

Analysis on the Control Strategy of Purchase Cost in Coffee Industry

Gao Shucong

School of Management Science and Engineering, Shandong University of Finance and Economics, Jinan, China

Abstract: *After the reform and opening up, with the continuous economic development, people gradually focus on the consumption of development and enjoyment materials from solving basic food and clothing, and coffee culture has emerged at the historic moment. Nowadays, coffee shops of all sizes can be seen everywhere in China. In the past, there was Starbucks, a global coffee brand, and Ruixing, which quickly grabbed market share, as well as various independent coffee shops. They are blooming everywhere in China and are deeply loved by consumers. In the face of such a hot coffee sales market, how to make oneself profit in the competition, and even to operate for a long time and remain invincible, is a topic that every coffee shop manager needs to think about. If the coffee industry wants to survive and develop, it must try to adopt new procurement methods and management methods to reduce production costs and management costs. How to control procurement costs and improve economic efficiency is the key to the survival and development of the company. This article mainly focuses on procurement costs. Specific discussion and analysis of the current situation and problems of the coffee industry, and proposed corresponding solutions and countermeasures for the problems.*

Keywords: *Coffee industry, Purchase cost, Cost control*

1. Introduction

Coffee, tea and cocoa are three common types of beverages on the market today, and about one-third of the world's population is a big coffee lover, drinking no more coffee than tea. Drinking coffee is very common, even popular, in many Western countries. In China and other eastern countries, coffee is slowly entering the public eye. Since 1978, China's economy has been changing and growing with each passing day. Not only that, we can also see that people's living standards and quality demands are also changing. In recent years, many new faces have appeared in the beverage category, and various beverages have emerged one after another in stores and large supermarkets. Coffee is also appreciated and popular among consumers, especially the migrant workers and students in office buildings. Coffee has also been labelled modern and trendy. According to international coffee-related data, the total global coffee production is about 10.08 million tons, and the total consumption is 9.9 million tons. The coffee market continues to advance steadily. At present, the drinking volume of coffee in China is between 90,000 and 100,000 tons. The annual growth rate of the coffee market is about 10%-15%, which is much higher than the international growth rate of 2%.^[1]Therefore, it can be seen that, China's coffee industry has an unlimited potential market. Today, in the context of economic globalization, facing the ever-changing international situation and the increasingly complex coffee industry, companies strive to keep making progress, pioneering and innovating, in order to explore new economic growth in the coexistence of challenges and opportunities To seek more benefits and explore more options and possibilities for the company's own development. At the same time, in the actual operation and development, many problems will also be found. This paper analyzes the current situation of the coffee industry and some problems in the control of procurement costs, and puts forward some feasible countermeasures.

2. Procurement cost control related theories

2.1. The concept of purchasing cost

Procurement costs refer to the expenses incurred by an enterprise in purchasing raw materials and required equipment in conventional operations and manufacturing, and roughly include the cost of

materials worn in the enterprise's procurement, procurement management costs, and storage costs.^[2] Or to put it another way, the cost of procurement refers to the cost-plus required for the entire procurement activity. The expansion theory includes the sum of manpower, material resources, and financial resources invested in various links such as procurement, packaging, transportation, inspection, and storage from suppliers.

2.2. Composition of purchase costs

Generally speaking, procurement cost has three modules, which are divided into procurement management cost, storage cost, and order cost. But this is just to include explicit costs, which is too general. Therefore, the procurement cost is composed of explicit costs and hidden costs. The explicit costs mainly include labor costs such as order follow-up, production plan implementation, shipment, acceptance, and supervision of suppliers in the procurement process; hidden costs. It is divided into quality cost, out-of-stock cost, etc., and also includes the expenses incurred from the investigation and handling of non-compliant products, after-sales consultation, production suspension, returns, employee technical improvement, supplier evaluation and other various procurement-related activities. Therefore, if an enterprise seeks to control the procurement cost, increase its profit, and make the enterprise have a better place in the market, it must pay attention to cost control, and carefully examine all aspects of it, striving for optimization and progress.

