

Research on the Operating Performance of Retailers under the Background of Multi-channels

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Abstract—With the development of science and technology, the emergence of the Internet channel shopping choice provides new opportunities for consumers, Network channel has become one of the main shopping ways consumers choose, more and more consumers are searching for information and purchasing activities in different channels. In order to seek new business opportunities, retailers have opened online channel, which makes the pressure on retailers rise up. Retail enterprises have to face not only below the line with industry retailers but also the pressure of competition, manufacturers opened online channels for retailers pressure. Multi-channel sales especially between online and offline dilution benefit two channels, especially existing many conflicts and contradictions between channels unavoidably. Frequent online and offline sales channels plunder, results only makes the original entity shop be transferred to some sales online, resulting in the overall sales and enhancing the performance of small.

First of all, this article summarizes the basic theories and methods of multi-channel retail performance evaluation at home and abroad. Secondly, this paper analyzed the influence of the network channels construction on the enterprise performance. For retailers, after opening online channels, changes in the performance of empirical analysis. Through the analysis of the real rate of return on net assets and the investment return rate of two financial indicators, according to the analysis of business performance. The study found that, after the opening of the online channel, the retailer operating performance will decline in the short term, but in the long-term, it will rise. At the same time, analysis of the reasons for this situation. And in this situation, put forward countermeasures to enhance its performance of retailers.

Index Terms—multi-channel; retailers; Business performance

I. INTRODUCTION

A data investigation on China's internet was made in 2013. The results show that even China's online shopping market growth rate in 2013 is lower than in 2012, but its growth rate is still maintained at a high rate of 39.4%. According to incomplete statistics, the size of its transactions even reached 1.9 trillion. In the total retail sales of consumer goods, online shopping transactions even accounted for 8%, and according to expert analysis is still in the process of growing. All this shows that China's network consumption is in a period of rapid development, and in the next few years will continue to develop [1]. At the same time, China's online shopping market also has the world's largest Internet users market, which shows that China's Internet market will continue to heat. And online shopping consumer groups still explosive growth [2].

China's online shopping population in 2013 was more than 300 million people, the use rate is nearly 50%. The rapid development of online shopping, regardless of is the network shopping user scale, or the amount of the transaction are rapidly rising in, make the shop show the importance in the whole social retail sales of consumer goods market is more and more, makes the enterprise in considering the multi channels, the establishment of virtual stores become important choice even is an inevitable trend and more and more enterprises have opened the virtual store [3]. But for enterprises, how to deal with physical stores and virtual stores the two distinct channels of distribution problems, and this is the most important problem [4]. Therefore, physical stores and virtual stores replenishment problems become the focus of attention to marketing.

With the development of Internet technology, the emergence of the online channel shopping choices for our consumers in the process have more choices, the online channel has become one of China's mainstream consumers shopping, more and more consumers shuttle in different channels of information search and purchasing activities [5]. And manufacturers in order to seek new business opportunities, but also have opened online channels [6]. This leads to increasing pressure on retailers. Retailers should not only face the competition pressure of the same industry retailers, but also face the pressure from manufacturers to open online channels for retailers. Enterprises in the market environment, a reasonable choice of multi-channel strategy for business behavior is undoubtedly a very important significance for enterprises [7]. So the combination of online and offline multi-channel sales model is the inevitable choice for the development of retailers. Multi-channel sales, especially in the presence of two channels online and offline dilution benefits [8]. In particular, there will be a lot of conflict and contradiction between the two channels, which is inevitable. For example, both online and offline channels between the channels often sales plunder, that is to say, the opening of the online channel, just make some original online consumers online, online consumption actually just simple plundered the line of consumption only, leading to the overall sales and performance are not too big change [9].

The main research of this paper is about the change of the performance of the enterprise after the sale of the online channel on the basis of the traditional retail channel. It is mainly to discuss the relationship between multi-channel decision-making and the performance of retail business, which is positive correlation or negative correlation [10].

Through the background of multi-channel retailer performance variation, investigation and analysis the operating performance of listed retailers and access to the literature on the performance of multi-channel retailers at home and abroad, presents the short-term decline, long-term rise in the hypothesis.

