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Opportunities, Challenges and Countermeasures proposed for the new retail industry in The COVID-19

Changli Lu Yingdong Xiang*

School of Economics and Management, Shanghai Maritime University, Shanghai 201306, China

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ABSTRACT

It has been four years since the concept of “new retail” was proposed, and the layout of “new retail” of several major domestic enterprises has been intensified, which has a “unique landscape” compared to the foreign retail landscape. The trend, however, the sudden outbreak and continued spread of the COVID-19 has dealt a serious blow to the global economic development, from the domestic point of view, the epidemic caused by the decline in GDP, leading to a negative year-on-year growth in the total retail sales of consumer goods, the new retail industry is still in the development stage suffered a blow. On the other hand, however, the sinking of the new retail market driven by the consumer economy, the surge of private domain traffic on platforms and the rise of the “house economy” prompted the new retail industry to create new development opportunities during the epidemic, clarifying the development of the new retail industry in the post-epidemic era and pointing out the direction.

1. Introduction

The year 2020 is a milestone year for building a moderately prosperous society in all respects and the closing year of the 13th Five-Year Plan, as well as achieving the first century goal, but at the same time it is a “tragic” year. On January 31, 2020, the World Health Organization announced that the new coronavirus epidemic would be listed as a public health emergency of international concern (PHEIC), and China, which was plagued by the virus, showed a strong fighting spirit in the fight against the epidemic, but its economy was still hit hard. According to the National Bureau of Statistics (NBS), GDP growth in the first quarter of 2020 fell by 6.8% year-on-year^[1]. In terms of retail department stores, the cu-

mulative growth in retail sales of supermarkets above the limit was 1.9% in the first quarter, down 6.6 percentage points compared to the previous year. And the cumulative growth of retailing of above-limit department stores was a horrible -34.9%, compared to 0.9% in the previous year. Behind the data is the harsh reality, but also indicates the adjustment changes in structure and volume.

Although the epidemic has dealt a huge blow to the restaurant, hotel, tourism and entertainment industries, and even led to the meltdown of the stock market, but it has made the online education, online office, e-commerce live streaming with goods and other industries flourish, and thus gave birth to the “house economy”, which, the most benefit is undoubtedly the new retail industry^[2]. As a typical example of “new retail”, fresh food e-commerce

*Corresponding Author:

Yingdong Xiang,

School of Economics and Management, Shanghai Maritime University, Shanghai 201306, China;

Email: 1396570520@qq.com

has performed particularly well in this epidemic. Due to the spread of the epidemic, the whole country was closed cities and neighborhoods, residents could not go out to buy food, forcing users to go online shopping and consumption, the gathering of consumer crowds brought order growth for online retail platforms, but also brought the signal of the transformation of traditional retail. Secondly, in terms of policy, the National People’s Congress held in May this year fully affirmed the role of e-commerce platforms, and the Government Work Report pointed out that new businesses such as e-commerce online shopping and online services have played an important role under the COVID-19, playing an important role in cross-provincial material allocation, maintaining commodity supply, safeguarding residents’ lives, raising relief funds, and stabilizing employment absorption. At the same time, it was pointed out that policies should continue to be issued to support the further development of e-commerce platforms, comprehensively promote Internet+, and create new advantages in the digital economy. Against such a background, it is of great guidance and significance to discuss the opportunities and challenges facing the development of “new retail”. This paper first reviews the meaning and implementation trajectory of “new retail”, then discusses the opportunities for the new retail industry against the background of the epidemic, and finally analyzes the challenges that the new retail industry may encounter in the post-epidemic era, and puts forward our humble opinion accordingly.

2. The Theoretical Framework and Implementation Dynamics of “New Retailing”

2.1 Meaning and Internal Logic of “New Retail”

The concept of “new retail” was first proposed by Jack Ma, the founder of Alibaba in China. He believes that in the coming decades, there will be no e-commerce, but only “new retail”, which means that individuals and enterprises will rely on the Internet and use big data and AI as the power points to upgrade and transform the whole process of commodity production and sales, to create a new ecosystem and business model, and combine the online, offline and logistic systems to create a new retail environment. Only through deep integration can we create “new retail”^[3]. However, in recent years, many scholars have carried out theoretical exploration of “new retail” in various aspects, which has greatly enriched “new retail”^[4]. “we list the definitions of “new retail” by several representative scholars (see Table 1). According to Joe Weinman, an expert on cloud economy in the United States who is regarded as the “Father of New Retail”, the key points of “New Retail” are profitability, customer satisfaction, loyalty and cus-

tomers experience. This differs from traditional retailing in its emphasis on store layout, product fashion, and product line integrity. He also points out that the implementation of “New Retail” lies in the use of information technology to serve the retail industry, using algorithms and data to enable real-time monitoring of the supply chain and inventory forecasting, with the ultimate goal of maximizing customer benefits and maximizing customer loyalty. The extent to which the service experience is improved.

