

On the Transformation of Enterprise Operation Mode in the Era of Cross-border E-commerce: Taking Sam's Club as an Example

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Abstract

With the rapidly development of information technology, international business activities rely on e-commerce is also growing, e-commerce to reduce the time and space constraints of international business activities, transaction efficiency, market space to expand, so that international business activities to reduce costs and more convenient. For the traditional transnational chain retail enterprises, to keep up with the development trend of network information and large data, timely large-scale transformation of e-commerce in order to better respond to industry competition, maintain market position. This paper chooses the Sam's Club which is representative of the traditional multinational chain retailing enterprise Wal-Mart, and analyzes the history, present situation and future trend of Sam's Club's development. Sam's club comes into the global network of economic competition era. The marketing model of Sam's Club also will change. E-Commerce marketing model is one of its development model, its establishment for the Sam's Club provides important survival and development platform, and promote Sam's Club by the traditional marketing model to the e-commerce environment. Sam's club change from the traditional marketing model to the marketing mode of electronic business environment. This paper analyzes the factors that influence the change of marketing mode of Sam's club under the e-commerce environment, which is SWOT, namely, the strengths, weakness, opportunities and threats. Specifically, based on the theory of marketing model and e-commerce, the paper analyzes the influence of e-commerce environment on Sam's Club's marketing model, and constructs the theoretical model and puts forward hypothesis by analyzing various influencing factors. Finally, the regression analysis of the whole model, Sam's club members to achieve e-commerce marketing model of what changes occur, such as the change of membership system, platform changes and product changes. At the end of this paper, the problems be put forward that should be paid attention to in the process of the transformation of the marketing mode of Sam's club under the electronic commerce environment, and hopes that the development of Sam's club will be better and better.

Keywords: E-commerce; Sam's club; Foreign trade; Business connecting strategy; Market transactions

Introduction

The present status of cross-border E-commerce

With the national policy guidance and the popularity of mobile Internet, the development of e-commerce has become a trend, and the development of global integration in turn extend the scope of e-commerce to overseas, cross-border electricity providers began to emerge.

Cross-border business refers to the different customs of the transaction subject (individual or business) through the Internet and e-commerce platform for transactions, payment and settlement, and cross-border logistics services, transactions of an international business activity. It consists of an aggregate of exports and imports. However, with the rapid development of domestic e-commerce, the emergence of cross-border electronic business for the traditional foreign trade has injected new vitality into the market, as a result of the rapid growth of domestic foreign trade. To Alibaba as the representative of the rise of foreign trade power, expanding overseas trade marketing channels to improve the international competitiveness of local brands, foreign trade and stability on the steady growth played an important role.

In the background of the slowdown of China's foreign trade, China's cross-border electricity business has become a new driving force for future trade development. According to the well-known third-party e-commerce research institutions - China Electronic Commerce Research Center released the "2014 China e-commerce market data test report" data show that in recent years, China's cross-

border e-commerce transactions continue to expand. The volume of cross-border electricity trader transactions in China reached 4.2 trillion RMB in 2014, a year-on-year increase of 33.3 percent (Figure 1).

The report shows that: In 2016, China's cross-border import and export transactions will exceed 6.5 trillion RMB, annual growth rate of more than 30%. From 2014, China's cross-border mode of electronic business transactions, the current cross-border B2B business transactions accounted for 93.5%, with the same dominance of domestic electronic business to occupy B2B. I believe that with the improvement of cross-border online shopping environment and the formation of cross-border online shopping habits of consumers, the future proportion of cross-border electricity suppliers will be more and more [1].

The reason of cross-border E-commerce development

Firstly, it is the correct orientation of national policy. In 2012,

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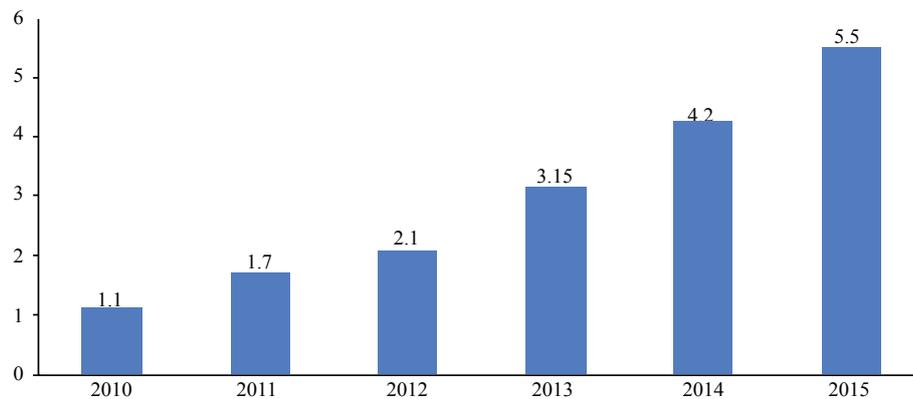


