

Research on the Issue of the Distribution of Household Electrical Appliance Retail Chain Enterprises in China

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Abstract

The household electrical appliance retail chain enterprises in china develop rapidly, whilst the basic logistics facilities lagged behind. The slow development of logistics distribution blocks the further development of household electrical appliance sale and chain management. Therefore, effective measures shall be taken, according to the current situation of the development of logistics distribution for household electrical appliance retail chain management, so as to improve logistics distribution system so that the rapid growth of large household retail chain enterprises can be endowed with logistics system guarantee.

Keywords: Household electrical appliance logistics, Distribution center, Talents in logistics

The magnificent characteristic and advantage of chain management is scale effect, while the scale effect cannot be achieved without the high-efficient operation of distribution center. At present, the household electrical appliance retail chain enterprises in china are developing rapidly. However, the construction of logistics distribution system is still at its primary stage. Therefore, the distribution modes and operation levels lag far behind, which lays a huge block for the further development of household electrical appliance retail chain enterprises.

1. Problems existing in the logistics distribution of large household electrical appliance retail chain enterprises in China

1.1 The location-choosing and construction of distribution center are not standard and the basic facilities are backward

First of all, the location-choosing of distribution center is not scientific. When choosing locations for distribution center, because household retail chain enterprise lack awareness of the significance of location-choosing and lack talents in the logistics management, they just simply consider the rent of the storage and seldom analyze according to the distribution costs, distribution efficiency and service quality. The remote location of the storage places and the poor traffic condition will influence the distribution efficiency of each vehicle.

Secondly, the construction of distribution centers of many household electrical appliance retail chain enterprises is not standard. Many distribution centers do not have adequate parking lots and standard stevedoring platforms. The random parking and stevedoring is not good for improving “in-and-out storage” efficiency and is easy to cause cargo damage and cargo discrepancy. The stevedoring, handling, piling and selecting of cargo in the storages of the distribution centers are basically done by labors, which will easily bring about human-damage to the commodities as well as low efficiency.

The construction scale of distribution center is not calculated scientifically according to the flow of commodities, which will result in waste of the distribution center or failure in holding commodities as demanded. The “web notes” are not arranged uniformly and can not realize the advantage of scale management.

1.2 The preparation of distribution vehicles is not scientific and the arrangement of distribution labor is not reasonable.

The distribution of household retail chain enterprises mostly adapts carrier mode. The amount of household electrical appliance fluctuates greatly. In order to assure the smooth distribution of commodities, enterprises prepare distribution vehicles according to that needed in hot seasons, resulting in low average use rate of vehicles.

At present, the labor dispatch of household electrical appliance centers is done by persons. The labor dispatch of distribution is finished according to the experience of labor dispatching personnel, the transportation requirement of labor dispatching region and the carrying capacities of vehicles, which will easily result in low storage rate of vehicles and irrational distribution route.

1.3 The block of information flow results in the backwardness of logistics.

The electronic, modernized and information degree of the logistics system household electrical appliance retail

chain enterprises is rather low, which severely restricts the high-efficient operation of logistics system. For the block of information flow, the chain retail industry lacks effective management and control over logistics transportation, which is mainly shown as follows: there is not exact management over commodity loading, vehicle scheduling and transportation route; the commodity distribution information among the chain shops lack mutual coordination, resulting in high cost of logistics distribution. From the angle of supply chain, most of household electrical appliance retail chain enterprises do not do well in the communication with suppliers and in the exertion of the extension function of logistics information.

1.4 The importance attached to logistics operation is not enough and the logistics system is not directed by supply chain theory.

The importance attached to logistics operation by most of household electrical appliance retail chain enterprises is not enough. Those enterprises just consider logistics department as an auxiliary department to cooperate and support purchase and sale. Inside the enterprises, the logistics, purchase, sale and after-sale service are not organized through procedures or arranged uniformly; Outside the enterprises, the suppliers, users, and logistics resources are not integrated effectively. The enterprises do not take initiative to integrate the supply chain for household electrical appliance so as to make plans for logistics from the strategic perspective of supply chain management, which brings no good for cutting down logistics costs and improving the operation efficiency of logistics system.