Table 1. The meaning of “new retail”

Scholars	Viewpoints
Fu.W (2019)	The so-called “new retail” is an enterprise relying on mobile social networks, using artificial intelligence and other advanced technology to embed scenario elements in the production, circulation and sales of goods, and configure business situations in a specific time and space based on user consumption expectations, thus reshaping the business format structure and business ecosystem, as well as the online services, offline experience and A new retail model with deep integration of modern logistics
Shumei. Z (2019)	“New retail” refers to a new type of retail business that includes and exceeds omnichannel, integrates online and offline, is driven by new technologies, and is centered on consumer experience.
Kar-po. W (2018)	The “New Retail” is a consumer-centric retail model that combines big data and artificial intelligence to break the shortcomings of pure online e-commerce, to truly share online and offline data, to bring into play the dual advantages of online and offline retail, and to achieve a new online and offline integration.
Ali Research Institute (2017)	The “New Retail” is a data-driven pan-retail centered on consumer experience, which is from “goods - field - people” to “people”. The transformation of the “goods - field”, reflecting the essence of consumer-centric demand satisfaction

In essence, “new retail” is still retail, but not traditional retail^[5] but a more efficient way of retailing, which is considered as “new retail” in this paper. It can be summed up in the words more, quicker, better and more save, the inherent logic of which is shown in the following table.

Table 2. The internal logic of the “new retail”

More	No spatial or geographical limitations, and the addition of information technology; the rise of major platforms has led to more products, more prices, and more space.
Quicker	The speed of new infrastructure accelerates, the speed of data transfer, the speed of platform response and the speed of logistics.
Better	The upgrade of consumption forces the industry to upgrade, the technology and manufacturing process of the enterprise has been upgraded and the relevant laws and regulations have been further improved, and the products have been better polished and transformed.
More save	The new retail lies in the emphasis on reducing transaction costs, from improving the transaction structure of retail to eliminating intermediate distribution links and increasing the efficiency of connectivity from factories to users. The ultimate goal is to reshape the retail value chain.

2.2 Traditional Retail and “New Retail”

According to the retail wheel theory developed by Professor Mike McNair of Harvard Business School in 1958, there is a cyclical trend of retail change that resembles a spinning wheel [6]. This theory suggests that retail innovators always enter the market as a low-cost, low-price, low-margin proposition, and after gaining some advantage and closing the gap with other retailers, as the format evolves further, these retailers continue to acquire new equipment by adding product categories and improving product quality, as well as selecting better store layout locations, adding additional services, enhancing the consumer experience, and ultimately leading to the cost of doing business has increased, and has gradually evolved into a high-cost, high-price, high-profit traditional retailer, and finally a declining retailer, leaving the leap field for the development of the “new retail” to take root.

In the process of transitioning from Industry 1.0 to Industry 4.0 in a big way, Retail 1.0 is also quietly making great strides towards Retail 4.0. Traditional retailing does not narrowly refer to traditional retailing in the era of Retail 1.0, but includes modern retailing in the era of Retail 2.0 as well as e-commerce retailing in the era of Retail 3.0. The reason is that due to the uneven development of local economies, retail methods that represent these three retail eras still exist. Traditional retailing is the beginning of the retail industry, which can be roughly divided into three formats: grocery stores, wholesale markets, and department stores. At this stage, the retail infrastructure such as commercialization, information technology and supply chain was still in its infancy. Constrained by the infrastructure and the level of urbanization, these three traditional forms of retailing could only satisfy consumers’ needs for convenience, affordability, and choice, which form a retail triangle (see Figure 1). From Retail 1.0 to Retail 3.0, the development of this retail triangle is inseparable from the construction of the retail triangle. After entering the era of Retail 2.0 - modern retailing, the format of retailing has undergone some changes: from grocery stores to category “killers”, from wholesale markets to discount chain stores, from multi-category department stores to large superstores selling catalogs. Modern retail, the first leap forward in the development of the retail industry, has an infrastructure that is booming and capable of meeting either side of the retail triangle. E-commerce retailing, the second leap in retailing, has swept the entire retail industry with a devastating force and its format is dominated by e-commerce platforms, vertical e-commerce and micro-businesses. In terms of satisfying consumer demand, e-commerce retail attempts to occupy the entire retail triangle because, com-

pared to the previous two stages of retail development, the merchandising, informatization and supply chain infrastructure of e-commerce retail has reached its peak.