Figure 1: The scale of china's cross-border electricity trading in 2010-2015.

Shanghai, Chongqing, Hangzhou, Ningbo and Zhengzhou became the first batch of pilot cities. They have a good economic and foreign trade basis, and have carried out the policy of cross-border electricity providers to carry out Cross-border e-commerce service pilot conditions. The pilot cities are not only in the policy to obtain state support, but also to obtain support for economic capital.

In 2013, the Ministry of Commerce promulgated the "Opinions on Implementing Policies to Support the Export of Retail Business by Cross-Border Electric Merchants", which issued specific measures for the problems encountered by the exporting enterprises in customs, inspection and quarantine, taxation and so on. In 2014, the Ministry of Finance and the State Administration of Taxation jointly issued the Circular on the Tax Policy for Retail Export of Electronic Commerce in order to clarify the tax policy for cross-border electricity suppliers, reduce the export costs of cross-border enterprises and promote the development of cross-border".

In 2015, the State Council issued "Eight Regulations" to reduce the institutional obstacles to the development of e-commerce and accelerate the development of e-commerce. The Guidelines on Promoting the Healthy and Rapid Development of Cross-border Electric Merchants were formulated [2].

Second, the rapid development of domestic e-commerce is also important. According to the China Electronic Commerce Center released the "2014 China e-commerce market data monitoring report" shows that in 2014, China's e-commerce market transactions amounted to 13.4 trillion RMB, an increase of 31.4%. Among them, B2B e-commerce market transactions amounted to 10 trillion RMB, an increase of 21.9%. Network retail market transactions amounted to 2.82 trillion RMB, an increase of 49.7%.

As of December 2014, e-commerce service enterprises directly employing more than 2.5 million people. The current indirect employment by e-commerce driven by the number of increase is more than 18 million people. The growing size of e-commerce transactions in the future cross-border electricity providers in the global cross-border electricity market share of the proportion of how much has a vital role (Figure 2).

2010-2015 China's E-Commerce Market Transactions

Third, platform service provided performance changes. Service providers, distribution and internet finance, etc., which marked the platform from the barbaric electric business growth stage to the stage of

the transition to a healthy competition, not only the price competition, conducive to the overall distribution of profit, but also conducive to the rapid development of cross-border electricity providers. Sunning combined with more than 40 brands around the world. The United States online introduction of foreign wines, etc., means of competition from a simple price war to more than the strength of the ratio of resources, such as the introduction of the world's first ". Than the advantages of the model station, is a combination of supply chain, traffic, logistics, partner resources, and the Internet financial comprehensive competition.

Analysis of the present status of Sam's club

Large warehouse-style membership stores appeared in the 1960s. It is a store and supermarkets will be one of the retail formats, and strive to enable customers to travel at the lowest price to meet a variety of shopping needs. One of the most representatives is the Sam's Club, which is Wal-Mart Stores (Wal-Mart Stores, Inc.), a member of the chain, is dedicated to members of the warehouse-style shopping club. Sam's position is Better quality, more offers, a better shopping experience, better community responsibility and value to members who are proud of it. Similar to the Sam's club also includes METRO (METRO), good things (COSTCO) and so on.

The Sam's Club is a high-end affiliate of Wal-Mart. It is the top 500 company in the world. Its name is taken from Wal-Mart founder Sam Walton, the legendary retailer. Since the first store opened in Midwest, Oklahoma, in April 1983, Sam has more than 30 years of history. The early 90s, Sam began to enter the international market, the development has become the world's largest membership-one of the stores. Currently, Sam has more than 800 stores worldwide, for more than 50 million individuals and business members to provide quality shopping experience. China's first Sam member stores in August 12, 1996 settled in Shenzhen. At present, Sam has opened 13 stores in China, located in Beijing, Shanghai, Shenzhen, Guangzhou, Fuzhou, Dalian, Hangzhou, Suzhou, Wuhan, Changzhou and Zhuhai. The second half of 2016 Sam's club in Tianjin and Xiamen have two new Sam member stores opened. There are currently in the promotion of the project by more than 20, the company will speed up Sam membership stores in the format of the shop. In the future, Sam's Club will continue to expand its investment in China, so that more Chinese families enjoy the quality of life brought by Sam [3].

