

RESEARCH ON ENTREPRENEURSHIP PLAN OF CROSS-BORDER IMPORTED MOTHER AND CHILD E-COMMERCE

Weiyong Huang*, **Supot Rattanapun**** & **Channatcha Channarong*****

International College, Southeast Asia University, Bangkok, Thailand,

*E-Mail: *s6341b20019@sau.ac.th, ** supotr@sau.ac.th, ***channachac@sau.ac.th*

ABSTRACT

In recent years, cross-border e-commerce has continued to grow rapidly, and national and local governments have also given strong support in policies, further expanding the mother and child market. Driven by new retail and consumption upgrading, cross-border e-commerce mothers and babies are developing towards globalization, o2o, communitization and mobility. This trend has created new opportunities. In addition, the shortcomings of traditional e-commerce retail have exacerbated this transformation process. The project is to seize the opportunity to create a business model of "cross-border e-commerce + mother and baby o2o", analyze and put forward strategic suggestions by using SWOT theory, and focus on five aspects of management planning, namely organizational structure and division of labor, operation management, marketing, risk management, financial analysis and prediction.

Keywords: cross border import, mother infant e-commerce, mother infant o2o

INTRODUCTION

In this paper, the cross-border import mother and baby e-commerce project is to establish overseas warehouses based on local supermarket chains in Australia, mainly engaged in local mother and baby products in Australia. The project is based in Zhejiang Province and radiates to the second and third tier cities. Through the mother and child o2o model of the combination of e-commerce stores and physical stores, the project provides mother and child consumers with high-quality Australian mother and child commodities and convenient childcare consulting services. Combined with the company's vision and mission, establish the initial strategy: in the first year of entrepreneurship, based on the market and rapid and stable development is the primary goal. Medium term strategy: in the second to fifth years, on the premise of the success of the initial strategy, increase the construction of overseas warehouses, cover major well-known mother and child brand regions and countries such as Europe and the United States, Japan and South Korea, Australia and New Zealand, and extend to other third and fourth tier cities. Long term strategy: in the 5th-10th year, we have accumulated enough experience in operation, management and industry, established regional reputation, and developed to the upstream and downstream of the industry after making achievements in the region.

INDUSTRY ANALYSIS

2.1 PEST analysis

Economic analysis. It is mainly reflected in three aspects: first, the increase of residents' income and consumption capacity; Second, the consumer price index (CPI) remained stable. The third is consumption upgrading, which is reflected in the specific aspect of the mother and baby industry, that is, mother and baby products no longer only meet the basic functional needs in the past, but also include the pursuit of quality, emotional resonance, unique personalization, characteristics of the times, service quality, etc., forming a consumption trend of diversification, multi angle, multi-level and multi field expansion.**Cultural factors.** It is mainly reflected in four aspects: first, pay attention to the health of mothers and infants; The second is the new demand of the post-80s and post-90s young mothers for childcare. The post-80s and post-90s young generation of online shopping parents are generally highly educated; Third, the new parents are more in pursuit of brand and quality; Fourth, the childcare time is fragmented.**Technical factors.** It is mainly reflected in four aspects: first, the development of Internet technology, payment technology, logistics technology, cloud computing and intelligent terminal technology provides good conditions for mother and child consumption. Second, the development of payment technology provides assistance for cross-border mother and child e-commerce. Third, the development of logistics has broken the regional restrictions of mother and child consumption. Fourth, the popularity of cloud computing and intelligent terminals has spawned new consumer demand policies and regulations. In recent years, the government has formulated and issued relevant policies and regulations to promote and support the development of cross-border e-commerce, further improve the customs clearance efficiency of cross-border e-commerce commodities, and reduce the customs clearance cost for enterprises.

2.2 analysis of five forces model of industry competition

(1) Analysis on the competitiveness of competitors in the same industry. The competitors are flagship stores, personal purchasing stores and local offline cross-border physical stores of Australian brands in China. Represented by A2 milk powder overseas flagship store, altami overseas flagship store and Bellamy overseas flagship store; (2) Supplier bargaining power analysis. As the product source is mainly authorized by the brand, the project relies on the mature local chain supermarkets in Australia and reduces the bargaining power of suppliers with the help of their local scale advantages; (3) Buyer bargaining power analysis. Although in the case of popular product pricing, consumers can accept it, but buyers have a certain bargaining power. The project will be combined with childcare consulting services to further reduce the bargaining power of buyers; (4) Threat analysis of new entrants. The main potential competitor is the community mother and baby shop. In the initial stage, the young densely populated communities settled in the local new area are adopted, and the layout is made in advance to obtain the first-hand advantage; (5) Threat analysis of alternatives. Overseas mother and baby brand goods have corresponding brands in China to provide alternative products, which pose a great threat. The project focuses on customer segmentation and adopts the strategy of combining high-quality mother and baby products with childcare consulting services to build a brand.