While e-commerce retailing meets all the needs of the Retail Triangle, it has not reached the dome of retail development. In fact, e-commerce retailing still has its limitations: (1) the “retail triangle” is over-performing. Cheapness is exhaustive, and as income levels rise, people are less sensitive to the price of goods than in the previous two stages, and more interested in quality of life. Cheap as the main sales gimmick of the platform, such as Ping Duoduo, although the main play cheap this card, but the quality of goods can not escape people’s brand image of the spoof, such as “spelling Eve”, “and more and more”. (2) Difficult access to non-standard goods and services, such as fresh food. Fresh food has complicated categories, short storage time and high loss rate caused by non-standardization, making fresh food a pain point of e-commerce retail, and also a breakthrough. (3) Lack of scenario-based experience and offline environment. In the era of e-commerce retail, most platforms only do pure online e-commerce, with a single scene and lack of offline interaction, resulting in the failure to achieve effective integration of online and offline traffic. In such an environment, the new retail was born.

In terms of business format, new retail belongs to “borderless retail”, that is realizing online and offline integration. While focusing on the flow brought about by online efficiency fission, it also pays more attention to offline consumer experience, reflecting the core concept of “people-oriented” in new retail. Secondly, new retail attempts to overturn and reshape the entire retail triangle in meeting consumer demands. In e-commerce retailing, e-commerce retailing has met all the needs of the retail triangle, which can satisfy cheapness, convenience and multiple choices, while in new retailing, the traditional retail triangle has failed to meet new customer needs and find a new balance of scale economy.

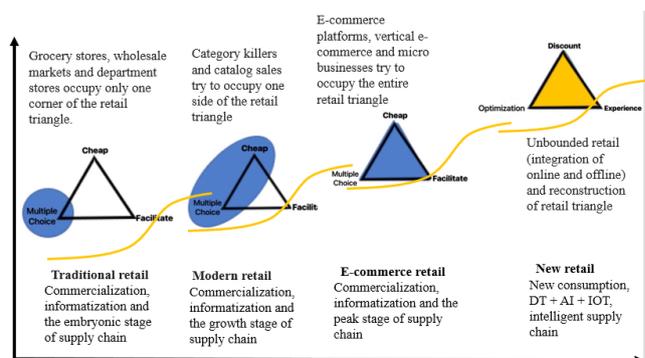


Figure 1. Retail evolutionary history

2.3 The Dynamics of “New Retail” Practice

The practice of “new retail” can be studied from both macro and micro perspectives^[7], from a macro perspective, it is mainly reflected in the relevant policies and strategies issued by the state, such as the State Council issued the Opinions on Promoting Innovation and Transformation of Physical Retail in 2016, which put forward 5 categories and 16 specific measures to promote the transformation of physical retail enterprises. Upgrading and releasing development vitality. Among them, measures such as promoting online and offline integration, innovating business mechanisms and decentralization, promoting fair competition and reducing the tax burden on enterprises have become important guarantees to support the development of “new retail”. At the micro level, it is mainly reflected in the dynamic implementation of the “New Retail” by major enterprises. This article takes Ali, Tencent and Jingdong as the object of study, and lists the implementation dynamics of “New Retail” in the three major systems respectively (see Table 2). Since Jack Ma put forward the concept of “new retail” in 2016, major retail enterprises have been “catching up with the new wave” and wading into “new retail”, and 2017 can be said to be China’s first year of “new retail”. In the first year of “new retail”^[8] Ali, Tencent, and Jingdong have respectively seized the first opportunity with various forms of “new retail” layout. Summing up the layout battle, we can find that online and offline collaboration is the basic feature of “new retail”, while omnichannel development and the use of big data and the Internet to empower brick-and-mortar retailers are the key means^[9]. Although the characteristics of “new retail” is mainly online development, but the physical store did not reduce, but speed up the construction of physical retail, it can be seen that the concept of “new retail” feeds the new development of retail, with corporate capital and efficiency as an endorsement. Further promote the integration of market resources as well as the construction of new market entities^[10]. Ali, Tencent, Jingdong and other enterprises through a series of acquisitions and equity participation, not only close relations with the real retail, but also cooperation in the business, such as Ali’s participation in Yonghui, after the launch of the Yonghui Super Species, which is the benchmark of Boxma Fresh, Yonghui laid stores online, relying on Ali’s platform and data, to achieve fresh to home or to the store ready to eat, the core concept of people, goods, field is reflected most vividly^[11].

