

# Zero Inventory Management of Logistics Distribution Based on Network Marketing

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**Keywords:** Network marketing sales; Logistics distribution; Zero inventory

**Abstract:** In recent years, with the rapid development of marketing economy, network marketing has emerged. In the process of its stable operation and development, logistics distribution based on network marketing has gradually been widely used, which facilitates people's daily life and effectively promotes the development of socialist modernization. However, in the actual logistics distribution process, the problem of zero inventory has gradually appeared. How to manage and solve this problem has become a problem faced by the development of logistics industry. This paper mainly analyses the current situation of zero inventory management of logistics distribution under network marketing, and puts forward relevant optimization measures for this situation.

## 1. Introduction:

In the sales and transportation of network enterprise products, logistics and distribution business play a vital role. At present, enterprises have been striving to continuously improve the management system of logistics distribution, promote the service quality and level of logistics distribution business, and solve the problem of zero inventory on the premise of reducing logistics costs in the development and operation of enterprises and the fierce competition with many related enterprises. Therefore, under the condition of fully understanding the meaning of zero inventory, the research on zero inventory management of logistics distribution based on network marketing has more and more obvious value and important significance in the development and operation of enterprises.

## 2. Relevant theories of zero inventory in logistics distribution based on network marketing sales

### 2.1 Concept of zero inventory

As a special inventory statement, zero inventory is a very important classification concept for various companies. Zero inventory is a way of storing warehouses in a minimum or even zero quantity, and when the one or a type of goods is transported, the warehouse is not in stock. It is difficult to achieve zero inventory status in actual production and sales. It is necessary to consider various factors to achieve. Firstly, in the commodity supply chain, it is not only a single enterprise, but also the way of supply and demand side from upstream and downstream of multiple enterprises to coordinate with each other. To achieve zero inventory, only one enterprise cannot meet all the requirements, and all enterprises in the supply chain must participate together. Secondly, the realization of zero inventory should also consider the strength or informationization level between the upstream and downstream enterprises in the supply chain. The reason is that the realization of zero inventory is inevitably related to the refinement of enterprise production. Therefore, it is necessary to meet high enough conditions to meet the level of strength between enterprises, so as to realize the possibility of zero inventory of enterprises in the supply chain.

### 2.2 Significance of zero inventory

For an enterprise, the most important significance of realizing zero inventory is to enable the enterprise itself to effectively reduce the cost of production and sales, enhance the competitiveness between the marketing and other enterprises, to a certain extent, improve the comprehensive strength of the enterprise, and lay the foundation for the stable development of the enterprise in the marketing. In terms of the whole society, the realization of zero inventory means that the whole

society is developing towards a green cycle in the field of marketing economy. Under the background of green economy, it effectively promotes the optimal allocation of social resources. Thus, it is of great significance for enterprises themselves and for social development to do a good job of zero inventory management of logistics distribution.

### **3. Current situation of zero inventory management in logistics distribution under network marketing sale**

For the major enterprises in China, they have basically formed their own logistics distribution system, and have accumulated some experience in logistics distribution, laying a solid foundation for realizing zero inventory of their own goods. But there are still some problems to be solved in time.

#### **3.1 Enterprises' experience in zero inventory management of logistics distribution**

According to the performance of enterprises in logistics and distribution, the experience accumulated from zero inventory management mainly includes:

##### **(1) Using information mechanism to manage zero inventory**

Through the development of logistics distribution, enterprises can monitor the activities arising from the supply-demand relationship in the marketing in real time. By utilizing their own logistics distribution system and perfect dynamic response mechanism of the supply-demand relationship in the marketing, enterprises can give timely feedback to the demand information of products in the marketing, and ultimately respond to the sales of inventory products with a rapid effect. This real-time monitoring and timely information processing mechanism helps enterprises to effectively carry out zero inventory management, so that inventory resources are continuously adjusted and optimized.

