

Research on the Development of Internet Retailing in China

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Abstract: *In recent years, with the development of the Internet, Internet retailing has also developed rapidly. This paper mainly analyzes the development of Internet retailing in our country and the existing problems, and puts forward the corresponding policies and suggestions.*

Keywords: Internet; retail; development

1. The Concept of Internet Retailing

Internet retailing refers to trade both parties with the Internet as a medium for commodity trading activities, the organization and transfer of information through the Internet, realizing the transfer of the ownership of tangible goods and intangible goods or service consumption.

2. The Development of Internet Retailing in China

According to the report of China Internet network information center, in the first half of 2016, China added 2132 million Internet users with a growth rate of 3.1 percent. By the end of 2015, China's Internet penetration rate reached 50.4 percent, the size of Internet users for nine consecutive years in the world's top, higher than the world average of 3.1 percent, 8.1 percent higher than the Asian average. According to the data, netizens' Internet devices gradually concentrated on the mobile phone, and by the end of 2015, the Internet usage rate of Internet users in China was up to 90.1 percent. The development of the Internet has brought all kinds of opportunities to traditional retail, and the Internet retail has blossomed at an alarming rate.

According to the data obtained from the consultation database, the size of shopping market in China increased from 20.31 billion yuan in 2007 to 123.31 billion yuan in 2015, which increased by 60 times. In 2014, shopping mall accounted for 12.98 percent of total retail sales and the first time it exceeded 10 percent. Internet shopping malls in 2015 accounted for 14.61 percent of total social retail sales, an increase of 1.63 percentage points over 2014. According to the ministry of commerce, sales of 5,000 key retail companies rose 4.7 percent year-on-year in June 2015. Internet retail has become the main driving force of retail growth.

3. The Problems in the Development of Internet Retailing in China

3.1 Social credit system is imperfect

Credit represents trust and commitment. Credit is the

respect and maintenance of the legitimate rights and interests of traders in economic life, but there are many defects in our credit system. According to China's e-commerce research center monitoring data show that after-sales service, slow delivery, online sales leave, return shipping difficult, refund difficult, order cancellation, network fraud, false delivery, cargo board, price fraud become the Internet retail ten hot complaints, and these issues directed at the Internet retail business credit system.

3.2 Online shopping security risks

The safety and reliability of online shopping has become the most concern of many online consumers, information disclosure, computer hackers, network viruses do give consumers a layer of shadow, but also exposed the Internet retail terminal technology and retail enterprise management limitations. The security measures of the trading platform are not in place, which leads to the theft of consumer information, and it is more illegal to sell consumer information to earn the black heart benefits. Network security problems not only to the victims cause direct damage, has also weakened the confidence of the consumers in the network shopping safety, that hinder the entire Internet retailing and even the development of electronic business in China.

3.3 Logistics and distribution problems

At present, retailers rely on third-party logistics distributors or self-built logistics and distribution system, high logistics costs, and can not guarantee the distribution of high efficiency and security. Unreasonable loading and unloading of goods can distort or break the goods, thus affecting the practical function of the goods, and also causing psychological gap for the consumers who receive the goods.

4. Policies and Recommendations

4.1 Improve the relevant policies and regulations

Government departments should address the problems existing in the development of Internet retailing, guide the development of Internet retailing, and provide guarantee for

the development of Internet retailing by making perfect laws and regulations. Retail taxation should not be unilaterally directed to the retail, the Internet retail industry should also be taxed, but can be given preferential tax, for the development of the Internet retail industry to create favorable conditions. The development of Internet and the level of informatization are the first preconditions for the development of Internet retail industry. Therefore, it is necessary to formulate a standardized information system to guarantee the development of Internet retailing.

4.2 Online and offline seamless docking

In the era of new retail, online marketing advantage should be mutual confluence, through computers, cell phones and other mobile terminals that will be interesting and has the value of commodity information and social culture information to consumers. At the same time, to realize the digitization and intellectualization of physical stores, and upgrade the consumption service through the unique experience of offline products.

4.3 Focus on consumer - centered experience marketing

In the era of Internet development, consumers pursue consumer individuality, and consumers are expected to have different social experiences and rich life experiences in shopping. Internet retailing should focus on goods and services and bring more memorable consumption experiences to consumption.

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