Table 3. Layout of “New Retail” field of three major departments

Faculty	Implementation dynamics
Ali system	<p>In January 2016, Ali 150 million U.S. dollars to lead investment in Boxmar Fresh, the main food Alipay member stores, to build online and offline omnichannel business model, and plans to open 2,000 stores in the country in the future. In February 2017, Alibaba in Shanghai announced a strategic cooperation with Bailian Group, the two sides will be based on big data and Internet technology, the integration of innovation in all formats, and “New retail” technology research and development, efficient supply chain integration, membership system interoperability, payment and financial interconnection, logistics system collaboration and other six areas to carry out all-round cooperation.</p> <p>In November 2017, Alibaba announced that it had invested about HK\$22.4 billion, directly and indirectly acquiring 36.16% of the shares of Gao Xin Retail, becoming the second largest. The two sides will take big data and commercial internet as the core, and complete the reconstruction and upgrade of “people, goods and field” through comprehensive digitalization.</p>
Jingdong system	<p>In August 2015, Jingdong announced a strategic stake of 4.3 billion in 10% of Yonghui Supermarket, the two sides hope to strengthen cooperation in the field of 020. In June 2016, Jingdong acquired the main assets of Walmart’s One Store, and Walmart will receive Jingdong’s newly issued 145 million Class A common shares, with a total value of up to 1 billion yuan, the two sides reached a strategic cooperation to expand the online and offline retail business. In July 2017, Jingdong put forward the fourth retail revolution, the retail industry will usher in the fourth retail revolution will be coming, the retail future will evolve around the three elements of cost, efficiency and experience. In October 2017, Jingdong announced the launch of unmanned convenience stores and unmanned supermarkets two unmanned retail projects, in November of the same year, Jingdong’s first unmanned supermarket was officially unveiled.</p>
Tencent system	<p>In November 2017, Tencent launched “smart retail solution” to accelerate the pace of opening up for the retail industry, empowering the majority of brands, offline retail platforms and commercial real estate, exploring the complete path of digital transformation of the retail industry. In December 2017, the de facto controller of Yonghui intended to transfer 479 million shares at RMB 8.81/share to billion shares to Tencent, accounting for 5% of the total share capital, and in addition, Tencent intends to increase the capital of Yonghui Yunchuang and obtain 15% of the equity after the capital increase of Yunchuang. Everfai Supermarket 947 million yuan to transfer 12% of the shares of the red flag chain.</p>

Source: Collated from this article

3. The Development of “New Retail” in the Face of the COVID-19

In 2020 the COVID-19 swept the world, impacting the entire retail industry, breaking the original trajectory of retail development. In the face of the epidemic, supermarket enterprises played an important role in protecting people’s

livelihood and stabilizing prices, while also accelerating the process of their own digital transformation. Combining the information and data available, this paper chooses two typical enterprises, Yintai Department Store and Suning Department Store, as the object of analysis to discuss their development under the epidemic.

3.1 Industry “New Benchmark” Yintai Department Store

Since Yintai backed by Ali, it marks the beginning of Yintai’s upgrade and reform road. Ali’s acquisition of Yintai, “new retail” and digitalization is naturally the core of Yintai’s upgrade reform. Before backing Ali, Yintai also tried to upgrade online but with poor results, until 2017, Yintai department store’s data system and Ali database officially opened, thus making its management mode for consumers and goods officially enter the digital era. After the epidemic, Yintai Department Store through Yintai Meow Street “cloud shopping” and “contactless shopping” enabling consumers to still be able to achieve shopping consumption at home without leaving home, on the other hand, Yintai Department Store through the joint Taobao live and invite guides to do online shopping at home More than 6,000 Yintai department store guides participated, with an average of over 200 daily broadcasts and a peak value of 52 simultaneous online sessions. This is undoubtedly a model of “new retail” under the epidemic. Yintai to achieve contrarian growth during the epidemic, undoubtedly because of the help of Ali big data in advance to complete a deep digital transformation, just a few years, Yintai has completed the digitalization of people, and quickly enter the digitalization of goods and warehouses of the data stage. In terms of the digitization of people, Yintai members and Ali members to achieve full interoperability, digital members of more than 10 million; the digital presence, Yintai Department Store online and offline two fields have been fully covered; and in terms of the digitization of goods, but also let Yintai realize the “people find goods” to “goods find People” of the upgrade. It is through the people, goods, field upgrade, making Yintai Department Store under the epidemic to achieve a contrarian development, a “new retail” and “new benchmark”.