Each member of Sam's Club has an average of 20,000 square meters of large shopping space, mainly engaged in all kinds of daily

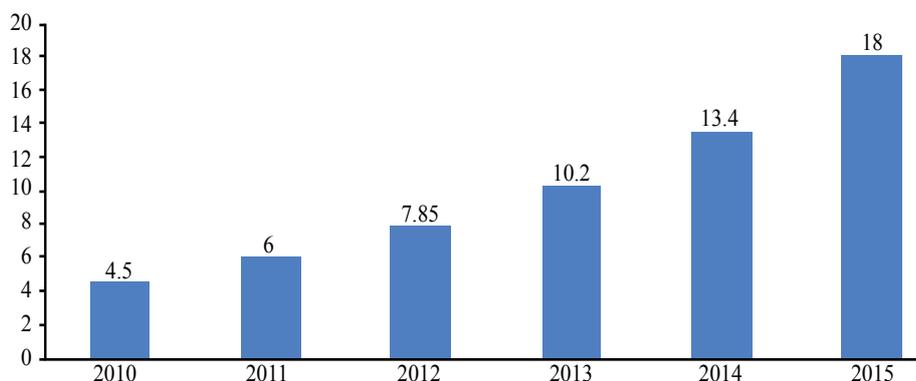


Figure 2: The scale of china's cross-border electricity trading development in 2010-2015.

groceries and department stores. To meet customers' demand for higher quality merchandise, Sam's Club choose the best quality or best-selling brands of its product. Sam's Club offers a selection of more than 4,000 cost-effective products, including fresh produce, dry goods, home appliances, home furnishings, apparel, and so on. It is not only to help members remove from the troubles of the selection of goods, but also for members to save time and money. Sam's products are mostly large and simple composite packaging, through the bulk purchase to reduce costs. The location of the Sam's Club emphasizes convenient transportation with adequate car parking, usually providing at least 1,500 free parking spaces for its members.

The strengths of Sam's club

The definition of SWOT model: SWOT model (alternatively SWOT analysis or SWOT matrix) is an initialize for strengths, weaknesses, opportunities, and threats - and is a structured planning method that evaluates those four elements of a project or business venture. A SWOT model can be carried out for a product, place, industry, or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection.

At the beginning of 1980s, Wierik, professor of management at University of San Francisco, proposed the SWOT analysis method, which is also called the situation analysis method or SWOT matrix [4]. It is often used in corporate strategy formulation, competitor's analysis, and so on. SWOT matrix is an effective tool for strategic planning, in which enterprises analyses the development of its internal conditions, the external environment, the opportunities for its development and the threats it may face. Combined with this, companies can make optimal solutions, which is conducive to its own development.

Identification of SWOT is important because they can inform later steps in planning to achieve the objective. Decision makers should consider whether the objective is attainable, given the SWOT. If the objective is not attainable, they must select a different objective and repeat the process. Users of SWOT analysis must ask and answer questions that generate meaningful information for each category (strengths, weakness, opportunities, and threat) to make the analysis useful and find their competitive advantage.

The Brief Introduction of Strengths, Weakness, Opportunities and Threats

Strengths, in the SWOT analysis, are a company's capabilities and resources that allow it to engage in activities to generate economic value and perhaps competitive advantage. A company's strengths may be in its ability to create unique products, to provide high-level customer service, or to have presence in multiple retail markets. Strengths may also be things such as the company's culture, its staffing and training, or the quality of its managers. Whatever capability a company has can be regarded as strength. All in all, strength is the characteristics of the business or project that give it an advantage over others.

A company's weaknesses are a lack of resources or capabilities that can prevent it from generating economic value or gaining a competitive advantage if used to enact the company's strategy. The characteristics of an organization that can be strength can also be a weakness if the company does not do them well. In other words, weakness is the characteristics that place the business or project at a disadvantage relative to others.