II. LITERATURE REVIEW

In today's multi-channel retail trends, no matter the traditional but also the emerging retailers are faced with a problem, that is how to improve the business performance. At present, some enterprises in China are not enough to pay attention to the business performance. In this context, it is very important to study the performance of multi-channel retail business. For the study of the theory of multi-channel operating performance allows businesses to build awareness and improve the channels, better play the advantages of multi-channel, and thus the current increasingly competitive retail market was favorable position.

A. Multichannel retailing

At present domestic and foreign scholars research results in multi-channel retailing mainly four aspects: first, definition and manifestation of multi-channel retailing [11]; second, motivation and restriction factors of multi-channel retailing [12]; third, multi-channel retailing management [13]; fourth, multi-channel retailing influence [14].

Market in the context of the current multi channels, retail enterprises in the face of the enormous pressure, how to carry on the marketing decision-making, so as to achieve to improve the operating performance, it has become an important issue facing retailers. For this research, different scholars at home and abroad based on different assumptions, but also make the corresponding research. R Friberg [15] (2003) and other framework of a model, the model of the main research and analysis of the traditional retail channels and online direct sales channels of the price relationship, and the empirical analysis. Pan [16] (2002), set up a game model, to analyze the price competition between two retailers, which a retailer only take line, and another retailer is taken at the same time two channels of online and offline. Boyaci [17] (2005) studied the inventory policy under the influence of the price and the stochastic demand in the multi marketing channel environment.

On China's current situation, the majority of retailers lack sufficient funds, improve the system and the various aspects of the experience. Therefore, the mode of online sales impossible or that is at least in the short term can not be eliminated from the traditional retail model, online and offline coexist situation will exist for a long time, and in a very long period of time, the online and offline channels will always exist contradictions [18].

B. Evaluation method of business performance

In the study of business performance, here is mainly talking about the business performance of the study, the definition of business performance, domestic and foreign

scholars have a more unified understanding. The domestic and foreign scholars generally believe that the business performance is the enterprise operating efficiency and business performance. The level of enterprise management efficiency is mainly reflected in the profitability of the enterprise, the level of asset operation, solvency and the ability to follow up the development of the enterprise. Enterprise performance evaluation includes two aspects of the enterprise operating efficiency and business performance evaluation [19].

For the study of business performance, mainly from the definition of operating performance and the evaluation method of operating performance. Based on the previous research, this paper mainly focuses on the performance of retailers in the multi-channel background.

III. EMPIRICAL ANALYSIS

A. Research sample

In this paper, the listing Corporation in China were selected in the period from 2006 to 2013 during the construction of a representative of the online channel retailers as the research sample. In order to study the needs of the further screening of samples, the main criteria to follow are: will now delisting retailers included, because this kind of its business performance will appear abnormal fluctuations, it will affect the results of the study; the research of retailers to ensure that before the establishment of the online channel from a year to the 2013 financial data is complete, those who do not complete the enterprise as the research sample of this cannot be removed; the drop channel is put into use, there is no actual sales results of the retailer enterprises; using the online channel, and later because of various reasons, the current has been shut down the online channel business also not as the research sample this was no clear; eliminate the online channel time put into use during the retailer enterprises; in 2006 to 2013 at the same time Use the multiple online channels (including through self e-commerce platform and third-party e-commerce platform) and input channel using time belong to different years of retailers cannot as the research sample; seventhly, retailers in the financial statements financial indexes appeared on the extreme values, cause this result will inevitably there are other special reasons, nor as the research sample.

Reason this rejection of samples is to in the course of the study to research results is more universal, excluding special situation, and keep the corresponding quantitative, also can reduce the effect of the spurious numerical in the Chinese financial statements. The selection of financial indicators to measure the performance of enterprises, may be affected by the existence of some listed companies in China's financial statements of the impact of false information. However, with the continuous development of market economy in our country, market economy system constantly improve and in recent years, the Chinese government increased on the preparation and providing false financial reports of enterprises, and corporate collusion fraud accounting firm penalties, and between the investors and the market supervision of the dual, the

possibility of false financial statements is greatly reduced. So the data to study is credible and realistic.

After such a choice, to determine the sample is mainly the following five Retailers: Hangzhou Jiebai, Hongtu Gaoke, Sanjiang shopping, Suning yunshang, Yimin group. Data from 2008 to 2013 were selected as data from these companies in the financial statements.