3.2 Suning’s All-scene Retailing

In early 2019, Suning Tesco announced the establishment of Suning Fashion Department Store Group; in February of the same year, Suning acquired all 37 department stores under the Wanda Department Store; in June of the same year, Suning also invested heavily in the acquisition of

Carrefour China, to further improve its department store retail format, from then on to build online and offline to store to home all channels, the whole scene of the department store retail format. So far, Suning Tesco in the department store category has achieved the integration of the whole scene, online department store channel, offline with Suning Department Store, Suning Plaza physical stores, the whole scene retail system is basically formed. Under the epidemic, Suning is taking advantage of its own full-scene Internet operation capabilities and self-managed logistics, launched a technology-enabled, online operation guidance as the core of the out-of-store sales model, supplemented by live streaming, Suning push customers, online micro stores, community and cloud clerks and other Internet tools to vigorously develop out-of-store sales, to protect the normal operation of the stores, to achieve a slight increase in the scale of merchandise sales year-on-year, including department stores. The scale of merchandise trading on online platforms, such as supermarkets and home appliances, increased by 12.78% year-on-year. Among them, the former Wanda Department Store and Carrefour China’s home business sales accounted for a higher proportion of sales in the first quarter month by month, accounting for nearly 10% in March and achieving profitability.

4. Opportunities and Challenges of the “New Retail” under the COVID-19

As a major “black swan” event, the COVID-19 has not only impacted the macro economy, but also given new opportunities for the development of “new retail”. Forced by the epidemic, the order quantity of supermarket and superstore retail enterprises experienced explosive growth, which accelerated the iteration and renewal of the “new retail” model and the establishment of new business formats. On the other hand, the challenges of “new retail” are everywhere. Based on the industry outlook and relevant theories, this paper considers that the opportunities and challenges brought by the epidemic to the “new retail” include the following.

4.1 The COVID-19 Brings Opportunities for “New Retail”

4.1.1 The Consumer Economy has Driven the Sinking of the New Retail Market, the Surge of Private Domain Traffic and the Rise of the “Home Economy”

In the past 2019, e-commerce online shopping has gradually become a key driver of economic growth. According

to the National Bureau of Statistics, the country's online retail sales reached 10.63 trillion yuan in 2019, accounting for 20.7% of the total retail sales of consumer goods, and contributing 45.6% to the growth of the total retail sales of consumer goods. In addition, the contribution of consumer spending to economic growth reached 57.8%, driving GDP growth by 3.5%. At the same time, the rapid advancement of new infrastructure under national policy has led to the rapid development of rural e-commerce, further boosting consumption growth in rural areas. According to data released by the Ministry of Commerce, the country's rural online retail sales reached 1.7 trillion yuan in 2019, up 19.1% year-on-year, 2.6% higher than the year-on-year growth of national online retail sales; the national online retail sales in poor counties reached 148.99 billion yuan, up 18.5% year-on-year. At the same time, new e-commerce models such as community groups, short videos and live broadcasts are expanding to rural areas, providing strong support for rural revitalization. In the next few years, e-commerce will face important opportunities such as unleashing the potential of sinking markets, collaboration between production and sales, and market globalization.

The COVID-19 has brought private domain traffic to the eyes of more retailers, making the retail industry begin to re-examine the importance of private domain traffic. The epidemic led to the tightening of offline stores, while through the major public, build groups, live broadcast to build their own private domain traffic pool, offline guides turned into online band anchors, hiring well-known band bloggers to attract fans, revitalize fans, de-stocking, de-centralized, digital physical network smaller, denser, closer to the user, deep plowing users, increasing user viscosity, but also for the second half of the epidemic to accumulate popularity. The online traffic will be diverted to offline stores, empowering physical stores. Private domain traffic building due to low initial cost investment, low threshold access, will be an effective means to carry out online and offline integration of the new retail industry after the epidemic.

Finally, the COVID-19 has also brought about the rise of the "home economy". Take Meituan as an example, according to the "Contactless Delivery Report" released by Meituan, orders using "contactless delivery" accounted for more than 80% of the total orders during the epidemic. The unexpected popularity of "contactless" may push the retail business model to change, and the future "new retail" will be more to C2S2B (Customer To Service Platform To Business) paradigm shift is a huge opportunity for the new retail industry.