Opportunities provide the organization with a chance to improve its performance and its competitive advantage. Opportunities may arise when there are niches for new products or services, or when these products and service can be offered at different times in different locations. In short, opportunities are elements that the business or project could exploit its advantage.

Threat can be an individual, group, or organization outside the company that aims to reduce the level of the company's performance. Threats may come from new products or services from other companies that aim to take away a company's competitive advantage. Threat may also come from government regulation or even consumer groups. In general, treats are elements in the environment that could cause trouble for the business or project.

The strengths of Sam's club

1. Strict site selection conditions. Since 1996, the first Sam stores settled in Shenzhen, as of 2013, 17 years to open only 10 new stores. For Sam's club, China's retail market is far from saturated state, the relevant responsible person said, "A lot of large cities can accommodate more than one Sam's Club," the development of the difficulty is to find to meet Sam's "stringent" standards real estate projects. This means that the surrounding to have about 500,000 potential members; location convenient transportation, parking lot have enough;

can operate for the Sam 9 meters high, 6 meters channel, with a total area of 20,000 square meters of shopping malls. All these is due to Sam's cost control requirements. To this end, Sam is usually in the early stages of real estate projects will work with developers to find the conditions to meet the above items. This almost harsh location conditions that each set up a Sam store is a result of long-term data analysis to make judgments, which for its follow-up operation laid the most solid foundation.

2. A clear target group positioning. Annual membership fee is 150 RMB before which now add to 260 RMB. It is a subversion of the traditional concept, which reflects the Sam members of the store's target consumer groups are the high-end consumer groups. The consumer groups focus on the shopping environment, comfort, quality of goods and enjoy the membership cited, such as the value of the wing, which makes the annual fee charged the membership-based store model can be a small part of the Chinese consumer acceptance. And in the long run, this market is far from saturated, with the people's material and cultural level of the growing demand for quality of life gradually increased, at least above the second-tier cities have to accommodate such a membership-based supermarkets possible.
3. A unique business strategy. "Control the number of single product, very competitive commodity prices, human services", which is the core of Sam's store strategy. With other stores from two to thirty thousand kinds of single product quantity is different from Sam's Club stores only provide about 4500 kinds of single product selection, fundamentally eliminates the consumer selection of goods troubles, saving time and money. This seemingly has no choice. In fact, not simply reduce the number of single product, but after a series of carefully selected. In a class of goods of various brands, selected the most popular two or three consumers, and will regularly update a single product brand. The use of global procurement resources, to provide customers with domestic and international best-selling merchandise, and efforts to close to the local members of the spending habits, such as increasing the proportion of fresh food in the commodity.
4. High-quality and low prices. Quality is the nature of its products, Sam's club every product is not a casual introduction of the moment, but according to the needs of members to select goods, regular visits to members every year. If members of the purchase behavior change, the products do not meet the requirements for the members, it will be timely out. Sam stores in the basis of years of operation, through the analysis of members of the shopping habits, summed up their orientation for a certain brand or category of demand, and ultimately retain only the most frequently purchased brand, fundamentally ensure product quality and popularity. And quality is equally important as well as low-cost. Relative to the Wal-Mart's shopping plaza, Sam's club allows customers to deeply feel the "parity every day, consistent" concept. First, the store for each additional single item, need to go through the "procurement, distribution, receipt, shelves" and other processes. It will inevitably produce logistics, labor and operating costs, the total number of single items in a certain range, effective cost control. Second, including imports of goods, including all the basic straight mining, abandoned dealer links, manufacturers can't direct supply of goods from the country as far as

possible from the largest dealers to get the good. Low-cost purchase, reduce operating costs. Sam's club directly from the manufacturer purchase, not repeat them here. Such a high degree of purchase, inventory management, the company can quickly grasp the sales situation and market demand trends, so that neither the backlog of inventory, not out of stock, speed up the capital turnover rate, reducing storage costs. Third, the Sam store to take large quantities of the way, sales of products for large and simple multi-packaging, and the use of plate display, eliminating staff disassembly, loading, replenishment of the cumbersome process, and further reduce operating costs. Costs continue to reduce, to bring the natural consumer is tangible benefits.