B. *valuating indicator*

For the business performance measurement, the two research methods used by foreign scholars are based on the stock market event study method and financial index analysis method based on financial data. According to this situation, considered to the establishment of China's stock market time is not long, the corresponding system and market development is not mature enough, if based on the stock market for the enterprise of business performance analysis, there may be a large errors. And China's stock market vulnerable to Chinese policy, so as to appear abnormal fluctuations, for may have influence on the research of this paper. Therefore, this paper select based on study of financial indicators of financial data analysis method of the retailers.

In order to totally understand the performance of retailers, this paper mainly from three aspects: profitability, operational capacity and solvency. Consider to foreign business performance analysis has been more mature and in recent years domestic for the business performance analysis method for vigorously promoting and domestic enterprises verification, this paper in the study of operating performance is mainly used to EVA performance evaluation methods are analyzed, in terms of financial indicators is mainly for the net assets income rate (ROE) and return on investment rate of two indicators to measure.

Return on net assets (ROE) is the ratio of after tax net profit (net of preferred stock dividends) to the interests of the shareholders:

Return on net assets(ROE)=After tax net rate / shareholders' equity

Return on net assets is an index to evaluate the level of the use efficiency of enterprise assets. In this paper, through regression analysis of the return on net assets, in order to demonstrate the change of the short-term business performance of retailers by means of mathematical methods. Return on net assets (ROE) as an indicator of the analysis of operating performance is very strong. Because it is not only reflects the level of return on shareholders' equity, but also reflects the enterprise performance through three aspects: profitability, operational capacity and solvency. Et al Sharma [21] (2009), and Ho Ciciretti [22] (2002) and and Lowenstein Herman [23] (1988) were used in the study of enterprise performance.

The rate of return on investment is the ratio between after tax profit and owner's equity:

Rate of return on investment = pre tax profit*(1—tax rate)/ (Interest debt +equity)

In this paper, the long-term forecast of the investment return rate is used to demonstrate the long-term development of the retailer's enterprises. The rate of return on investment is the profit ability of the creditor and the owner to invest in assets, which is based on the total assets of the enterprise. It can reflect the enterprise's performance from the operation ability of the enterprise and the creditor's ability to repay the debt.

C. *research methods*

In the process of studying the financial index of return on net assets, it is mainly through the regression analysis. Taking into account the factors that affect the business performance of enterprises, in order to make this paper can only reflect the impact of the opening of online channels for business performance. In this paper, referring to the practice of Ciciretti et al [20] (2009), flower and Sshmidt (1989), we use the method of Sample Pairing and setting dummy variables to eliminate the interference caused by other factors. From this, the revised indicators of performance measures for the AROE, that is, Adjusted ROE. And the calculation of AROE is:

AROE=Sample enterprise AROE—Paired enterprise AROE

And, according to the Ciciretti et al (2009), and selected the nine financial indicators, use them as control variables, never on the rate of return on net assets of regression analysis, in order to verify the impact on business performance and construction of online channels.

In the research process of the rate of return on investment, it is mainly through the analysis of the long-term prediction curve fitting. Likewise, this paper in the investment return rate of calculus in the process, select a number of financial indicators as control variables, and the enterprises investment reward rate means analysis, fitting a most appropriate logistic curve, by fitting the logistic curve, numerical analysis, worked out the exact numerical solution, and to verify the long-term effects of the online channel construction for enterprise business performance.

C. *empirical study*

1) *the return on equity (ROE) empirical analysis (short term analysis)*

The following figure is a sample enterprise ROE year by year picture. As the main research of this paper is to study the problem of the performance of the online channel in the short term, so we choose the data from 2006 to 2010 between the five years of data.

Control of the financial data of the variables, based on the case of AROE enterprises to carry out the test of the mean T.

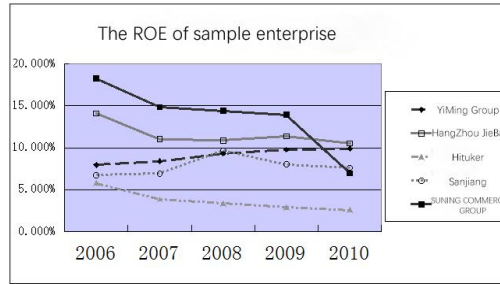


Figure 1: sample enterprise ROE (analysis)

TABLE 1: PAIRED SAMPLES T TEST BASED ON AROE

project	Year by year comparison				
	$F(0) - F(-1)$	$F(1) - F(0)$	$F(2) - F(1)$	$F(3) - F(2)$	$F(4) - F(3)$
mean value	-0.007	-0.034	-0.020	-0.006	0.013
T test value	-0.425	-2.42	-1.098	-0.411	0.273

Note 1:F difference on behalf of different years adjusted net assets income rate (aroA), said the online channel opening year and after the opening of a year ago to adjust the net assets income rate difference, and so on. The mean size said changes in the performance of the relative degree.