2.3 SWOT analysis

(1) Project opportunities. Mobile and community consumption is a major feature of mother and child consumption, which brings new opportunities for the marketing of the project. The two child policy has a certain role in promoting the project market. Under the trend of consumption upgrading, its specific embodiment is that mother and child consumption pays more attention to product quality, and mother and child health is paid more and more attention. In the environment of stable domestic prices, maternal and infant consumption is stable.

(2) Threats to the project. The first is the threat from various comprehensive e-commerce platforms, and the second is the threat of o2o business strategy of offline physical stores by community individual mother and baby stores and community chain mother and baby supermarkets; Finally, the change of customs tax policy threatens the project and brings challenges to the newly established project.

(3) Advantages of the project. The project is based on the local, relying on hospitals and professional training institutions for mothers and infants, and can establish a mother and infant expert consultation team. Establish cooperation with overseas supermarkets to reduce the cost of establishing overseas warehouses. Establish storage and logistics capacity locally to meet the high requirements of mother and child consumers for logistics speed. The establishment of offline physical stores can endorse online transactions and establish trust advantages.

(4) Disadvantages of the project. Due to the background of project managers and non professional e-commerce personnel, they lack knowledge and experience in e-commerce operation and management, which affects the rapid development of the project.

MARKETING PLAN

Marketing usually refers to the process in which individuals or organizations trade their valuable products or services to meet their needs and achieve win-win or multi win. Since the emergence of marketing, different people have different views, understanding and understanding of it, which has been continuously developed and improved. Many marketing theories have been formed, including 4Ps theory, 4Cs theory, 4R Theory, and strategic marketing STP theory. On the basis of 4Ps theory, 7PS service marketing theory has been put forward. The project adopts 7PS theory to formulate the marketing strategy of the project. 7PS theory includes seven marketing elements, namely product, price, channel, promotion, people, tangible display and process.

MANAGEMENT TEAM AND COMPANY STRUCTURE

4.1 organizational structure

In the early stage of entrepreneurship, the number of enterprise personnel is small, the Department design is simple, suitable for start-up projects, and the detailed division of responsibilities: (1) the board of directors. The board of directors, which is directly composed of all shareholders, is the highest decision-making body of the company's affairs; (2) General manager. Set up a general manager to implement the resolutions of the board of directors,

preside over the daily operation of the company and regularly report the operation status to the board of directors; (3) Management center. The management center has two sub departments: administration department and finance department; (4) Operation center. The operation center has three departments: marketing department, e-commerce department and customer service department; (5) Logistics center. The logistics center consists of three departments: procurement department, storage department and logistics department.

4.2 core team

The core founder team of the project comes from the e-commerce industry and the Internet industry. The core founder team is introduced as follows: (1) general manager, with comprehensive ability and familiar with enterprise management; According to the company's development strategy, be responsible for the overall operation, strategic planning and implementation of the company; (2) The manager of the operation center, who has accumulated rich experience in the operation of Alibaba express, eBay and Amazon e-commerce platforms, tracks, evaluates and statistically analyzes the promotion effect, timely puts forward marketing improvement and promotion optimization schemes, improves the conversion rate and click through rate of e-commerce platforms, and controls the promotion expenses; (3) The manager of the logistics center, who has sufficient experience in the operation and supervision of the logistics industry, understands the website operation and logistics distribution, is responsible for the negotiation and cooperation with logistics suppliers, manages and supervises the business operation of logistics suppliers, daily management of cross-border e-commerce logistics, and follows up the timeliness and receipt of various transportation channels of domestic warehouses and overseas warehouses.

OPERATION PLAN

(1) E-commerce platform planning. It is impossible to establish online and offline logistics service platforms based on the Internet, which can not be used as online and offline service platforms of local stores. At the same time, it provides the extension of payment and transaction channels for offline store services, and provides consumers with fast payment and convenient shopping by setting payment QR code and commodity QR code in stores. In order to save the cost of building the platform, the online image store is established by directly entering the well-known e-commerce platform.

