

The Research on Private Express Enterprises' Development Strategy of Yangtze River Delta

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Abstract

Express industry is the emerging sunrise industry. It is of great significance to combine the domestic and foreign theoretical research and the development status of China's private express delivery industry to analyze its industry strengths, weaknesses, opportunities and risks, and put forward strategies. This article mainly put the Yangtze river delta region as the research object, whose express business are the most active. Through grass-roots work, couriers' consultation and other related literatures, it use the SWOT analysis to analyze Private Express Enterprises' present opportunities and threats, and the advantages and disadvantages in Yangtze River delta, then put forward relevant development strategy for private express enterprises of Yangtze river delta.

Keywords: Yangtze River delta, Private Express enterprise, SWOT analysis, Development strategy

1. Introduction

Express industry, an important part of the postal service, has become a sunrise industry and represents the modern logistics industry and modern service industry. It is a basic industry in modern society, which will put information, goods delivery, capital circulation and cultural transmission and other functions together, associated with production, circulation, consumption, investment and finance and other fields.

2. The domestic related research work

In recent years, logistics industry has developed rapidly in our country. Many domestic scholars, from the theoretical level, have various studies of the express industry in China. Lin guo-long (2006), from the perspective of promoting the fast development of Yangtze river delta express, put forward to establish a unified government coordination management mechanism, a unified logistics service standard system and networking standard of comprehensive transportation system, etc.; Zhang hong-bin (2006) analyzed the current situation of China's express delivery industry and forecasts development trend; Ni meng-chen (2009) argued that some things, such as companies resources, performance evaluation, organization and coordination, strategic planning and government's support, constitute the important index of measuring express enterprise international competitiveness; Ji tong (2012) observed that customers in the online shopping are highly dependent on express service; Kan xi (2013) ,in the pearl river delta region for reference, summarized that Express enterprises of Yangtze river delta have the characteristics of intense competition, flexible pattern, strong market penetration. At the same time, they have disadvantages of low competition level, single industrial development mode, etc.

3. SWOT analysis of Private Express enterprises' development of Yangtze river delta

SWOT analysis, based on the condition of situational analysis of internal and external competition environment, analysis various main internal strengths, weaknesses and external opportunities and threats ,which are closely related to the object, then put forward a series of strategies for the organizational development.

3.1 The advantages analysis of Private Express enterprise's development of the Yangtze river delta

3.1.1 Rapid transportation speed. Compared with other local express companies, Express delivery enterprises of Yangtze river delta are located in the economically developed coastal areas with complete infrastructure facilities, and also land, sea and air are available. "24 hours to reach", among Jiangsu neighboring areas, is not a problem. The express arrives in the next morning among Regional cities, it also arrives in the next day among other county-level cities. City express even can be delivered to the customer within a day.

3.1.2 The price of express is low. With the development of online shopping now, especially the Taobao is built In the Yangtze river delta region.

These make it possible that Yangtze river delta express delivery enterprises is no longer limited to the authority unit in a large company in the past, more is geared to the needs of the general public. According to statistics, in 2013, Taobao's trading volume is more than \$30 billion in the "double 11" day, and more than 90% of the online business to be supported by Express delivery business. This brought enough volume to express enterprises in the Yangtze river delta region, made them at a low price against foreign Express companies and through big number to defeat the domestic Express delivery companies. It means that Express enterprises get success by using a high-volume, low-margin business profit way.

3.1.3 Flexible management mechanism. Private Express enterprises have flexible management mechanism, especially small enterprises, which is without too many qualitative constraint management modes. It is convenient for them to adjust the structure in time. In addition, in the process of transportation terminal, many branches of delivering use convenient traffic tools, such as electric tricycle, motorcycles and so on. They also provide "door-to-door" pick-up service, and have no special specifications for the goods. However the big truck can't get this level.

3.2 The disadvantages analysis of Private Express enterprise's development of the Yangtze River delta

3.2.1 Small scale, lack of financial support. Yangtze River delta region, in addition to the registration of the existing more than 1900 express companies, also has nearly 3000 small groups. It has formed the situation in which the good and the bad are intermingled. These tiny little organizations may have only twenty or thirty persons, and without a business plan for a long time. It will usually collapse when meeting with a shortage of funds. At the same time, some large Express companies need a lot of money for installation, leasing land line. It will also make they face the problems of financing difficulties.