It can be seen that, when retailers open online channels, its business performance will be a significant decline. Retailers officially opened online channels in the year, the first year, second years and third years, that is, $t=0,1,2,3$, when the AROE is negative. This means that in the first year, the first year, second years and third years of the opening of the online channel for retailers, their business performance is negative growth. And, according to the data in the table can be found, the first year of the number significantly more than that year, second years and third years of the number of negative. This is to show that when retailers in the first year of opening up online channels by the online channel for the most significant negative impact on business performance.

Then according to the existing data, according to the theory of Ciciretti and others in 2009, in accordance with

the regression model established by Lv Jie and others in 2013, the overall sample performance is analyzed.

The main formula of regression model is:

$$Y_i(t) = \beta_1 E - dummy_i + \beta_2 T_i + \beta_3 S_i + \beta_4 X_i(t-1)$$

Note: it indicates that the business performance of the first t years after the opening of the online channel

For the virtual variable, the formula I channel strategy, the opening of the online channel which is expressed as 1, the rest is 0

As dummy variable, indicates the influence of macro environment on enterprise performance.

As a dummy variable, indicates that the impact of A shares and H shares for the enterprise, A shares of 0, H shares for 1

I_t , which represents the company's performance level in the previous year (based on 9 financial indicators).

Represents the first t years after the opening of the channel, the value of 0,1,2,3,4

Based on the available data, the regression analysis is carried out, and the data of the next table is obtained:

Table 2: regression analysis of return on net assets (analysis)

Channel after the opening of the first t	$E - dummy_i$ coefficient	T test value
All year	-0.046	-3.832
t=0	-0.045	-2.783
t=1	-0.057	-2.719
t=2	-0.077	-4.071
t=3	0.008	0.177
t=4	0.015	0.267

In the results of the above table, the coefficient represents, when retailers open online channels, will be on the overall business performance of the impact of the degree. Can be seen when the $t=0,1,2$, its coefficient is negative, which is consistent with the mean T test results. Based on the results of the mean T test and regression analysis, which shows that when the retailer opened online channels, in the channel construction of the year and after two years, the retailer's operating performance has a negative impact. That is to say, this result, fully demonstrated, online channels to establish the short term, will reduce the operating performance of enterprises. And according to the overall results showed that, the construction of online channels within five years, even in the next few years, the business performance will be picked up, but compared with online channel before the opening, enterprise business performance showing an overall

downward trend. All of the data fully demonstrated the hypothesis that this paper put forward, namely, the construction of online channels in the short term will have a negative impact on business performance.

2) *the empirical analysis of the return on investment (long term forecast)*

In the investment return rate, this paper on the rate of return on investment and long-term prediction in order to understand after the opening an online channels in sample enterprises, a long-term operating performance, so in the choice of investment rate of return data, select the sample enterprises in 2008 to 2013 the six years of financial data. In this paper, after controlling the other nine financial indicators, the rate of return on investment of the sample companies are analyzed, and made a figure 2.