4.1.2 The COVID-19 has Accelerated the Pace of Consolidation in the Retail Industry, and the Leading Companies will Get a Bigger Share of the "Cake"

During the epidemic, a large proportion of retail enterprises gained a large wave of fan traffic through their own established coping mechanisms and private domain traffic pools, but this traffic is not always fading. With the disappearance of the Internet demographic traffic dividend, Internet companies and major e-commerce platforms are actively looking for ways to respond, constantly using technology and services to try to attract consumers, but the results are poor. Under the epidemic, such as the above-mentioned Yintai Department Store, Suning Department Store, are able to endorse the brand and thus against the "epidemic", but most of the majority of retail enterprises passively accepted industry integration, the survival of the fittest market mechanism is self-evident.

After the COVID-19, the pace of consolidation in the new retail industry will be accelerated, with the better-performing leading enterprises taking away a portion of the user traffic and gaining most of the market "cake", while other small enterprises will go bankrupt and be acquired. Industry consolidation will drive the retail market to sink, and retail companies will gain development opportunities.

4.1.3 The COVID-19 has Led to a Change in the Consumer Profile, Creating Opportunities for "New Retail"

Standing in the era of consumer sovereignty, the user consumption image of thousands of people, supported by technology, service-oriented while paying attention to the scene experience is the result of consumption upgrade^[12]. How to depict such changes in the era of consumer economy is a problem that the new retail industry needs to solve.

Consumption downgrade under the epidemic is mainly manifested by consumers' reduced spending power, reduced incomes of residents, companies facing layoffs, employees facing unemployment, and cutbacks becoming inevitable. According to the National Bureau of Statistics (NBS) (see Figure 2), total retail sales of consumer goods in January-February 2020 fell by 20.5% year-on-year, 19% year-on-year in March and 16.2% year-on-year in April. According to McKinsey's 2020 China Consumer Survey, demand for non-essential goods is on a downward trend in the face of the epidemic, especially in first-tier cities such as Beijing, Guangzhou, Shenzhen, where consumers are more cautious about spending, and in second- and third-tier cities, where the cost of living is lower and consumer confidence is maintained. A decline in spend-

ing power does not mean that consumers are willing to give up cost-effective goods, and some retail enterprises happen to be aware of this consumer characteristic and stimulate consumption by issuing electronic consumption coupons, which not only satisfy consumers' pursuit of cost-effective consumption behavior, but also ensure their own profitability, becoming a major "grasping hand" to "stimulate consumption under the epidemic".

With the orderly progress of the resumption of work and production, consumer confidence will gradually rise, such as the emergence of "retaliatory" consumption, in the face of post-epidemic changes in consumer behavior again, the new retail industry to withstand the test of consumption from downgraded to upgraded, fully integrated online and offline, through offline logistics and scene experience coupled with online traffic to attract. Create a new retail format to gain a greater advantage.

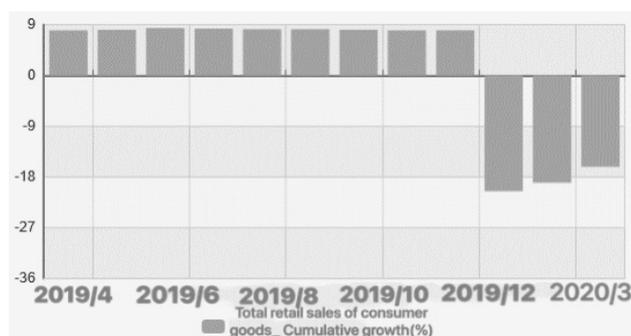


Figure 2. Total retail sales of consumer goods, April 2019 - April 2020

4.2 The COVID-19 Poses a Challenge for the "New Retail"

4.2.1 The COVID-19 Slow down Logistics and Increase the Risk of Supply Chain Disruptions due to High Logistics Costs

The importance of logistics to the retail industry is self-evident. In the era of high homogeneity in the commodity economy, logistics speed and cost have become the last straw that breaks the camel's back in the retail industry. The retail supply chain and logistics system has provided strong support for the normal operation of retail enterprises, however, the impact of the epidemic has posed a huge challenge to the normal operation of the retail industry, which is mainly manifested in the increasingly obvious bottlenecks in the supply chain and the tightness of inventory. With the closure of major transportation routes, serious obstruction of transport routes, highway blockades, aviation ban, especially the closure of a large area of foreign airline flights, a large proportion of domestic en-

terprises required raw materials are sourced from abroad, resulting in the procurement of raw materials can not be completed, supply chain disruption crisis rising, the back-end and mid-range supply chain nodes enterprises caused by waste of resources, while the front-end inventory shortages, unable to Normal supply, resulting in frequent incidents of returns, and even damage to corporate reputation, which is almost devastating to many small and medium-sized enterprises before the epidemic to establish a weak advantage of the blow, while large enterprises such as Ali, Jingdong and other large enterprises to establish a digital, information-based supply chain model can help it through the "dark period"^[13], which also is the challenge that the retail industry will face in the future.