3.2.2 Land for production line. General medium-sized express enterprises cover an area of around thirty or forty acres. The sorting of goods production accounted for 60% -78%, and the stagnation point of large lorries, office buildings and so on. So it is important for Express enterprises to have a very large land area. At the same time, when deciding the address of express delivery companies, in addition to considering land area, the convenient transportation is also considered for Express enterprises. In other words, what they pay attention to is their transportation, which means that speed is vital. Besides, the Yangtze River delta is located in the east China area, whose economy is relatively developed. However, it has a big demand of land so that the cost of land in there is high. It is bound to be a problem for private express enterprises of the Yangtze River delta. As a matter of fact, most of the Express companies lease the land to build a production line. The production line is usually having high fixed costs. If meeting the poor situation of land requisition or land commercialization, the Express delivery enterprises will face high losses.

3.2.3 Inadequate management system. Express industry is an industry which started relatively later. Because of the low barriers to entry, the Private Express enterprises are very mixed in terms of management, also imperfect in the overall enterprise management system. It has been lacked of specific regulatory departments in China, so as to make the industry much more chaos and Express enterprises have not met specification management standards. What's more, Private Express enterprises have negligence and lax internal management, unreasonable institutions set. Also the staff performance appraisal system is not sound and the management pattern is quite single, which seriously hindered the rapid development of Private Express enterprises.

3.2.4 The lack of professional personnel, personnel quality is not high as a whole. This is the problems that each Express company is facing. The number of professional logistics personnel received higher education is very few, this seriously affected the enterprise information delivery, service quality and work efficiency. The cultural level of Parcel sorting, terminal deliverer is low, combined with lacking of training mechanism, which results in the phenomenon of some sort of violent sorting, fault throwing, package loss or theft. It is a serious threat to improve the service quality of Express enterprises.

3.2.5 "The last kilometer" problem. When Express companies are in terminal delivery, they often need to enter some communities, streets and alleys for sending the parcel to the customers. Some big truck is hard to finish this work. At the same time, motorcycle has the disadvantages of limited loading, parcel lost, etc. Therefore, express enterprises focuses on tricycles. However, in many cities, especially in downtown Shanghai, tricycles are forbidden on the way. As a result, "the last kilometer" problem of express enterprises is difficult to solve, and it is precisely key factors in determining the quality of Express enterprise service.

3.3 The opportunity analysis of Private Express enterprise's development of the Yangtze River delta

3.3.1 The rapid development of economy in the Yangtze River delta. Yangtze River delta region has always been the focus of Chinese economy. Since the reformation and opening, the Yangtze River delta region has gotten unprecedented rapid development of its economy and society through making full use of international and domestic resources and markets. The Yangtze River delta region, as a powerful economic area, rises across the country and becomes one of the most dynamic regions in China. With the economic growth, Express delivery market volume has very highly positive correlation. The data, published by China association for delivery, shows that every Chinese Express industry is growing at 2.9% with per 1%GDP growth of our country and Express enterprises in Yangtze River delta is over this stage. It is predicted that the future of the Yangtze River delta region will continue to maintain rapid economic growth, and it will give express enterprise development to create a favorable environment.

3.3.2 The astonishing growth of E-commerce. The Yangtze River delta, China's economy Industry developed areas, is full of business district, campus, campus and community, brought together "Taobao", "Yi network" and other well-known headquarters of the enterprise. In recent years, online shopping market is very active. According to display, Express business break through 2 billion in 2012, revenue was 40.6 billion RMB, accounting for 38.5% of the whole country. According to the latest present figures, the package number of Taobao, Day cat is more than 8 million on average in a day, accounting for 60% of the total package quantity. The transactions number of Taobao amounted to 20 billion RMB in the 2012 "double 11" day. There is a 30 billion RBM trading record in 2013, which is a good achievement. All in all, the development speed of e-commerce is amazing.

3.3.3 The improvement of the transportation network. The convenience of transportation is closely related to the Express companies' efficiency. In recent years, China has increased investment of the traffic infrastructure construction, sped up the construction of high-speed railway, highway, increased the high iron and the development of new routes, which make a great improvement for transport conditions. In terms of the country, developed convenient transportation in Yangtze River delta creates the conditions of knitting the transport network for the local Express industry.