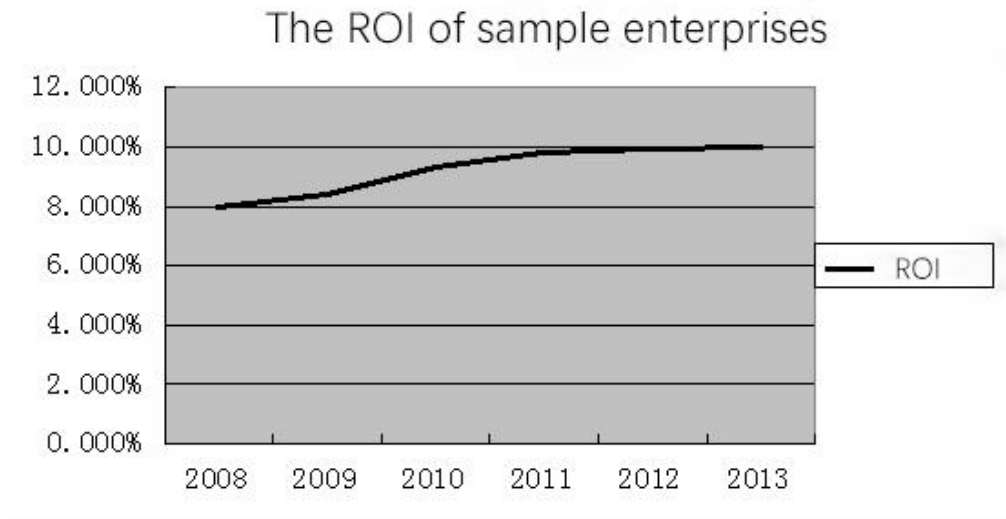


Figure 2: sample business investment rate of return

According to the above will be found, the sample enterprises investment rate of return of the mean is the overall upward trend, in the year is not obvious, but in the second year and third year growth rate is more obvious, but in the third year to fourth year period and found that curve has a significant turning point, it is found that the fourth year, the growth rate of investment rate of return have significantly slowed down, and in individual enterprise value, and even the emergence of a downward trend.

According to the above mentioned practical value curve, the long-term forecast of investment return rate is carried out. It can be found that with the Belgian mathematician F P / Verhulst in 1938 to remove the logic curve fitting. So in this paper, we make a long-term forecast of the return on investment of the retailer by referring to the logical curve model.

Logical curve model:

$$\hat{y} = \frac{L}{1 + \alpha e^{-\beta t}} \dots\dots\dots (1)$$

Note: \hat{y} means that the investment return rate of the sample enterprises

According to the above model formula $\frac{1}{\hat{y}}$:

$$\frac{1}{\hat{y}} = \frac{1}{L} + \frac{\alpha e^{-\beta t}}{L} \dots\dots\dots (2)$$

In order to simplify the calculation, you can mak

$$\frac{1}{L} = k, \quad \frac{\alpha}{L} = a, \quad e^{-\beta t} = b e, \text{ can be simplified as:}$$

$$\frac{1}{\hat{y}} = k + ab^t \dots\dots\dots (3)$$

The parameters a,b,k can be solved by this :

$$k = \frac{1}{n} \left[\frac{\left(\sum_1 \frac{1}{y} \right) \left(\sum_3 \frac{1}{y} \right) - \left(\sum_2 \frac{1}{y} \right)^2}{\sum_1 \frac{1}{y} + \sum_3 \frac{1}{y} - 2 \sum_2 \frac{1}{y}} \right] \dots\dots\dots (4)$$

$$a = \left(\sum_2 \frac{1}{y} - \sum_1 \frac{1}{y} \right) \frac{b-1}{(b^n - 1)^2} \dots\dots\dots (5)$$

$$b = \left[\frac{\sum_{3} \frac{1}{y} - \sum_{2} \frac{1}{y}}{\sum_{2} \frac{1}{y} - \sum_{1} \frac{1}{y}} \right]^{\frac{1}{n}} \dots \dots \dots (6)$$

That is : $k = \frac{1}{n} \left(\sum_{1} \frac{1}{y} - a \frac{b^n - 1}{b - 1} \right) \dots \dots \dots (7)$

According to the sample data, in order to calculate the parameters, obtained under the table into the formula:

Table 3: the annual rate of return on investment

year	Annual ordinal t	Actual value y	$\frac{1}{y}$
2008	0	7.972%	12.544
2009	1	8.406%	11.896
2010	2	9.296%	10.757
2011	3	9.780%	10.225
2012	4	9.907%	10.094
2013	5	9.988%	10.012

$$\sum_{1} \frac{1}{y} = 12.544 + 11.896 = 24.44$$

$$\sum_{2} \frac{1}{y} = 10.757 + 10.225 = 20.982$$

$$\sum_{3} \frac{1}{y} = 10.094 + 10.012 = 20.106$$

Substituting parameter formula (4) and (5), a, b:

$$b^2 = \frac{\sum_{3} \frac{1}{y} - \sum_{2} \frac{1}{y}}{\sum_{2} \frac{1}{y} - \sum_{1} \frac{1}{y}} = \frac{20.106 - 20.982}{20.982 - 24.44} = \frac{-0.876}{-3.458} \approx 0.2533$$