4.2.2 The COVID-19 Forces Traditional Retail to Accelerate Transformation

The COVID-19 has forced consumers to switch from offline to online, and for traditional retailers, wandering in the still unplowed land of "new retail" is full of crises and challenges. Especially for pure offline retailers, it is not feasible to put all eggs in one basket, and online + offline is the future trend of retail. The epidemic is bound to force traditional retail to accelerate the speed of transformation, prompting the retail industry to reconstruct Internet thinking, build a big data chain, explore industry information, dig deep into user data, user-oriented, data-supported, service-oriented reconstruction of the supply chain and marketing model. However, the current interaction and integration of new finance, new technology and "new retail" is not deep enough, and the relevant policies and legal provisions are not perfect, resulting in low data sharing, lack of information interaction and serious user data leakage. enterprises, there are also many problems, Alipay, for example, it is undeniable that the emergence of Alipay people to a large extent into the electronic consumer era, to facilitate people's payment methods, however, its interface is complex and diverse, filled with a variety of induction information, a slight lack of attention is easy to fall into the "trap" of financial products, greatly reducing the feeling of customer experience. The "new retail" needs the support of new finance, and the transformation of the retail industry needs the integration of the two. However, 1% immaturity will cause 99% change, which is the opportunity and challenge of "new retail".

5. Countermeasures and Suggestions for the Development of "New Retail" under The COVID-19

As a major "black swan" event, the COVID-19 has had

a serious impact on the economic development of China and even other countries around the world. From a macro point of view, the country's tax revenue has been reduced and fiscal expenditure has been difficult; from a micro point of view, enterprises have faced layoffs and employees have lost their jobs. While the epidemic has brought development opportunities to the new retail industry, there are also some current and future challenges and difficulties that need to be solved, and how to recover and revitalize the economy in the event of a public health emergency is an issue that both the government and enterprises have to face.

5.1 Public Health Policies go Hand in Hand with Economic Development Policies

The COVID-19 prevention and control work to be the first, while the orderly organization of production resumption. At present, the season has come to a hot summer, according to previous expert predictions, the epidemic or in the summer to get effective control, however, from the current situation, whether domestic or foreign, the epidemic still exists spread trend. Domestic point of view, the macro level, the prevention and control of epidemic work can not have a sloppy, government departments in the focus of epidemic prevention and control to foreign imports at the same time, but also to pay close attention to the development of domestic epidemics, to prevent the rise of epidemics, to do a good job of epidemic prevention and control of epidemic prepared for a long-term battle, increase investment in research and development of vaccines, organize the construction of a good health care system, at the same time to implement a good epidemic prevention and control of epidemic management, the introduction of related Public health policies should be implemented in multiple sectors and coordinated in multiple positions. On the other hand, it is also necessary to proceed with macroeconomic development. After the outbreak of the epidemic, the State quickly introduced a series of fiscal and financial policies to reduce taxes and fees, provide financial capital and credit for enterprises, and strive to minimize the damage caused by the epidemic to enterprises.

Grasping the main aspects of the main contradictions, implementing financial policies to address enterprises' internal and external demand. In order to resist the impact of the epidemic on the economy, there is an urgent need to stimulate economic potential, purify a good business environment, enhance enterprises' willingness to invest and their ability to innovate, and restore economic production as soon as possible. China's economy has tremendous advantages, such as strong human and material resources,

a wide range of manufacturing sectors, and a huge depth of market demand. These positive factors provide important support for economic recovery. To minimize the impact of the epidemic on the economy, two issues need to be addressed, one is to increase momentum, and the most important task at present is to solve the problem of enterprise survival and restoring economic production. Through policy support, we will alleviate the difficulties of enterprises. On the one hand, it is necessary to play the key role of effective investment and raise the per capita capital stock and all-factor growth rate. On the other hand, it is necessary to stimulate the potential of economic development, expand effective investment as a source of power, optimize the investment environment, expand investment space, and solve the problems of unstable enterprise expectations, lack of power and resource constraints. Second, to improve efficiency, we should make resources flow and allocate them to sectors with high efficiency and reduce the allocation of resources to inefficient enterprises. In the case of the retail sector, resources flow more quickly than in other sectors, thus giving it a greater advantage in restoring economic development.