3.3.4 The establishment of the Shanghai free trade zone. Free trade zone is built in Shanghai, which will greatly improve the big international logistics environment and bring the new opportunities for logistics industry. The Express industry is a typical logistics industry. The establishment of the Shanghai free trade zone is a piece of good news for the Yangtze River delta's Express enterprises to expand the market, provide the basic conditions in line with international standards. Along with our country's industrial upgrading, exemption and free port, it will be conducive to attract high-end manufacturing, result in more air supply. The scope of radiation will wildly spread the park, give the whole Yangtze River delta area more chances and make Shanghai really become the platform of the trade and logistics hub in northeast Asia.

3.3.5 The support of national local government. In 2007, Shanghai, Jiangsu, Zhejiang provincial government signed the "Yangtze river delta modern service industry cooperation agreement", which will further promote the development of regional services integration and build the important public policy platform for express service development. "The several opinions about speed up the development of service industry under the state council" and "The guidance of the state council on further reformation and opening up and social economic development in the Yangtze river delta region " are further clear about that the service industry is an important part of the national economy, emphasize to speed up the development of service industry, such as the postal service and create a favorable policy environment for the development of express service.

3.4 The threat analysis of private express enterprise's development of the Yangtze River delta

3.4.1 The serious competition of domestic express enterprises. The rapid development of electronic commerce has attracted a large number of private express enterprises to enter in. In order to capture the market, they have been playing a price war. According to statistics, in 2005, most Express industries' profit can achieve 30%. However, in 2012, the average profit margin is only 5% to 8%, which means that many companies are losing money.

3.4.2 The congenital advantage of the domestic EMS. From the China post 1980 (EMS) start up to now, logistics scope of business throughout the country 31 provinces (autonomous regions and municipalities directly under the central government) in all cities and counties, in the villages and towns. And it also leads to the world, including Hong Kong, Macao and Taiwan, has more than 200 countries and regions, more than 45000 outlets.

EMS, with its brand advantage, network, and substantial capital advantage, holds about 50% of the share in China. At the same time, new "The postal law" is taken effect on October 1, 2009 and defined: Express enterprises can not engage in the business's mail deliver which is exclusively operated by postal enterprises, also they can not send the state organ file. And "The postal enterprise specializing in the business scope of provisions (draft) "in specific provision: the single weight 100 grams (the large urban areas within the prescribed by the state to send each piece weight 50 grams) in domestic express business letters shall be exclusively operated by postal enterprises.

3.4.3 Foreign express enterprises. Four big international Express companies, UPS, FEDEX, DHL and TNT, have the greater headquarters in China. These Express enterprises' headquarters are located in Shanghai, and the aggregation effect of the headquarters economy industry is obvious. Foreign investment enterprises (joint venture) have advantages of competition in international express market, and the international express delivery also holds an absolute advantage of comprehensive strength and market share. Various Express enterprises, through based on Shanghai, radiate Yangtze River delta, provide services throughout the country and dock the international, which is totally to promote the rapid development of express service industry.

4. The development strategy of Private Express enterprise of the Yangtze River delta

4.1 Perfect the administrative rules and regulations, and strengthen market oversight

Express industry of the Yangtze River delta is in rapid development stage. They urgently need government departments to promote policies which can promote the development of express delivery industry and create a good environment for the healthy and rapid development of Express delivery industry of Yangtze River delta. At present, our country has issued relevant Courier market laws and regulations, but there still have a number of problems in the implementation of the specific rules and regulations. These lead to some serious troubles, such as the express delivery market chaos, vicious competition, consumer package damaged, package missing, interests are violated, and "the last kilometer" problem. Therefore, it is very urgent to accelerate the implementation of system standard.

At the same time, the relevant government departments shall establish a sound express industry laws and regulations, improve the industry access mechanism, break the industry monopoly pattern, crack down on illegal vicious competition, regulate unqualified enterprises and network and the terminal delivery vehicle standards in order to better maintain the market order, strengthen market supervision, protect the interests of the normal Courier companies and customers, make the Yangtze river delta express delivery industry to accelerate the pace of development..

