

# *Analysis of the advantages and disadvantages of physical store operation under the international business management market*

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**Abstract:** With the development of global economic integration, the scale of the international business management market continues to expand, which provides new opportunities for the development of Chinese enterprises, but also brings many new challenges. At the same time, with the rapid development of network technology, the business model of enterprises has also undergone great changes, and enterprises must adapt to new development trends and improve their competitiveness. In the long process of development, physical stores have accumulated some advantages, which cannot be replaced by the network economy, but at the same time, there have been some problems in the way it operates, affecting its development. This paper analyzes the advantages and disadvantages of physical stores in the international business management market, and discusses their development trends and strategies.

## **1. Introduction**

Business management has become an important aspect of today's enterprise development, which plays a decisive role in improving the operation and development level of enterprises. In the operation of physical stores, from the perspective of the international business management market, all departments and personnel should be coordinated to make the operation of physical stores smoother. With the advancement of science and technology, the pace of e-commerce development has gradually accelerated, and the Internet economy has flourished, becoming an important force to promote social transformation. Online shopping is a very convenient way, it has a lot of variety, can well meet the personalized needs of consumers. Therefore, in the current Internet economic environment, physical stores are facing a huge impact, and they must recognize the current market development characteristics, deeply analyze their advantages and disadvantages, so as to change the business concept and way of thinking of enterprises and actively respond to the challenges of the Internet era. In order to improve the market competitiveness of physical stores to give full play to their advantages and advantages.

## **2. The Impact of the International Business Management Market on the Operation of Physical Stores**

With the development of the network economy, the operation model of physical stores has changed, and the business model of online and offline integration has been very common in recent years. TV commercials, posters, newspapers and magazines are traditional business promotion methods. However, with the rapid development of information technology, the network has become the most important source of information for people, if the physical store is still advertised in the traditional way as before, it will greatly reduce the actual publicity effect of advertising. With the increasing development of the international trade management market, the business philosophy and operation mode of enterprises are also constantly changing, thus promoting the vigorous development of China's logistics industry <sup>[1]</sup>. Although online shopping has its significant advantages, its advantages in consumer experience and after-sales service cannot be ignored.

## **3. Analysis of the Advantages of Physical Store Operation under the International Business Management Market**

### **3.1. Better Shopping Experience**

Compared to online shopping, physical stores have obvious advantages in the international business management market. (1) In physical stores, consumers can experience the realism of the product, rather than the simple description of text, pictures, and videos; In the physical store, you can intuitively experience the effect of the product, such as feeling the feel of the clothes, and you can directly judge the size of the clothes. When shopping online, consumers do not have a strong purchase experience, and the purchased goods may not match their actual needs, which affects the purchase experience of consumers. (2) When shopping in a physical store, you can feel the texture, brand, and style of the product, and you can shop immediately. On the e-commerce platform, it is necessary to wait for express transportation, which is difficult to meet the urgent needs of some customers. In the purchase process, consumers pay attention to external factors such as product quality and price, but also focus on the real shopping experience, so that physical stores can occupy a place in the market <sup>[2]</sup>.

### **3.2. Reduce the Risk of Purchasing Behavior**

(1) Online shopping is a very convenient way, which can make the selection and purchase of goods online, breaking the limitations of time and space. The goods on the e-commerce platform come from various regions, which has greatly improved the variety and quantity of goods, which is also people's enthusiasm for online shopping. However, the virtual nature of the network itself also exposes online shopping to some risks. In order to increase sales, many merchants often have inconsistencies between the product description and the actual situation, which will bring certain losses to consumers. (2) In physical stores, the risk of purchase can be well controlled. Consumers can test the performance, appearance, etc. of the product from many aspects, and fully consider its real needs. In reducing the risk of shopping, physical stores have more advantages than online stores, which can improve customer trust, eliminate customers' doubts about products, and thus stimulate customers' desire to buy. Physical stores should take full advantage of these advantages in the international business management market to improve the competitiveness of enterprises.

### **3.3. Convenient After-sales Service**

When purchasing, customers usually pay great attention to after-sales service, and high-quality after-sales service can improve the customer's purchase experience. (1) In terms of the number of sales, e-commerce platforms have obvious advantages and can well adapt to the needs of different groups of people. However, due to the lack of face-to-face communication between consumers and merchants, after-sales service cannot be reliably guaranteed when there is a quality problem in the product, so that the legitimate rights of consumers are infringed. (2) Sustainability, scientificity and timeliness are important characteristics of after-sales service in physical stores, and also an important basis for improving the overall service quality of customers. Physical stores can not only sell goods, but also provide after-sales service, and when customers encounter problems, they can easily enter the after-sales service process without spending too much time. The after-sales service advantages of physical stores can strengthen customer trust and recognition<sup>[3]</sup>. Therefore, in the context of the international business management market, enterprises must make full use of their after-sales service advantages to promote the innovation and change of business methods.