5. Exclusive for special goods. Sam's club to win low-priced goods, but this does not mean that only low-priced products shop Sam. For example, 330,000 RMB of Harley-Davidson, 34,000 RMB of the King of chairs and other high-standard products appear in the Sam store. At the same time, Sam's club to provide merchandise for the Sam's club for the special offers for packaging. In addition to the packaging, different specifications, different types of goods, Sam stores provide some exclusive sales of goods that consumers do not purchase in other supermarkets, including imported food, brand clothing.
6. Actively try to power business model. In addition to traditional brick-and-mortar operations, the China team of Sam's club is exploring new ways to serve multi-channel members. By the end of 2010, Sam member online store took the lead in Shenzhen on-line. Sam online shopping is relying on the store. The current daily, department stores and other online business has been covered in addition to all seven outside of Suzhou, Sam opened a membership store in the city. This year, Sam has launched in Shenzhen, Guangzhou, Shanghai fresh, frozen, frozen food online shopping direct delivery service, and in more areas to promote. Although Sam is still in the initial stage of online shopping, but the customer feedback on this business are very positive, especially for large cities in congested traffic.

The weaknesses of Sam's club

1. Members of the annual fee hindrance. This is the traditional consumption habits and new members of the payment model of confrontation. I am afraid that Sam's club in China member fee is the biggest disadvantage. In the Chinese market, almost every shopping place to take a consumer can apply for membership cards, loyalty points can also be regularly redeemed gifts, shops to attract more members to join. The Sam Club, which requires 150 RMB per year membership fee of the new model, with the traditional consumer habits in direct conflict, making this model can only be some high-level income to accept, which is currently more developed in China only City survival, and each city cannot accommodate too many stores the main reason. Most consumers still do not recognize this money to go into the concept of consumption, and hold the idea that consumers are not in the minority. China's retail market is full of competition, row of domestic and foreign stores, for consumers, not without choice, but to choose too much. For the country is still only 10 of Sam's club stores, do not go to the absolute impact of their own lives. Collect 150 RMB membership fee? There may have been enough for some families to visit the supermarket several times spent.

2. Geographical location of the disadvantages. Before we mentioned Sam's harsh shop site, but one of the factors is not conducive to its development is the location. Area should be large enough, but also affordable enough to land, it is bound to select those away from the city center location. Although cars are now popular as household tools, ordinary families still calculate the cost of a purchase on the road to compare the cost of shopping at a Sam store and the nearest choice of store to buy which is more affordable. While the driving car shopping is bound to make consumers more inclined to large quantities of procurement, but China's family model, the family of three accounted for the vast majority of daily consumption is a ceiling, the family needs the nearest autonomous choice may be more convenient and economic. I consider that these problems are the need for Sam's overall take into consideration.

The opportunities of Sam's club

Changes in consumer attitudes: Annual collection of fixed membership fees for early Chinese consumers is an incredible thing or a limited number of annual consumers shopping, membership fees are too high. Consumers may be feels uneconomical. So in the early years, many supermarkets have to frequently reduce or cancel membership fees. But with the quality of life and increase revenue, consumers pay more attention to the quality of goods. At the same time, relative to the individual and the family income, the proportion of the membership fee has become less in comparatively speaking. Therefore, the membership fees charged to consumers have become more acceptable.

The amount of private car ownership increased: Private cars are very important for a warehouse supermarket, because the supermarket storage location remote, and most of the goods are bulk purchase. If there is no private car, for consumers is very inconvenient. With the continuous increase of private car ownership in China, the way of storage supermarket will become a new way of living consumption.

Bulk shopping more in line with China's household consumption: For people in Europe and the United States, four generations or the possibility of living under the same roof of the three generation is very lowly. The average child will go out to rent a house full of age of 18. But in China, this phenomenon is still common. And culturally speaking, China is a very family oriented countries, they are more willing to share things and family. Therefore, the warehouse retailers are more in line with China's family consumption concept.

The threats of Sam's club: From a variety of single products in the selection of best-selling products on the Sam store is a big challenge, Sam's procurement team is facing an important issue. Why choose this product? Why choose this taste? Are they able to satisfy consumers to the maximum? This requires Sam's procurement must know the needs of clients, and learn empathy, precise positioning, careful analysis, in order to choose a truly meet the needs of the brand name products. It can be said that the correct choice of goods is the basis for the development of Sam store.