##### **(2) Using consumption information to management zero inventory**

In the logistics distribution network of enterprises, each enterprise also establishes the corresponding grid or uses the third party logistics to maintain the relationship between enterprises and consumers. It can not only save intermediate costs, but also provide timely feedback to consumers' needs, so that consumers can obtain the goods they need at the first time, thus directly affecting the effectiveness of zero inventory management in enterprises.

##### **(3) Using internet plus zero inventory management.**

In the internet era, enterprises are also carrying out reforms to adapt to the arrival of this era. By using electronic information technology and computer technology to improve the informationization, accuracy and automation of their logistics and distribution business, not only effectively promotes the development of enterprises themselves, but also lays a solid foundation for the operation and development of zero inventory management.

#### **3.2 Problems in zero inventory management of logistics distribution**

Subjectively, the major enterprises have established their own logistics distribution system to achieve the goal of zero inventory, and have achieved great results under the marketing economy situation. However, from the actual operation and application of logistics distribution zero inventory, there are still some problems that need attention and solution. Only by solving these problems can we achieve a higher level of logistics distribution zero inventory management. At present, the main problems faced by major enterprises include:

##### **(1) Backward Logistics distribution technology**

The logistics distribution business system needs to be improved. In the actual distribution work, there is still much room for improvement in technology introduction. In the current fiercely competitive marketing environment, if new breakthroughs are not realized in logistics and distribution technology, it will reflect that the pace of enterprise development cannot keep up with the marketing rhythm, and even the phenomenon of weakness, which seriously affects the company's foothold in the marketing. Restricting the impact of the company on the marketing, such

a situation will only make the distance between the enterprise and the marketing more and more, and will also affect the management of zero inventory.

#### (2) Incompetent employees

For employees in enterprises, their own quality also has a certain impact on the zero inventory management of logistics distribution. In order to achieve zero inventory management of logistics distribution, enterprises must formulate practical and effective schemes, and the executor of such schemes is the employees of enterprises. If the quality level of employees is not high and without good work enthusiasm and initiative in the work, the efficiency of logistics distribution business will be reduced in the case of general or even poor performance, and the cumulative accumulation of such work will be accumulated over time. In China, it directly leads to the backlog of materials, but it is difficult to achieve the ideal of zero inventory management. Therefore, for the quality of employees themselves, it is an important factor that affects the effect of zero inventory management in logistics distribution. For the work of improving the quality level of employees in enterprises, it can reduce the distance between enterprises and, marketing to a large extent, and play a key role in the management of zero inventory in logistics distribution.

#### (3) Uncertain Consumption dynamics

In the process of enterprise online marketing sales, there is a risk of demand amplification, because the consumer's demand is not always constant, there is a certain dynamic change, which is the main characteristic of this marketing operation, and then the amplification effect will appear. The emergence of this effect directly affects the supply chain grid of the entire logistics distribution, leading to serious backward problems in the zero inventory management of logistics and distribution. Therefore, in order to achieve the realization of zero inventory management, we must find ways to avoid this effect.

#### (4) The reaction rate needs to be improved.

Enterprises should speed up their response to marketing supply and demand. Reasonable response speed is reflected in the fact that they can sell or circulate goods well or completely within the planned time. Therefore, in this process, the response speed of enterprises to marketing supply and demand is a very important link for zero inventory management. At present, most enterprises need to improve this link, in order to improve the response speed to supply and demand in the process of marketing sales, and then achieve the goal of zero inventory management.

For the logistics industry, the zero inventory status is an ideal and scientific state. Starting from these problems, considering how to solve these problems, the realization of the zero inventory management goal of logistics distribution in the network sales process will be playing a guiding role is a work that must be done earnestly to achieve this goal. It can not only effectively reduce the operating costs of the company itself, but also promote the effective development of the logistics industry.