$$b = \sqrt{0.2533} \approx 0.5033 \dots \dots \dots (8)$$

$$a = \left(\sum_{2} \frac{1}{y} - \sum_{1} \frac{1}{y} \right) \frac{b - 1}{(b^2 - 1)^2}$$

$$= (20.982 - 24.44) * \frac{0.5033 - 1}{(0.5033 - 1)^2}$$

$$\approx (-3.458) * \frac{-0.4967}{0.2467} \approx 6.9622 \dots (9)$$

According to the values of the parameters into the formula (6), available value:

$$k = \frac{1}{2} \left(\sum_{1} \frac{1}{y} - a \frac{b^2 - 1}{b - 1} \right)$$

$$= \frac{1}{2} * \left[24.44 - 6.9622 * \frac{0.2533 - 1}{0.5033 - 1} \right]$$

$$\approx \frac{1}{2} * (24.44 - 10.4664)$$

$$= 6.9868$$

Because of $\frac{1}{L} = k$, $\frac{\alpha}{L} = a$, $e^{-\beta} = b$, solution

L, α, β :

$$L \approx 0.1431$$

$$\alpha = aL = 6.9622 * 0.1431 = 0.9963$$

$$\beta = -\ln(b) = -\ln(0.5033) \approx 0.6866$$

So we can get the long-term prediction curve of the investment return rate of the sample enterprises:

$$\hat{y} = \frac{0.1431}{1 + 0.9963 * e^{-0.6866t}}$$

According to the long-term prediction formula, you will find out, retailers in after the opening of the online channel, investment rate of return the initial slow growth, followed by a period of time is in a period of rapid growth, when but to a certain extent, will tend to be stable development.

From this formula can be found when the process, the largest increase, and in the third year appeared similar to the inflection point of the seat, it is from here to start, retailers opened online channels after hair the magnitude of the rate of return on investment growth slowed, and, if under certain external conditions remain unchanged, the rate of return on investment will remain stable.

According to the above, we can see that, at the beginning of 2008, retailers investment rate of return to maintain growth trend. This indicates that the larger increase from the beginning of 2008, the operating performance of retailers began growing, especially after one or two years. This shows that in the one or two years, retailers in the opening of online channels between 3-5 years, its business will have a better development. And from the long - term forecast curve, after the opening of the online channel, the retailer's business performance will maintain a more stable development. It is also fully demonstrated the previous assumption that in the long run, the opening of online channels to enhance the business performance of retailers.

IV. MULTI-CHANNEL RETAILER PERFORMANCE CAUSES AND COUNTERMEASURES

A. *The causes of multi channel retailer's performance*

Therefore, this paper analyzes the negative impact on the performance of retail enterprises in a short-term after the opening of sale channel online, mainly in the following reasons:

First, In the earlier stage of the sale channel on line, the retailers need to increase investment of sale channels on line. Including increase operating cost, in order to improve visibility, and to the conflict between the control channel and increase the cost.

Second, after the opening of the online channel, retailers will have two ways, the sale channels on line and the traditional distribution model in the same time. the price of the sale channel on line is much lower than the traditional distribution model. Because of the low prime cost and the low maintenance funds. So compared with the traditional distribution model its price is lower, but if the price on line is much lower than the price of the traditional distribution model, there will be a channel plunder and selling beyond agreed areas. However, if the price of the sale channels on line has no advantage. It can't better than others, sometimes it even affect the traditional distribution model.

Third, the risk of online channel investment is that in a short-term, companies can not get enough revenue to make up for the investment in the development of online channels. Any online channels of investment is risky, but for the establishment of online channels, the initial investment is very huge, then in a short-term, it's unable to have enough income to compensate for the cost of inputs, which may lead to cash flow fracture.

Fourth, the retail trade opened online channels also get manufacturer of online channels to suppress, because of the cost, the price will be higher than the same products online, so the advantage of the manufacturer of retailers online channels won't be in some large, high value products, so the effects are more obvious in a short term.

Fifth, the opening of online channels, consumers will be in the consumer behavior and consumer attitudes change, thereby affecting the operating performance of the enterprise. After the opening of the online channel, different consumers will have different consumer psychology, consumers may be transferred from the simple online channels to online channels, and lower prices, will affect the operating performance of the enterprise.