1.5 The lack for professional talents in logistics.

Staff engaged in logistics distribution shall possess certain knowledge in logistics and practicing experience. However, in China, the education on the cultivation of talents in logistics distribution lags behind. Perfect logistics education system and talent training system have not yet been established, resulting in lack of professionals in logistics. Especially, the society is straitened for compound high-class professionals who master both the operation techniques of modern logistics distribution and the management of logistics distribution, which restricts the further development of the logistics distribution of household electrical appliance in China.

2. The measures for improving the distribution system of household electrical appliance retail enterprises

According to the characteristics and development condition of logistics distribution in household electrical appliance retail chain management, effective measures shall be adopted to improve logistics distribution system so that large household electrical appliance retail chain enterprises can be provided with guarantee of logistics system.

2.1 The location-choosing of distribution centers shall be scientific and the construction shall be standardized.

First of all, the location and scale of the distribution center shall be determined scientifically. The location of distribution center will exert direct influence on the distribution speed and circulation expenses. What is more, it is closely connected with the service level and service quality of the distribution center. On the condition of warranting certain customer service level, the basic standard for choosing the location of the distribution center is to transport the commodities to the target place at the minimum logistics costs. The location-choosing of distribution center shall take into account the distribution of transportation amount, transportation condition, promised service time, storage cost and distribution fee, and etc.

When deciding the scale of distribution center, the overall demand amount shall be ascertained first according to the demand amount of each sale shops. Various material storage shall be divided reasonably and the occupation areas of each storage shall be fixed so as to determine the overall area of the distribution center. When making decisions on the scale of distribution center, we should take into account the development needs of branches and make comparative long-term planning so that the distribution center of each branch has correspondent distribution economy scale.

Secondly, the construction of distribution center shall be standardized. The mechanical and automotive level of the distribution center shall be improved. In the process of logistics, the stevedoring and handling activities are conducted at the distribution center. The frequency of stevedoring and handling activities is far higher than other logistics activities. Hence, those activities become a key part in raising logistics speed. What is more, the stevedoring and handling activities will consume much labor. The cost of stevedoring and handling accounts for a large part in logistics costs. Therefore, those activities lay high requirements on the construction of the distribution center. The distribution center of household electrical appliance retail chain enterprises shall have operation platform and adequate parking lots. Besides, the transportation condition around the distribution center shall be in good order. The distribution center shall gradually develop towards the machine operation. Stevedoring and handling shall accelerate in adopting computer management soft wares for managing vehicle dispatch and scheduling so as to cut the editing time for vehicle dispatch time, to arrange the distribution regions and routes more reasonably and to raise

the use rate of vehicles.

2.2 To optimize and adjust the transportation power reasonably

The transportation power shall be reasonably optimized and adjusted according to the characteristic of household electrical appliance sale, that is “fluctuation”. The preparation of transportation power shall be flexible and adjustable. Under the premise of guaranteeing the in time delivery of goods in hot seasons and the basic profits of the carriers, the transportation expenses incurred in the distribution shall be cut down.

First of all, enterprises shall reasonably control the routine transportation power and ensure that all the routine vehicles prepared could warrant the smooth distribution of goods sold daily. Before the coming of scale peak, enterprises can inform carriers in advance to provide temporary transportation power.

Secondly, enterprises should integrate and improve the structure of carriers. In order to secure the flexibility of the preparation of transportation power, the enterprise must seek cooperation with carriers who are strong in recourse integration. Besides, the enterprises shall enhance the legal restriction of the entrustment contract of carriage and the guarantee of transportations power. The enterprises shall also, in the form of contract, make advance agreement with carriers for the temporary transportation power in not seasons.

