Toll Station., about 28KM from Haining Railway Station. It is located in the one-hour economic circle of Shanghai, Hangzhou, Suzhou and Ningbo.

The convenient traffic conditions of Zhejiang Haigang Intelligent Home City can help it to break through the existing radiation range after the transition, and expand the market from Haiyan to the north of Zhejiang and even the entire Hangzhou Bay area.

3.3. Service Platform's Promotion Positioning & Goals

**Positioning:** Take the development of home platform and intelligence as the development direction, take the Zhejiang Province to promote the transformation and upgrading of retail industry as an opportunity for development, take the “establishing market brand, enhancing industrial value and serving local economy” as goal, insist on innovation, coordination, green, openness and sharing development concept; collect resources, serve North of Zhejiang, radiate Jiangsu, Zhejiang and Shanghai.

The construction is characterized by the aggregation of resource elements such as headquarters economy, intelligent design, information service, financial services, and unified integration of warehouses, take the integrated ceiling supply chain product design and home building materials supply chain integration services as the core; take the O2M omni-channel marketing and intelligent audio navigation as a highlight; take the smart home supply chain service platform to support Zhebei Intelligent Home Supply Chain Integration Service Platform.

Establish the most energetic and valuable “Zhebei Intelligent Home Supply Chain Integration Service Platform” in Jiangsu, Zhejiang and Shanghai, build a more innovative industrial design & research center in the north of Zhejiang Province and create a new type of smart home supply chain integration service mode with typical demonstration significance in Jiangsu, Zhejiang and Shanghai.

**Aims:** By creating a characteristic commercial complex, the Zhebei Intelligent Home Supply Chain Integration Service Platform can play a role in the gathering of characteristic commercial blocks,
guide Zhejiang famous enterprises into the street and famous products to enter the store, create a smart home street, upgrade the commercial street level, and promote the construction of characteristic commercial streets. According to the endowment of Haiyan resources, explore the cultural connotation of tourism, accelerate industrial integration, promote the integrated development of business travel, form the regional characteristics of “one street, one product”, create regional commercial landmarks, and become a new business card for the construction and development of Haiyan City.

Zhebei Intelligent Home Supply Chain Integration Service Platform can gather the industrial chain resources, improve the upstream and downstream enterprise relations, remove the redundant industry development links, build a home industry development base with Haiyan characteristics, optimize Haiyan investment environment, and enhance Haiyan competitiveness of the urban masses in Hangzhou Bay.

4. Service Platform Construction Improvement Plan

The existing space utilization rate of the home city is not high. It is mainly a separate three-storey building. The buildings are separated by multiple roads. The Central street and the Gaigang Street in the middle of the market are only used as the main roads inside the market and parking. Overall, the actual operating area of the market is limited, which restricts the further development of the market to a certain extent.

In terms of image enhancement, by building a top screen cinema above the central street, installing the LCD screen on the existing wall and the others, maximize the use of the overall space of the home city and enhance the image.

4.1. Top Screen Cinema

Make full use of the top space of the main road of the mall to build a top screen cinema, integrate with the beautiful market shopping environment and the display effects of modern home.

4.2. Full LCD Panel

Improve the market nighttime lighting effect, make full use of the market building exterior wall, increase the product display space, and enhance the market promotion effect.

4.3. Environmental Remediation

Enhance the market image and the consumer shopping environment through a series of market environment remediation projects such as landscaping of market environment, improvement of lighting engineering, and regulation of parking order.

5. The Upgrading Path of the Service Platform

In order to ensure the smooth implementation of the transformation and upgrading project of Zhejiang Haigang Intelligent Home City, the various functional sections can be better developed to ensure that the home city can obtain market recognition and realize relevant benefits in the early stage of transformation. Zhejiang Haigang Intelligent Home City will carry out a five-year implementation plan in accordance with the basic principles of “unified planning, construction step-by-step and gradual implementation” in accordance with the three stages of preparation, construction and operation.

5.1. The Preparatory Planning Phase Focuses on the Organization & Construction and the Preliminary Work to Improve of the Home City, which is scheduled to be completed in 2019

Establish a home city promotion & transformation project team. Build the team, and accelerate the preparation of the pre-project (including feasibility analysis, business model design, planning permission, land index acquisition, etc.).

5.2. Establish a Home City Promotion & Transformation Development Team

As a home city promotion & transformation investment and financing platforms and construction unit, accelerate the formal implementation of the project.
5.3. Establish a Pre-operational Team with Specific Functions

Invite the investment as the types of merchants and enterprises that are currently lacking in the home city, enrich the business category and product categories of the home city, and carry out marketing and architectural beautification and construction project preparation for market transformation and upgrading.

5.4. Improve the Overall Image of the Market

The investment in the preparation of the planning period focuses mainly on the public service infrastructure, the renovation of the facade and the environmental improvement. Including the construction of the top screen cinema, the construction of the LCD screen advertising facade, the improvement of overall environmental market, and the total investment is about RMB50 million.

During the operation phase, the main construction contents are the soft environment construction of the home city, the improvement of the cloud service platform, the integration of supply chain resources, the construction of the service platform, the application of logistics information technology, and the maintenance of the home city brand etc.; although most of the investment work has been turned into customers services, but it still need to continue to focus on supply chain service resources, partner resources and so on.

The resources required for this phase are mostly business operations and industry service resources, such as information operators, financial service providers, universities and R&D institutions, industry big data service providers, supply chain integration service providers, etc. These resources need to be acquired in the early stage of operation of the home city through investment, outsourcing, and external introduction etc, which can automatically gather around the home city during the mature period of operation. The home city has taken the road of modernization, which can achieve the goal of tax revenue of more than RMB 500 million in 2023.

6. References

[1] Lijun Lu, Basic Situation & Countermeasures of Professional Market Transformation & Promotion——Based on Investigation & Analysis of 8829 Questionnaires in Yiwu Small Commodity Market [J], Zhejiang Academic Journal, 2009, (4):184-189
[2] Zhiwen Yang, Road to Cross-border Integration Development of Professional Markets under New Normal [J], Zhejiang Economics, 2015, (19):44-45
[3] Jin Zhao, Study on Yongkang Hardware Professional Market Transformation & Promotion [J], Economic Forum, 2012, (1):67-69
[4] Weifeng Yang & Zhijun WU, et al. Empirical Analysis of Cluster Supply Chain Flexibility, Information Sharing and Logistics Capability [J]. Supply Chain Management, 2009, 28(8): 103-107