

The impact of the epidemic on the retail industry

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Abstract: With the outbreak of the new crown epidemic in 2020 and the rapid spread of the epidemic situation, it will have a huge impact on the offline physical retail industry. It has brought huge challenges to the retail industry and also brought huge opportunities. This study is based on the analysis of the current situation of the retail industry under the impact of the epidemic, and analyzes the impact of the epidemic on the retail industry.

1. Introduction

With the rapid development of the new crown epidemic, it has brought a huge impact on the form of China's retail industry. On the one hand, it has brought challenges. For some basic cost maintenance and living needs, many retail industries can only be forced to close down or transfer the shop to keep the cost. On the other hand, it has brought huge opportunities. Some retail industries have also used various information platforms such as mobile apps and computer client software to conduct live webcast sales and have achieved great success.

2. Analysis of the survival status of the retail industry under the impact of the epidemic

(1) Retail transformation to online development

From the initial closure of the city to the closed management within the community, the home isolation policy has become the main measure of epidemic prevention and control. With the implementation of the home isolation policy, all parts of the country have also begun to delay the resumption of work and production, and work remotely, which has led to a decrease in passenger flow in the physical retail industry. With the slow development of this form, merchants in the retail industry have transformed and switched to online sales for retail products, and the demand for physical purchases has gradually shifted to online. Sales have increased tremendously. At the same time, because office workers need to cook at home without leaving the door, and convenience stores are not open, young office workers have begun to grab food online, which has led to a huge breakthrough in the retail sales of fresh food.

(2) The near-field damage is smaller than the far-field

For near-field sales points such as fresh food convenience stores and vegetable stores in the community, despite the home isolation policy, people's demand for fresh food, vegetables, daily necessities, etc. has increased. Therefore, for them, the negative impact of the epidemic may only be the cost pressure brought about by the policy-based mandatory closure of stores. As for shopping malls, large supermarkets, and large convenience stores, because people are isolated at home and it is not convenient to go out to buy things, for this kind of far-field sales format, the losses they receive during the epidemic are enormous.

(3) Communityization and fragmentation

For some big brands, due to the impact of the epidemic, after large shopping malls were forced to close their business, they had to use WeChat official accounts, WeChat mini programs, and Weibo advertisements for socialized sales, which can also be called fragmented sales. It is to rely on the original membership information and membership expansion mastered by the shopping guide in the store to carry out fragmented and social online sales.

3. Analysis of the impact of the epidemic on the retail industry

(1) Negative influence

The negative impact of the epidemic on the retail industry is huge. Due to the rapid decline in the number of consumers, the market demand in the optional retail market has declined rapidly. Since the revenue of large shopping malls and department stores mainly comes from offline passenger flow, their suspension of business during the epidemic period will affect their income and Profits have had a huge negative impact. Due to the high cost of rent and labor in the retail industry, the impact of its profits on the retail industry in Europe is far greater than its impact on income. Business losses and bankruptcies have increased, and operating conditions have also fallen sharply.

First, divided by time, in the first quarter of my country's retail industry, the total retail sales reached 785.8 billion yuan, a decrease of 19%. Among them, the total retail sales in March was 26,45 billion yuan, a decrease of 15.8%. Second, according to the location of the business unit, urban retail sales were 678.5 billion yuan, a decrease of 19.1%; rural retail sales were 10,722.5 billion yuan, a decrease of 100% Seventeen seven. Third, categorized by consumption type, catering revenue was 6,000 million yuan, down 44.3%, and retail sales of goods was 72,533.3 billion yuan, down 15.8%. The national online retail sales were 22,169 billion yuan, a year-on-year decrease of 0.8%.

(2) Positive influence

After the impact of the epidemic, the entire retail industry will undergo new integration, including the reorganization of traditional businesses, small chain businesses and individual physical stores by large businesses, and unmanned supermarkets, drones and intelligent robots based on online retail. Will get rapid development. During the epidemic, the large information platform had excellent performance in response speed and deployment ability in the face of the rapid development of the epidemic. It not only realizes the sharing and sharing of employees on the online platform, but also makes up for the lack of human resources and improves operating efficiency. The traditional physical retail industry is constrained by the flow of consumers. During the epidemic, the home isolation policy caused a backlog of goods in large shopping malls, large supermarkets, and department stores. At the same time, many large retail physical stores are still suffering Rent pressure and a considerable amount of labor costs have forced many large-scale retail stores to be forced to switch to online sales. However, what is unexpected is that this will not only increase the income of the retail store itself, but also make its internal enterprise Part of the e-commerce business has grown rapidly, especially for people's daily necessities such as fresh food and vegetables. The e-commerce platform uses extremely low labor costs and rental costs to achieve a huge doubled profit and obtain The support of a large number of consumers and the improvement in connection with suppliers have made the supply chain system of large retail enterprises more perfect.

4. Suggestions and countermeasures

(1) Establish and improve relevant laws and regulations

After the transformation of the retail industry to e-commerce retail, strengthen the rectification of relevant access approvals and management measures for the e-commerce industry, establish and improve relevant laws and regulations, and improve the level of industry standards.

(2) Conduct industry integration

Integrate resources in the entire industry, including supply chain resources, human resources, land resources, etc., follow market economy guidelines, improve corporate bankruptcy and reorganization systems, and integrate a number of online and offline large-scale retail industries that go hand in hand as a new normal.

5. Conclusion

This study analyzes the survival and development status of the retail industry under the impact of

the epidemic, and conducts in-depth discussions on the positive and negative effects of the epidemic on the retail industry, and draws two suggestions for the rapid and sound development of China's retail industry after the epidemic.

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