Sixth, the degree of overlap of the types of multi-channel goods is not reasonable. Different channels in a variety of categories have different advantages. Offline store by store space, the number of the shelves, the price of the rent for the influence, so line commodities first to less, and on line retail is not such troubles, which are not affected by the shelf's number or the shops rent, and can use thousands of pictures. In this way there are kinds of overlap between the on line and the offline. If the overlap rate is higher, because of the price advantage of the online channels, it must affect the retail. But if overlap rate is low, it will be two cases, one is line under has some kinds of goods and online

doesn't, this will let lots of customer to go to Jingdong, Taobao, a another one is the offline and on line both have, but overlapping categories, this will make some customers who like choose the goods offline but buy them on line have less choices.

On the other hand, the paper also demonstrates that the online channel has a positive impact on the business performance of retail enterprises in the long run. This article believes that the reasons for such a situation may have the following:

First, the long-term point of view, online channels gradually perfecting the construction and business investment, the online channel funds mainly used for operation and maintenance channel. This means that enterprises for the online channel input will be less than during the period of the construction of the input.

Second, after a certain period of time, enterprises are able to through effective management in order to reduce the contradiction between the channels, the online and offline channels between the channels to organic integration, so as to improve the sales of the products, improve the business performance.

Third, the online channel has a clear advantage, he can break the existing channels of time and geographical restrictions. Using the online channel advantage, in the short term retailers may be exposed to new customers Co., but in the long run, retailers will come into contact with a large number of new customers, which will bring the new business opportunities, increased the sales volume, but also improve the brand loyalty. This will enable consumers to reduce the sensitivity of the different prices of online and offline.

Fourth, after a period of time, the channel advantage of online retailers will highlight and retailers to after the manufacturer has more advantages in the integration of resources, retailers opened online channels, its efficient and convenient advantage will be more obvious, solutions for consumers, the consumer psychology and consumer behavior will change accordingly.

Fifth, due to the advantages of retailers online channels, which will be more

B. *The strategies of multi channel retailer*

According to the above analysis, for opening online channels, there are some advice:

First, during the early period of the construction of online channels, in the channel in the process of expanding, retailers to for online publicity, such as advertising in the portal and virtual community, search engine, or e-mail.

Second, according to the different goals of the two channels, different consumer's buying psychology and buying behaviors, develop different marketing strategies, to avoid the transfer of consumers in the channel. Online and offline consumers of the two channels of their consumer behavior and consumer psychology is different, in order to meet the needs of different consumers for the product, price, promotion means the different needs of, online and in two channel to take service differentiation, price differentiation strategy, reducing less dilution effect between channels, to promote enterprise development.

Third, the retailer enterprises should according to their own characteristics and advantages, using the scale effect, increase the competition advantage for manufacturers, such as retailers can will consumer products the main direction in a number of complementary products, for consumers, as different manufacturers of online consumption, but also bear different logistics cost, in enterprise a retailer online consumer, only need to take a logistics cost, which saves time and effort.

Fourth, The description information of virtual store products must be true and objective. Because consumers who purchase on line, They only according to the picture information and the corresponding text description, as well as the evaluation of the product has been a buyer of product quality. The authenticity of the information has a crucial impact on consumer satisfaction. As a business, should make the product information real as possible, which makes consumers expectations of the product is match, get good impression, improve consumers' satisfaction, so as to promote the sales on line.

EPILOGUE

The main idea of this paper is about the change of the performance of the enterprise after the sale of the online channel on the basis of the traditional retail channel. The relationship between multi channel decision making and management performance of retail enterprises is mainly discussed. Through the background of multi channel retailer performance variation, investigation and analysis retailers operating performance and access to the literature on the performance of multi channel retailers at home and abroad, presents the short-term decline, long-term rise in the hypothesis. And through multiple financial indicators of retail enterprise profitability, solvency and ability to operate three aspects of selection, analysis of retail enterprises in the net assets income rate and rate of return on investment, through the net assets income rate meet the regression analysis and the rate of return on investment of long term prediction and understanding of retailers in after the opening of the online channel operating performance change in order to verify the correctness of this hypothesis.

The according to the rate of return on net assets and the investment return rate of two of the financial index analysis of the operation and performance of retailers. It is proved that the retailers after the opening of the online channel, its business performance to go down in the short term, the long-term rise in the hypothesis, and this analysis is made into the results of such reasons and some marketing suggestions

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