Transformation of the operation mode of Sam's Club under the circumstance of cross-border E-commerce

Changes in Membership System

Different from general supermarkets, Sam's club uses a unique membership model, providing business membership and individual membership two options, one for small businesses, companies and enterprises as well as individuals and families. Customers must pay a membership fee of \$150 a year and become a Sam member before

shopping in the store or on the Sam website. Sam membership card in the world's more than and 800 member stores can be universal Sam. As its name "Sam's club", here is to create a member club, rather than just an ordinary store. Membership fee is a threshold, you can filter out some customers, making Sam member stores can concentrate all the energy, better serve their target customers, and therefore has gradually been accepted and recognized by Chinese consumers. Changes in the following areas:

First of all, the membership system is divided into individual membership and business membership. Individual membership can meet the requirement of family shopping. Any person holding an identity card or other valid documents may handle. Individual membership includes a main card and a family card. Business membership can meet the commercial procurement needs and welfare. A business unit, institutions or groups for two sets of business membership, shall provide the business license or other registration certificate stamped copies of the application. Business membership includes a main card and a company card.

Then, change of membership fee. As a member of the system upgrade, membership fee increased from 150 to \$260. But the upgraded Sam members, free access to the following 3 preferential rights.

1. Total value of RMB 400 RMB Sam commodity coupons
2. By the AP MetLife Insurance Company underwriting the value of RMB 1 million aviation accident insurance
3. Brand new deep taste design Sam membership card, highlight your distinguished status.

What's more, changes enjoyed by members in recently. From the original each product has a membership price to irregular super low membership goods. Sam's club will make members amaze at occasional shelves of goods, for example, SONY 84 inch high-definition LCD TV, the resolution of 4K, is currently on the market the biggest screen a household TV; the price is only three hundred or four hundred of the basic Levi's block jeans. So the members formed the habit of visiting for one or two weeks.

Platform changes-offline to online

Online accelerate shop, while Sam Club online also began to seek greater development abroad. The development of the following processes. The beginning of October 2012, Sam members online shops in Shenzhen, Guangzhou, Shanghai, Beijing, Suzhou and other regions, have launched fresh, chilled, frozen food, and provide two day delivery orders, morning day delivery online shopping service. In later, fresh food online shopping direct delivery services also is promoted in more areas. Sam members can easily buy hundreds of kinds of fruits and vegetables, meat and eggs, fresh bread, chilled and frozen foods on the Sam website. In late April 2013, Sam online store online frozen food opened in Shenzhen Futian, Nanshan major areas of online shopping direct delivery service. In May, Wal-Mart Sam's online store's fresh, frozen and frozen online shopping service landed in Guangzhou, covering most of Panyu's first area, followed by the gradual expansion to other regions. Online shopping can be achieved in the morning of frozen food orders in the afternoon served; orders at night, the next morning served. At this point, Sam member online store has become the first in Shenzhen and Guangzhou to provide daily, department stores, fruits and vegetables, refrigeration and other food a station to buy, and can be a batch of shopping site. In order to facilitate the purchase of multi-channel, following the opening of WeChat Sam's club APP mobile client officially released in April 2014. Internet search

Sam member store download and install APP, you can understand the store information and commodity information anytime, anywhere. Single member online shopping more convenient, but also in the mobile client query shopping records and often buy list, and get the latest discount information. Non-members can also become members of the mobile client to buy Sam's product. At the end of December 2014, Sam, member of online stores and shopping online UnionPay card online payment service. The WAL-MART shopping card payment password used in WAL-MART, Sam and Sam can take the online store website issued the payment instruments to enrich and perfect the Sam member store channel, as a member of friends to provide a more flexible and convenient payment services.

Sam's Club settled under the kitchen market, starting in the kitchen of App Sam's flagship store, which means that Sam's Club online coverage will be extended to the city from the line of stores nationwide. Beijing Daily reporter to view the kitchen App found that Sam flagship store goods currently only 41 kinds, including milk, red dates, biscuits, chocolate, etc., shipping standards for full \$199 free shipping. The latter will continue to increase to 200, with direct import and own brand products as members of Sam. According to the kitchen CEO Wang Xusheng, because Sam member store shopping online, need to apply for a membership card annual fee of 150 RMB, in order to match the price of goods, under the kitchen Sam flagship store to do some price increases, probably around 10%. According to the Beijing Daily reporter, the flagship store goods by Sam club Yizhuang shop pick goods, and then by third party logistics distribution, both sides of the background inventory data has been opened.