2.3. Principles of Purchasing Cost Control

2.3.1. Principles of choosing the right supplier

Suppliers are individuals and enterprises that provide various resources to enterprises and their competitors, including the provision of raw materials, equipment, energy, labor and capital. Their situation will directly affect the later operation of the enterprise. Once the price of raw materials is adjusted and the supply is not timely, it will eventually be reflected in the actual activities of the enterprise, which may make customers consider whether there is still a weight to continue peaceful coexistence with the enterprise. Therefore, the marketing staff must have a very good understanding of the seller, so that they know themselves and their enemies. Suppliers are enemies and friends in business negotiations. Suppliers with reliable quality and good reputation are the guarantee of final product quality. Establishing an equal and mutually beneficial buying and selling relationship and forming long-term and stable cooperation are the prerequisites to ensure the quality of purchased products.

2.3.2. The principle of fair price

The purchase price should be based on the principle of fairness and reasonableness. Excessive purchase price will inevitably increase the extra cost of the enterprise and reduce the competitiveness of the enterprise. On the contrary, excessive pursuit of low prices will lead suppliers to cut corners, reduce service levels, and charge shoddy products. Reasonable prices are beneficial to both supply and demand. And the way to get the right price: multi-channel access to quotation, price comparison, bargaining, pricing. The price is always the common concern of both the supply and demand sides. The current bosses pay great attention to the fact that the purchasing process can reduce the purchase cost as much as possible. Therefore, the purchasing specialist needs to invest a lot of effort and focus on how to reduce the final total cost.

2.3.3. Quality principle

Enterprises purchase the products they need based on the principle of appropriate quality. Pursuing too high quality will inevitably lead to higher purchase prices. On the contrary, lowering the standard will fail to meet the use requirements, resulting in rework or substandard products, increasing related costs. The role of unqualified incoming material quality is clear, because it requires the relevant person in charge of the enterprise to put in a lot of effort to analyze and identify, thus adding a lot of costs. And the loss in review, selection, etc. and other losses are no exception. Like the resulting increase in reworked products on the production line, reducing production efficiency. This results in failure to deliver on time as scheduled, and customers will also be dissatisfied with the company. If the customer returns, the company has to bear a large part of the responsibility and consequences, and even lose customers.

2.3.4. Timely principle

The company has already arranged the production plan, but the raw materials cannot be delivered on time, which will cause internal disputes within the company, that is, it will lead to the shutdown of production, the products cannot be shipped as planned, and the customers will have a lot of blame. If the market is time-sensitive and raw materials are purchased off-peak, resulting in a backlog of inventory and idle capital, this is the last thing companies want to see, so real-time supervision and adjustment should be done when purchasing.

2.3.5. Moderation principle

The quantity purchased should be appropriate. Excessive quantity will increase inventory costs, or even out of stock materials. Insufficient quantity will result in out-of-stocks and affect production. The addition of purchasing sequences will also increase the cost of operations. Continued purchases on a large scale will lead to idle capital even though the price will fall due to the quantity, and the purchase volume will not be able to supply manufacturing. Therefore, the right amount is particularly important, and it should usually be purchased as needed.

2.3.6. Fit principle

In any case, companies consider costs, namely transportation costs, so they generally prefer sellers who are closer in distance, and the same is true when companies develop possible suppliers. The appropriate location means that the purchased products should be in place as soon as possible, which is conducive to the use of the production process and avoids the loss of product quality and the occurrence of secondary transportation costs caused by secondary transportation. The closer the distance, the closer the hearts of the two sides are, the communication is more efficient, and the logistics loss can also be reduced.

