Supply chain management of new coffee retail enterprises from the perspective of value co-creation—Taking Laibei coffee as an example

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Abstract. With the further deepening of Internet, big data and artificial intelligence technology, the transformation of traditional retail formats into new retail formats has become an inevitable trend. The competition in the new retail industry is becoming increasingly fierce, and the remolding and upgrading of supply chain management have become the starting point of the new retail enterprises. Thus this article from the perspective of value co-creation by means of new retail brands-head, Laibei coffee, supply chain is analyzed, on the one hand, points out the advantages of supply chain management, on the other hand aiming at its disadvantages put forward the corresponding improvement suggestions, in order to other companies in the new retail coffee industry supply chain management play a role as a reference and inspiration.

1. Introduction

Under the wave of Internet +, an online retail replaced the traditional retail for some time that the function, and after nearly a decade of forward at full speed, online retailers rely on the Internet and mobile Internet terminal user growth and flow brought by the widespread popularization dividends are gradually atrophic, facing the growth of "bottleneck" began to emerge, the retail industry to seek new transformation. In October 2016, the new retail concept was proposed for the first time at the Ali cloud conference. The new retail model emphasizes the remodeling of business structure and ecosystem and pays attention to the deep integration of online service, offline customer experience and modern logistics. In November 2016, the general office of the state council issued the opinions on promoting the innovation and transformation of physical retail, which clearly defined the guiding ideology and basic principles for promoting the innovation and transformation of physical retail in China. In new concepts and new policy under the guidance of retail industry began to change, the traditional retail to explore upgrade path, new retail enterprises, has experienced 2017 years of profound and rapid development in 2018, on the one hand, the market competition pattern is from the traditional enterprise and the competition between enterprises into supply chain and supply chain between competing, on the other hand, in the face of diversified consumer choice, the upgrading of consumption, the retail enterprises must pay attention to the participation of consumers in the process of production, so the value creating theory was introduced into the supply chain management.

In terms of the coffee retail industry in China, international coffee retail brands represented by Starbucks have spent decades to cultivate the coffee consumption habits of Chinese people, almost monopolizing the coffee retail market in China. In the context of new retail, some emerging coffee brands, with their precise market positioning and unique business models, have gradually broken the monopoly of Starbucks and Ashima coffee and other established enterprises, thus driving the whole coffee market towards a more diversified direction. The research and analysis on the development of emerging coffee brands, the clarification of the advantageous management mode, and the corresponding suggestions for the existing deficiencies are conducive to the coordinated and stable development of China's coffee retail market.
2. Value co-creation concept

Value creating theory by management gurus C.K. Prahalad et al proposed in early 21st century, he advocated enterprise competition in the future will rely on a kind of new way of value creation, with the individual as the center, created jointly by consumers and businesses, which is derived from consumers and businesses or other stakeholders together create, and value is ultimately determined by the consumer. It breaks the traditional concept that value is created unilaterally by enterprises. After that, Prahalad, Ramaswamy, Vargo and Lusch proposed the value co-creation theory with interaction or service as the dominant logic respectively in 2004. They believed that the main way of value co-creation was interaction or service, and the creation of consumers' experience value was the essence of value co-creation.

In the new retail supply chain, suppliers, manufacturers, integrators, sellers and customers and other stakeholders occupy different value network nodes, which fully interact with each other for service exchange and value creation, and finally realize personalized, diversified and experiential consumption at the consumer end.

3. Value-based co-creation of Laibei coffee supply chain management analysis

Laibei coffee is a self-service coffee brand born under the new retail outlet. With its strong supply chain system and new product research and development ability as its core competitiveness, Laibei coffee has become the leading brand in this field through continuous exploration and development.

3.1 Supply chain forward strategic cooperation

At the beginning of its establishment, Laibei coffee established strategic cooperation with Jin Mi Lan company, the roaster of coffee raw materials officially selected by G20 summit in Hangzhou, in the end of coffee supply chain customization, the selection of coffee raw materials for domestic self-service coffee drones, the roasting production of coffee beans, coffee culture training and other aspects. Jin Mi Lan coffee company will provide exclusive customized coffee beans to Laibei coffee, ensuring that Laibei coffee self-service freshly ground coffee flavor can match the quality of professional coffee shops. At the same time, the smart city layout of Laibei coffee will help Jin Mi Lan realize its vision of "promoting high-quality coffee to places within the reach of the public and making Jin Mi Lan coffee a part of people's good life".

3.2 Supply chain backward platforming enabling

In June 2018, Laibei coffee formally proposed the concept of "platforming", becoming the first brand to propose platforming in the new coffee retail industry. In the process of expansion, Laibei coffee is different from the general service providers who mainly sell equipment and make profits by "shaking off the shopkeeper", break the traditional franchise mechanism, establish the urban partnership system, and gradually establish a complete set of new retail solutions. According to its founder, in order to adapt to the new retail trend, only by laying a solid foundation in the early stage and continuously enabling urban partners, can the company achieve steady expansion in the later stage. Laibei coffee from the marketing, management, sales and other aspects, to build a compatible with direct sales, agency, regional agency, urban partners in various forms of solutions, to achieve full channel unified management, and eventually form an open ecological chain.

In terms of urban partners, Laibei coffee tends to select talents with many years of work experience in catering and independent terminal retail industry. While providing entrepreneurial channels and platform services for these urban partners, their wisdom and experience can create value for enterprises. In terms of business model, the online platform supports each city partner to check the sales data and other information on the phone, and the high-sales period, SKU and user portrait are clear at a glance. Various operation and maintenance problems (such as common water and material replenishment) are also actively reminded by the background intelligent system, which can greatly improve the operation and maintenance efficiency of urban partners. Laibei coffee SaaS system can also do a full range of point coverage, reducing the time cost of solving the problem. In addition, on
the basis of stable business process and product sales, Laibei coffee exerts its brand power to provide brand promotion and marketing services for urban partners. In the process of interaction between the urban partner and Laibei coffee and serving the served coffee, not only can the interests of the urban partner be maintained, but also the brand image of Laibei coffee be further promoted, and the consumption experience of customers be ultimately improved.

3.3 Management of end-user data of supply chain

On the client side, Laibei coffee makes full use of data analysis means, connects users on the device side to collect data, and provides accurate activity plans regularly according to the reports of data feedback from different scenarios. WeChat official account carries out accurate customer service management, timely processes user feedback information, and optimizes products and services.

4. Summary

Under the background of elaborating the development status of new retail, this paper analyzes the current supply chain management of Laibei coffee from the perspective of value co-creation. From the establishment of the partnership system from the upstream suppliers to the downstream cities, as well as the platform integrated management model, it can be seen that the enterprise pays attention to the value co-creation of the upper part of the supply chain node, and actively uses data management to optimize services for the end consumers. However, the interaction and service between stakeholders of each part of the supply chain are not deep enough, and further optimization is needed to realize the joint creation of value.

In the face of the continuous upgrading of consumer demand, new retail enterprises continue to explore and innovate. Due to the "strong" of consumers, the new retail era is not just the sales at the end of the supply chain. The essence of new retail is to cater to the masses of users of personalized, diversified and experiential consumption new demand, therefore, on the one hand, Laibei coffee and new retail companies should establish and improve the user communication mechanism, set up the user creative platform, let the consumer to participate in the product creation process, in order to give full play to the consumer the wisdom to improve manufacturing efficiency at the same time. On the other hand, it is of vital importance to grasp the market trend and make timely response to improve user experience. It is of vital importance to open up the information channel of upstream and downstream enterprises and enable consumer feedback to reach the manufacturing end in time from the consumer end.

References