Thirdly, enterprises can adopt the form of regional contract. For distribution center, regional contract can simplify the work of scheduling and labor dispatch and raise the rationality of the scheduling of vehicles. For the carriers, because they are just in charge of small and regular regions, they are clear about the traffic condition of the regions that they are in charge of and are familiar with the housing distribution of the regions, which are good for making plans scientifically for the scheduling of vehicles.

At last, enterprises shall strengthen training, reasonably arrange, and improve the goods delivery capacity of vehicles temporarily provided. Through trainings on business and service techniques, enterprises can ensure that the newly employed goods delivers know well service techniques and business knowledge so that the customer satisfaction rate of the distribution service and goods delivery success rate can be raised.

Besides the transportation skill and equipments, the reasonable arrangement of distribution is also important in determining the transportation efficiency of distribution. The direction and scheduling of distribution shall be scientific and reasonable and conform to the high-efficiency requirements of logistics system on distribution. The connection of distribution transportation shall be smooth. The distribution center shall, according to the scale information, make plans for arranging vehicles and delivers and reasonably arrange distribution ways.

2.3 To actively adopt advances logistics information system

The information logistics distribution is represented as follows: the database and code are used in the collection of logistics information; electronic equipments and computers are used in the processing of logistics information; the transfer of logistics information is standardized and is timely; and digital devices are used in storing logistics information. Trough the adoption of advanced logistics information system, a modern management platform is set up so as to push the management of relationship with clients, to improve distribution scheduling, to dynamically manage storage, and to realize on line transaction dealing. The modern management platform can also be used in the management of goods, the scale analysis, and costs checking. By this way, the logistics, capital flow and information flow are integrated and the information process of logistics is advanced and the smoothness, speed, exactness and efficiency of information flow are raised. At the same time, the construction of modern logistics information system shall be combined with the re-construction of logistics procedure so as to cut down the procedure distance and time and to raise the efficiency of logistics distribution from the root.

2.4 To integrate logistics system with supply chain thoughts

It has become a trend that under the help of information technology to integrate the upper and lower resources of household electrical appliance industry, to cut down the overall costs of the supply chain of the entire household electrical appliance industry, and to set up household electrical appliance supply chain system with the circulation enterprises as the core depending on the upper and lower enterprises and combining information flow, capital flow and logistics. First of all, starting from the interior enterprise, the interior logistics recourses can be integrated through the distribution center. The purchase, sale and logistics shall be considered as a whole and the overall costs of the interior logistics operation of enterprises shall be cut down. Secondly, the logistics operation of the enterprises shall be analyzed from the angle of entire supply chain. According to the inter-relationships among suppliers, retailers, and logistics servicemen, supply chain thoughts shall be adopted to integrate and manage logistics recourses and business so as to achieve the goal of cutting down the overall costs of the supply chain logistics.

The adoption of effective management strategies on supply chain can remarkably cut down the overall costs of supply chain logistics and the storage level on the supply chain, enhance information share level, improve mutual

communication, maintain the consistency of operations among strategic partners and bring about huge competition advantage so as to realize the improvement of the performances of enterprises on the supply chain.

2.5 Endeavour to cultivate talents in the management of logistics

The household electrical appliance retail chain enterprise shall conduct careful analysis on the condition of logistics talents and adopt proper methods to optimize talents allocation. First of all, they should analyze where is straitened for logistics talents and use different methods to meet the demands of different posts. For common posts, they should, through perfecting regulation and training system, ensure that the new-employed workers can master the operation requirements of the posts after being trained within rather short time. For important posts, enterprises can make sure of the recruitment resources to search for proper employee in the market.

Secondly, enterprises shall set up proper training system for logistics managers who are fit for their own enterprises. The training on managers must be dynamic and focus on quality rather than the static personnel charge of mechanical mode. Through talents cultivation modes, such as tutor system inside enterprises, concentrated training system, enterprise college system and “order talents from university”, the development of distribution business will be secured with adequate talents.

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