This is the second Sam launched online stores and mobile App, another new attempt in the electricity supplier. Before entering the kitchen, the kitchen and Sam's club has done some chefs and love the stage of individual cooperation. Sam's Club chief operating officer of Wen'an revealed, the reason and the kitchen is the kitchen because cooperation, 30% of users are with overseas study or life experience, they and Sam the consumer groups, and Sam's club now only 10 cities has 12 stores. "In order to meet the rapidly growing demand for high-end goods online shopping, hope to develop a multi-channel service new model such as the kitchen market, we do not rule out flagship store on other platforms." According to Beijing Daily reporter, Sam's member stores online channels annual sales growth of 50%, of which sales from the mobile terminal of 40%.

Currently, Sam member stores where the city has online shopping services, Sam App mobile client also officially released last year. WAL-MART data show that the number of members using Sam online shopping services and online shopping sales are rising year by year, which especially the proportion of mobile client orders has been increased from 17% in 2014 to the current level of 40%.

Changes in product categories

Over the past year, Sam member store goods decreased by more than 1200 species, currently maintained within 5000 single product. Just opened Wuhan Sam shop, there are only 4000 kinds of goods. To eggs, for example, a year ago Sam member store this category has more than and 30 varieties, but now has been reduced to 11, while sales doubled.

But this does not mean that Sam's club started timid in the introduction of commodity, such as even intelligent piano such products you can buy in the shop of Sam. The key is that such goods are not only used to attract eyeballs, 11 stores in the country Sam, the price of \$3950 piano can sell 50 units a week.

Even the Cheesecake Factory (Cheesecake Factory) of the cheese cake -- this has been the favorite American annual dessert from the other side of the ocean was introduced Chinese, in addition to Sam's club, you can't buy in other places.

"The sales of this product are even more amazing. We can sell 200 units a week. "In the area of small household electrical appliances," said the supermarket weekly "reporter some brand home press Wen Ande picked up a price of 1799 RMB:" Sam's club stores, high-end small appliances is tailored for members, very popular. "

According to practice, Sam shop imported goods accounted for 30% in general, to meet the needs of high-end members, and according to plan, the proportion of the next few years or will double.

At the same time, Sam's Club "members of own brand products" (Member's Mark) the degree of attention has reached an unprecedented height, "a year ago, our own brand products are upgrading. Wen Ande said: you can see, Wuhan Sam shop opened last year, compared with the Suzhou shop in all aspects of the promotion of the Sam. "

Currently, Sam shop own brand merchandise accounted for 6%, while Wen Ande's goal is to upgrade to \$20%.

Sam's own brand of merchandise selection is almost harsh. As the "select Xinjiang Hetian red dates", in addition to the screening of producing areas, there is a strict separation process: first through the roller sorting to remove impurities, preliminary screening jujube level, through the photoelectric sorting, accurately distinguish the different grades of red dates, pick out the red dates from the premium; the manual sorting, remove the meat full of red dates. Eventually to the hands of consumers, the weight of each jujube must be greater than or equal to 9 grams, edible rate greater than 90%. And a good taste of mixed nuts "goods produced in the United States, almond, hazelnut produced in Turkey, choosing the best raw materials only 5% of all nuts in Italy after picking, grading, packaging and shipped to the China, to ensure quality.

About display, Sam also imperceptibly changes. From the beginning of the Wuhan Sam store, after cold storage will also enter a new store every Sam in the cold storage area of 200 square meters of construction directly in the store, is relatively independent, in addition to cold store entrances, three are shelves, all need strict preservation of goods directly displayed in the cold storage, shelf the staff after the sale of goods, the goods directly pushed finished replenishment from the freezer. In addition, above the shelf height can be used as a store fresh storage space, greatly saving manpower and operating costs.

In the meat and seafood fresh category, Sam's club started from the processing and display no longer make a fuss, warehouse style stores before, only to note the major packaging and price, while ignoring the goods on display and beautification.