4.2 Improve the management system, formulate reasonable strategy

Strengthening management innovation and improving the management system are the inevitable choice for the promotion of Express business of Yangtze River delta. Express delivery enterprises should imply the management process from the top to the down, strengthen the cohesion of Express's each link, especially the terminal, which is not only related to the quality of customer issue, and also the problem of corporate image. Therefore, Express delivery enterprises should develop the marketing model, unify network standard, rationally design network layout and set scientific, reasonable and modern system to ensure that the cohesion of each link is in appropriate, smooth operation. Express industry, as an industry of the people's livelihood, is vital in our daily life. The Planning bureau and other departments ought to put express network settings as public service facilities into consideration, and set terminal in the communities, supermarkets and other fixed-point places in order to maintain public in order.

Express companies should timely grasp the market situation, seize the opportunity. In terms of the requirements of speeding up the transformation of the pattern of economic development, it need combine with the enterprise development and resources utilization to formulate a reasonable strategy. Besides, they focus on the market and consumer demand to determine the proper direction of innovation, update the better way to integrate organization resources, and review and solve the problem of development from a higher and wider level. Then combine logistics management innovation and technological innovation, thus they can effectively achieve organizational goals.

4.3 Adjust the business model, ensure market orientation

With the development of railway transportation in Yangtze River delta, Express enterprises can expand transport mode, take the high-speed express. Despite the absolute speed of the high iron express cannot be compared with the air, if it adds to the time of packaging and security check before the air transportation, the total time of the whole sections can be comparable to those of the air. At the same time, the high-speed rail transportation is lower than the air transport on the transportation cost. Combined with its characteristics of "high aging, low cost", Express enterprises are bound to enjoy the way of high-speed rail transportation.

Express enterprises of **Yangtze River delta** also face the situation of competing with international express companies such as UPS, FEDEX in the common market. Shanghai, as one of the important cities in Yangtze River delta and the national express delivery market, has played an increasingly important role in strategic position. The establishment of Shanghai free trade zone gives the Yangtze River delta express companies the chance to go to the international and provides a platform linked to the world. Express enterprises, through registered in the free trade zone, will enjoy the preferential policy. They can develop other express business outside Hong Kong, Taiwan, South Korea and other Asia areas, and get some solutions to the headaches custom problems.

4.4 Improving staff's quality, attaches great importance to the talent training

Express delivery is an industry of serious personnel loss, and the cultural level of the grass-roots is generally low. Their welfare treatment is poor, which totally reduces the confidence of belonging to the enterprise. Thus enterprises need to strengthen staff professional skills and professional ethics training, especially the education of corporate culture, customer service to improve the comprehensive quality of employees and the staff's service standard, which is in order to improve the customer loyalty and satisfaction, set up a good image for the enterprise and provide more support to efficient work.

In addition, the logistics personnel like the mainstay of the modern technology and modern management in the express enterprises. It must have a number of proficient in logistics science specialized personnel to dig up greater wealth and benefits in the mining industry. With the distribution of many colleges and universities in Yangtze river delta, Courier companies can take the way of university-enterprise cooperation to make logistics frontline staff study in school and college students out of the gate into the corporate learning, also cultivate logistics management personnel at all levels, make the combination of the theory knowledge and the scientific practice, solve the current situation of logistics talents' poor quality and low quantity.

4.5 Optimize the customer service, create the brand image

Express industry realizes the transformation of value in the process of providing the service for the customer. Goods delivery quality is closely related to the customer. Optimizing the quality of customer service is the key factor for Express enterprises to improve customer loyalty and get more customers. First of all, the enterprise should train employees to have good customer service attitude; Secondly, companies should have unscheduled telephone service to consult with the customers, and track services for the whole process of the customers' package; finally, it is vital to supervise the customer file records for some important customers and constantly develop new customers. With the development of express delivery business, the number of customer complaint is also increasing. So enterprises should deal with the events for clients in the first place and the first site. It is very important for enterprise to set up the integrity and create brand image.

5. Conclusion

Express industry, known as the "profit growth point of the new economy", is an important part of the world economy, also is the fastest-growing department of the economy. Its degree of development is widely seen as one of the important symbol to appraise a country or region's economic structure, urban modernization and comprehensive competitiveness. This article use SWOT analysis to research Private Express enterprises' development strategy of Yangtze River delta in order to provide some ideas for their future development. At the same time, it also need further research on the interaction of Yangtze river delta express industry and regional economy, e-commerce and other aspects, which is vital to focus on the emerging industries with higher attitude and angles.

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