## **4. Analysis of the Disadvantages of Physical Store Operation under the International Business Management Market**

### **4.1. Shopping is Inconvenient**

With the advancement of network technology and network technology, it is becoming more and more convenient for people to shop online, especially under the application of smart phones, and the entire shopping process can be completed by APP. In the operation of physical stores, due to the limited size of the mall, it is not possible to provide customers with complete product information, which reduces the choice of products. When consumers buy, they have to compare products one by one, which will cause a waste of time. Some products are not available around consumers, and they need to go further away to physical stores to buy them, resulting in increased fatigue when shopping. At the same time, many consumers use physical stores as "fitting rooms" to buy their favorite clothes through e-commerce platforms, resulting in damage to the economic interests of physical stores. The biggest weakness of physical stores is that they cannot provide customers with more convenient purchase services, which has become an important reason for restricting their development.

### **4.2. Operating Costs are Too High**

On the e-commerce platform, merchants only need to complete registration and pay a certain fee to carry out business operations, thereby reducing part of the operating costs. The physical store has more intermediate links and high operating expenses, which is its biggest disadvantage. In the market environment of the international business management market, the operation of physical stores is carried out in a layered manner, and middlemen, head stores, branches, managers, etc. must make profits in this way. In the Internet economy, its process is simpler, and it can cooperate directly with merchants, thereby greatly reducing the cost of operation. In the process of physical store operation, sometimes merchants must increase the selling price of products to effectively cope with higher operating costs, thereby reducing the market competitiveness of enterprises. When many consumers buy online, they tend to buy cheaper products online, reducing the momentum of physical stores<sup>[4]</sup>.

### **4.3. There is not Much Inventory**

Because of the difficulty of transporting goods and the risk of stockpiling, the number and variety

of items that can be displayed in physical stores are relatively small. Due to the narrow range of sizes available to customers for some items, it is difficult for customers to obtain products immediately, which increases the waiting period. Especially with the gradual improvement of people's material living standards, the problem of insufficient inventory has been unable to meet the needs of consumers, making physical stores in a disadvantageous position in competition. On the e-commerce platform, merchants can present various information of goods in a virtual way, and consumers can consume through text introductions, pictures, videos, etc. Therefore, in the international business management market, in order to improve the competitiveness of enterprises, it is necessary to promote the optimization and adjustment of the international cargo structure by solving the problem of insufficient inventory, provide customers with more choices, and avoid elimination.

## **5. Development Strategy of Physical Store Operation under the International Business Management Market**

### **5.1. Innovative Development Ideas**

In order to improve their competitiveness and adapt to the long-term development needs of the market, physical stores must recognize the development characteristics of the market and constantly innovate the business philosophy of physical stores. Physical stores should deeply analyze the advantages and disadvantages mentioned above, recognize the gap between themselves and e-commerce, and use their strengths to enhance their competitiveness, break the limitations and constraints of old concepts in the process of business development, and improve their innovation ability. On e-commerce platforms, mainly low-end goods, in order to ensure the quality and performance of products and avoid damage to their legitimate interests, consumers often choose physical stores when purchasing high-end products <sup>[5]</sup>. As mentioned earlier, physical stores have great advantages in after-sales service, so we should pay attention to the development of high-end markets, establish and improve the integrity system, segment the market, and establish a brand image trusted by customers. For example, high-end furniture, clothing, electrical appliances and other physical stores are still very popular in the Internet era.

### **5.2. Innovative Development Models**

The nature of the network is highly virtual, and consumers will have uncertain emotions when consuming. Physical stores can provide consumers with a more realistic shopping experience, which is an important advantage of its development. Therefore, physical stores can not only rely on traditional business methods to develop, but also adapt to market changes, constantly adjust and optimize their own business methods, can combine online and offline, reduce risks in the market, and improve the competitiveness of physical stores <sup>[6]</sup>. At the same time, physical stores can also cooperate with third-party e-commerce platforms to promote their own products to improve their brand influence, thereby solving the contradiction between online shopping and physical stores, thereby increasing customers for physical stores.

### **5.3. Continue to Optimize the Shopping Experience**

The vigorous development of the international business management market is both an opportunity and a challenge for the development of physical stores, and physical stores should give full play to their advantages, seize the opportunities in development, and meet various challenges. First of all, the biggest advantage of physical stores is personal experience, personal experience will bring customers a great shopping experience, in this regard, physical stores should give full play to the psychological

characteristics of customers, continuous innovation, to adapt to the future business development needs. Secondly, it is necessary to combine the development of reality to build a "new shopping mall" integrating supermarkets, department stores, dining, and leisure<sup>[7]</sup>. Finally, continue to optimize and upgrade the marketing management system, personalization, uniqueness and specialization are the important characteristics of current consumer shopping. In addition, in the process of building a marketing team and improving customer stickiness, it is necessary to strengthen services such as design services, consulting services, and brand services.

## 6. Conclusions

As the competition in the international business management market is becoming increasingly fierce, physical stores must recognize their strengths and weaknesses in order to promote their continuous optimization and innovation and improve their market competitiveness. Allowing consumers to get a better shopping experience, lower shopping risk, and more reliable after-sales service are the biggest advantages of physical stores. However, the disadvantages of physical stores are lack of convenience, high operating costs, and small inventory. In this regard, physical stores should continue to innovate in the development concept and method, take experience shopping as the main means, adapt to the fierce competition in the market, and promote the healthy and sustainable development of physical stores.

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