Changes in the packing of goods

In addition to the quality of change, this upgrade is also reflected in the pre packing of goods on. The packaging used by Sam's former club was simple and large, but has now changed its strategy. The new Wuhan Sam store, vegetable and fruit and meat fresh goods used a large number of pre packing forms, such as Xinjiang Karla pear, with 11 and 1.5 kilograms of plastic box packaging, Xinjiang apple in 12, 2.5 kilograms of transparent packaging, can give consumers a glance to see the goods and also eliminates the need for selection and weighing of trouble.

Sam member store product packing is line with wholesale color and large packaging components. If it can packing by drum it never use bottled. Its purpose is to make customer buy more, shopping once daily necessities can meet the needs for a long time. Even the shopping cart is large, much larger than other supermarkets.

Sam's club has a different phenomenon: fresh fruit and vegetables and other products are pre-packaged. In fact, prepackaged agricultural products are also common in other supermarkets, but the proportion is not large; most of the supermarket or a lot of fresh Duitou, used to meet customers pick and choose. The amount of each product is not small. Small fruit generally 250 g, 500 g as a pre-packaged weight, and large products are based on a fixed number, such as four a box, and then quantitative, such as 1.2 kg.

Conclusion

Sam member store electricity supplier layout has been repeated action. At present, all of its cities have opened online shopping services, including Beijing, Shenzhen, Guangzhou, Shanghai, Sam's website also provides fresh delivery. App mobile client Sam officially released last year, members can not only online shopping orders, you can also query shopping records and often buy list, get the latest discount information, nonmembers can also become members of the mobile client to buy Sam Sam membership. At the same time, Sam member online stores support UnionPay online and online payment card. Data show that the number of members of the use of Sam online shopping services and online shopping sales increased year by year, especially the proportion of mobile client orders has been increased from 17% in 2014 to the current 40%. But there are several issues that Sam's Club exist in the transition process.

For one thing, with the rent, labor costs, electricity shocks, zero for the emergence of contradictions, foreign retail enterprises to continue to develop in China, we must start the transition. According to reports, the circulation of Guangdong Chamber of Commerce Executive Huang Wenjie once said that a few years ago supermarkets are mostly taken to expand the strategy, fast shop, but now this strategy is no longer popular, in addition to shrink front, close the store to reduce operating costs, To enter into a number of supermarket business transformation of the preferred strategy. Sam's Senior Public Relations Manager in China does not deny the pressure of transformation. The total retail sales of consumer goods in 2012 show that the retail industry is facing a great challenge from the rapid development period to the steady growth or low growth period. "The slow growth of the retail industry is the favorable opportunity for enterprise adjustment and transformation".

For another thing, Logistics and distribution of high cost, low quality. At present, Sam's club from the traditional logistics services,

institutions cannot provide a full range of services, development of warehousing, transport layer is small. At the same time, the low level of storage transportation modernization. Resulting in relatively slow development of logistics. Professional operation level is not high, resulting in low efficiency of logistics and distribution. In addition, China's logistics sector segmentation system. Equipment of the standard logistics transport distribution of the various modes is not uniform. Improve the logistics and distribution of invalid operation. With the logistics distribution costs increase the distribution rate decreased. There are several reasons for the high cost of the O2O business of Sam's Club, such as low modernization level of warehousing, low specialization, low efficiency of logistics and low efficiency of operation center. Low level of modernization of warehousing accounted for 25%, the level of specialization is not high accounted for 26%, 19% of small-scale, low efficiency operations center accounted for 30%.

In today's era of rapid development, I give the following suggestions for Sam Club. On the one hand, clear basic competitive strategy. Many retailers are neither a low-cost controller nor a unique product or service provider. Vague strategy and inappropriate implementation of strategies and measures, so that the lack of competitive advantage in the competition. Therefore, Sam's club should better determine the competitive strategy in line with their own development and the correct implementation of their own competitive advantage.

On the other hand, increase investment in science and technology, improve information management technology. Technological progress brings great changes in cost advantage and differentiation advantage. Modern circulation technology gradually replaces the traditional circulation mode, which is the basic trend of modern business.

All in all, there are many problems that Sam's club will be meet when it changes its operation mode. Therefore, in order to improve the competition of Sam's club, we must apply the method of SWOT analysis. After recognize Sam's club strengths, weaknesses, opportunities and challenges based, we put forward clear basic competitive strategy and increase investment in science and technology strategy. Only carrying out it, paying attention to Sam's club business strategy can we improve the competitiveness of Sam's club and promote its pace to the market.

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