(2) Store operation. According to the market positioning and target customers, the store location is mainly located in the middle and high-end residential areas with the purchasing power and demand for mother and baby products and services. Store management and division of work are as follows: first, purchase and display of goods; Second, sales and on-site service. The store is equipped with a shopping guide to be responsible for the daily sales and on-site service of the store; Third, the payment cashier implements online payment by setting the payment QR code and commodity QR code; Fourth, safety management, employee and customer relationship management.

(3) Supply chain management. The whole information flow, logistics and capital flow from product suppliers to warehouses and finally delivered to specific customers through logistics. First, warehousing. Relying on overseas cooperative chain supermarkets to

set up direct mail warehouses overseas and sign cooperation agreements with overseas partners; Second, inventory. The inventory is managed by the warehousing Department of the logistics center, and the online inventory management system is used to record and process the inventory information; Third, procurement. Purchase regularly or on demand according to the records of online purchase, sales and inventory management system; Fourth, pricing. The cost pricing method is adopted for goods.

FINANCIAL FORECAST

(1) Net present value analysis

Where NPV is the net present value; N is the project life; R is the discount rate; The project assumes a discount rate of 15%;CFI refers to the cash flow of phase I of the project.The NPV calculated by referring to the cash inflow and outflow of the project is $NPV = 1330600$ yuan, and $NPV > 0$, indicating that the project is feasible.

$$NPV = \sum_{i=1}^n \frac{CF_i}{(1+r)^i}$$

(2) Payback period

Investment payback period refers to the period of time required to repay the original investment from the net income from the project. Investment return the payback period is divided into static and dynamic investment payback periods. The project uses the static investment payback period to calculate the project payback period.With reference to the cash inflow and outflow of the project, P_t (project investment payback period) = 3.77 years. The investment payback period is expected, and the capital risk of the project is acceptable.

(3)Internal rate of return

Among them, $ncft$ is the net cash flow in year t ; K is the internal rate of return; N is the project life; The cash inflow and outflow are calculated by reference to excel, and $K = 42\%$. The internal rate of return of the project is high and the project is feasible.

$$\sum_{t=1}^n \frac{NCF_t}{(1+k)^t} = 0$$

(4) Return on investment

Return on investment (ROI) refers to the value that enterprises should return through investment, and measures the economic return of an investment. Through the profit forecast statement, it can be calculated that the return on investment (ROI) is high. Based on the above financial data analysis, it can be concluded that the project is feasible and can obtain high expected return.

SUMMARY AND PROSPECT

Although cross-border mother infant e-commerce is becoming more and more mature, its future development direction is mainly in four directions: first, global purchase and the increase of users' purchasing power; The second is the pan maternal and infant market, which takes the young mother as the buyer and decision-maker of maternal and infant products as the starting point, and then faces the family female consumers, expands their family consumption, and forms the "Pan maternal and infant" market; Third, the mother infant community and mother infant e-commerce develop together, and the mother infant group has a circle effect; Fourth, combine online and offline, adopt the mode of mother infant o2o, and combine the advantages of online and offline to create a mother infant ecosystem. In recent years, with the rapid development of cross-border e-commerce and the entry of capital, cross-border mother and child e-commerce has formed a fierce competitive environment and raised the entry threshold of subsequent entrants. However, driven by new retail and consumption upgrading, the industry is facing transformation and change. Through the identification, analysis and grasp of new opportunities, and through the entrepreneurial process activities, we can overtake in the corner, catch up from behind and occupy a place in the mother and baby market. The project adopts the basic mode of cross-border e-commerce + mother and child o2o, combined with professional mother and child care consulting services, and deeply cultivates the local market with the help of new retail and consumption upgrading opportunities, in order to occupy a place in the highly competitive market.

REFERENCES

- [1] Honglei, H. (2019). Analysis of risk management based on College Students' entrepreneurial financing. *Business Economics*, 10, 102-103.
- [2] Jinfeng, X. (2015). *Analysis of College Students' entrepreneurial risk management Xueyuan* (08), 54.
- [3] Shuqi, J. (2017). *Analysis of the impact of the new customs tax policy on cross-border e-commerce enterprises -- Taking retail imported goods as an example* Shanghai: Shanghai Customs College, 17-27.
- [4] Yi, Z. (2016). *Research on marketing strategy of mother and baby products market Taking liyingfang group as an example* Chengdu: Southwest University of Finance and economics, 12-23.
- [5] Zhanghua, Y., & Lei, L. (2017). The concept, research framework and development trend of "new retail" *China's circulation economy*, 10, 12-19.