## **4. Reasons for problems in zero inventory management of logistics distribution**

Through the analysis of the major enterprise logistics distribution zero inventory management problems which are mainly reflected in the enterprise logistics distribution system, logistics related staff and other aspects. All of the reasons for these problems as a whole can mainly be analyzed from the internal and external subjective factors.

### **4.1 Insufficient investment in zero inventory technology**

In terms of internal factors, some enterprises neglect the investment in logistics distribution when they attach importance to their own development, which greatly affects and restricts the sustainable development of logistics distribution. It is of great strategic significance for enterprises to invest enough in logistics distribution, especially in zero inventory management, and to do a good job in logistics distribution zero warehouse. Strong investment in inventory management can indirectly enhance the overall strength of the enterprise, so that it can stand firm in the network sales marketing for a long time. In addition, the enterprise itself does not have enough innovation

consciousness, and the old logistics system is also one of the reasons why it cannot do the zero inventory management work well.

#### **4.2 Poor grasp of consumer psychology**

In terms of the external factors, enterprise network marketing is to meet the needs of the consumers, and with the improvement of people's living standard, make people has more and more high requirements to the purchased items. Enterprises that cannot grasp the complex and changeable psychological ideas of consumers will only lead to the ideal effect of zero inventory management of logistics distribution..

No matter from the internal or external factors, all major enterprises should think from these perspectives through the effective solution to these problems, and take relevant effective measures in order to achieve better results in zero inventory management of logistics distribution.

### **5. Optimized measures for zero inventory management of logistics and distribution based on network marketing sales**

In today's increasingly fierce marketing competition, how to do a good job in logistics and distribution zero inventory management has become a problem that many enterprises must face in the development process, research and solve well this problem can stand out in the online marketing. In response to these problems, the results of relevant theoretical research are combined and some optimization measures are proposed as follows:

#### **5.1 Applying the third party logistics system to make it effective**

Under the situation that the scale of production and operation of major enterprises is constantly growing, it is very difficult to maintain normal operation only by using the original logistics distribution system. The reason is that the expansion of production scale makes the demand for zero inventory of logistics distribution higher and higher. Therefore, it is necessary for enterprises to use the third party logistics system to support the operation of logistics distribution, so that logistics can be maintained. Distribution of zero inventory has become easier to achieve. At the same time, when combining with the third-party logistics, economic benefits should be paid attention to. By establishing a new logistics management system and, it is reasonable to evaluate the new marketing trends and the total amount of storage in the marketing, and give stronger support to the zero inventory developers of logistics distribution

#### **5.2 Strengthening the quality training of staff**

Many enterprises have their own training institutions, which requires the introduction of knowledge training on zero inventory management of logistics distribution on the basis of general training. On the one hand, starting from the important significance of zero inventory of logistics distribution to the development of enterprises, strengthening the awareness of employees about zero inventory, on the other hand, starting from the actual work of employees, training them to work well in the logistics distribution link. Consciousness and formulation of relevant regulations shall be used to regulate employees. This method is based on the principle of gradual and orderly training, which is normative and purposeful.

#### **5.3 Paying attention to the relationship between supply and demand in the marketing**

To reduce or even eliminate the demand amplification effect in supply chain under possible conditions, on the one hand, enterprises need to establish a practical supply chain early warning mechanism; on the other hand, enterprises should pay attention to the relationship between supply and demand in the marketing, and constantly collect and study marketing information. On the premise of sharing information between enterprises, we can make progress in zero inventory management of logistics distribution.

#### **5.4 Establishing a rapid response mechanism**

Through the establishment of this mechanism, the changes in consumer demand are well known, and product marketing based on consumer needs is an important way to management the zero inventory of logistics and distribution.

#### **6. Conclusion**

Realizing zero inventory management of logistics distribution under network marketing is a problem that must be faced in the development of logistics industry at present. Relevant measures mentioned in this paper can help enterprises and logistics industry, help them to better realize the work of zero inventory management of logistics distribution, and contribute to the development of enterprises.

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