5.2 Businesses and Governments Themselves need to Make a Difference

Companies should actively build private domain traffic pools and integrate resources to create a community super retail ecosystem. Under the pressure of the epidemic, many retail enterprises are facing a supply chain rupture crisis^[14], a wave of physical store closures, in their own lack of technology and data to support the situation, retail enterprises need to think about the future of the road, transformation or transfer. During the epidemic, there is no lack of outstanding performance of retail enterprises, such as Yintai Department Store, Suning Department Store, Meituan Take-Away, and Ziduo, etc. These industry benchmarks all have a common competitive advantage, that is, they have their own private domain traffic pool, through the establishment of private domain traffic to increase consumer viscosity, through the distribution of household coupons to establish a subsidy mechanism, in addition to the good performance of the logistics system also won them the pursuit of customers. These features have provided development ideas for the transformation of traditional retail. In the post-epidemic era, based on the original ecosystem, the new retail industry can establish a new retail ecosystem by plowing into community superstores, seeking new business circles on the one hand, integrating community resources and gathering consumer traffic through online apps on the other, while optimizing logistics speed, reinforcing supply chain stability, reduc-

ing service radius and improving service efficiency.

Governments should invest in reinforcing the operational stability of the supply chain and commit to supply chain resilience management. In this epidemic, the supply chain has been challenged from all aspects, whether it is the supply of raw materials, the orderly development of the resumption of work or the impact on the overall supply chain logistics and domestic and foreign markets all show the importance of the supply chain, but also show the public health emergency outbreak on the supply chain caused by the crisis and damage. Therefore, strengthening the resilience management of the supply chain has become an issue that the government needs to face now. Usually, in economics, resilience is considered to be the property of one variable that changes with another variable. Resilience is generally considered as a dynamic ability of an organization to cope with the risk of disruption and its ability to withstand the risk. Conducting supply chain resilience management is carried out in two main ways, resilience on the one hand and resilience on the other. Based on this, from the government level, on the one hand, the government should establish a comprehensive and coordinated supply chain risk prediction and defense system, currently, from the central to local levels of government are actively issued a series of policies to deal with epidemic prevention and control, but from a global perspective, inconsistent standards of supply chain risk prevention and control will lead to poor supply chain operation, especially for the retail industry under globalization, the issues involved include not only Epidemic prevention, but also includes resumption of work and production, cross-border procurement of raw materials, customs and foreign exchange, because the development of a coordinated supply chain resilience management mechanism for the retail industry is very urgent and important. On the other hand, the government should ensure the orderly development of the resumption of work and production of retail enterprises in the supply chain resource system. The guarantee of resources is more realistic and direct than the guarantee of system, and all kinds of enterprises are carrying out the resumption of work and production at present. The government should implement a flexible supply chain resource guarantee mechanism according to different regions, encourage small and medium-sized retail enterprises to establish their own supply chain system, and promote the integration of supply chain nodes, thereby reducing the risk of supply chain disruption.

5.3 Making Full Use of Information Technology Support

With the three major domestic basic telecom operators ob-

taining 5G commercial licenses and the successive release of major brands of 5G cell phones, marking the official start of the commercial experience of 5G customers, 2019 is seen as the first year of 5G commercialization^[15]. For the new retail industry, which is currently advocating the Boundaryless New Retail Enablement Program, both mobile terminals and PC terminals must rely on high-speed and developed networks in order to achieve deep integration between online and offline; on the other hand, new retail must rely on big data AI systems, and the popularity of 5G networks is conducive to accelerating the transmission of data between them, which can further reduce the time difference in accessing information within enterprises and improve the Work efficiency. With the control of the epidemic, the business environment has been further optimized, and fierce market competition requires retailers to fully utilize the support of technology to build an advantageous platform. With the support of 5g technology, the retail system should be upgraded from demand, design, production to logistics, channel, sales and after-sales service to explore a new retail era of “high quality, high experience and high intelligence”.

At present, from a global perspective, China is ahead of other countries in both the development and application of 5G technology and the practice of “new retail”, but in terms of technology integration, the new retail industry needs to break away from conservative thinking. However, in terms of technology integration, the new retail industry needs to break away from conservative thinking. The lack of integration between new technology and new retail leads to “volatile” enterprise traffic, which greatly reduces profitability and eventually forces enterprises to change jobs. Therefore, new retail enterprises should speed up to catch up with the train of technological innovation, take their own resources as the basis, take technology as the support, and constantly optimize the height of the industry, so as to build the real “new retail” era.

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