2.4. Methods of purchasing cost control

2.4.1. Price management

In the process of purchasing cost control, many companies realize that price is no longer the only topic of purchaser and supplier management, but price is still the key factor in controlling purchasing cost, and it is also the most direct and sensitive breakthrough. Therefore, only by mastering the cost control methods related to price management, enterprises can master the raw material prices of finished products produced by suppliers, and then lay the foundation for their own accurate pricing, inquiry and negotiation.

2.4.2. Taxonomy

Product classification procurement has been widely used in enterprises. According to the characteristics of enterprises, products are classified and matching procurement decisions are made. This is the most basic means to reduce procurement costs and improve procurement efficiency. Relevant materials can be quickly located with the help of class labels. For enterprises to cooperate in procurement activities, the total procurement cost can be greatly reduced.^[3]The most commonly used taxonomy in procurement is the ABC taxonomy.

2.4.3. Strategic purchasing

Reduce procurement costs and strengthen procurement management, so that enterprises can control the procurement process more easily. Strategic purchasing is a strategic purchasing decision and one of the most complete ways to control purchasing costs. Enterprise strategic procurement covers a wide range, including e-procurement, procurement outsourcing, joint procurement and procurement in the supply chain environment.^[4]

2.4.4. Centralized purchasing

In centralized procurement, most of the enterprises enter the raw materials in the form of procurement centers, and conduct unified processing of procurement, purchase and other work to ensure that the advantages of scale are maximized and the cost of procurement is reduced. The larger the purchase volume, the higher the bargaining power of the enterprise. This is also the most common procurement strategy for enterprises at present. Compared with decentralized procurement, it has a very obvious price advantage and can reduce costs to the greatest extent.

2.4.5. Bidding

Bidding procurement, under normal circumstances, can effectively help enterprises to control the procurement cost to a minimum. Bidding usually adopts the principle of openness and fairness, and takes the quality, price and service of raw materials as the core considerations, so that the purchaser can comprehensively and comprehensively inspect the tenderer. The biggest advantage of bidding procurement is that it can not only control the quality of materials, but also compare prices, so as to achieve the most satisfactory price, choose oneself, and reduce costs. Although the method of bidding will reduce costs to a large extent, there are also certain hidden dangers. For example, the phenomenon of bidders colluding to raise prices is very obvious in the bidding of enterprises, which makes the profits of suppliers abnormal. Therefore, enterprises must do a good job of research, and then conduct bidding work after clarifying the needs.

2.4.6. Business negotiation to lower the purchase price

According to statistics, the use of negotiation can reduce the price by 3% to 10% to the original extent. First of all, the enterprise should formulate a good negotiation strategy, conduct a comprehensive analysis of key procurement matters, formulate specific negotiation strategies and methods, and understand what targeted price changes will be brought about by any bargaining behavior or method, so as to ensure the negotiation time. Can create added value. Secondly, enterprises must make perfect preparations, formulate special negotiation content and strategies, and list various elements in the current negotiation process, including reserve price, supply ratio, minimum unit price, etc. It is necessary to clarify the scale and role of oneself in the negotiation, be familiar with various negotiation skills and principles, and achieve a certain degree of restraint. Once the terms covered in the negotiation appear, it is necessary to understand what kind of consequences may occur, to maximize the room for negotiation with suppliers, and to be clear about the consequences of each negotiation, and to negotiate after weighing the pros and cons.^[5]

2.5. The significance of purchasing cost control

2.5.1. Conducive to reducing various problems in procurement and reducing procurement costs

In procurement, there are many problems, resulting in high procurement costs. For example, the phenomenon of decentralized repeated procurement, the same materials and equipment required by different projects of the enterprise are often purchased separately, which actually forms repeated procurement and increases the procurement cost. Another example is the low procurement efficiency. The procurement in the bidding mode needs to complete a complete bidding process, which takes a lot of time and greatly slows down the efficiency of procurement. Another example is the difficulty of supervision, and the problem of procurement personnel taking rebates from time to time, which will lead to enterprises not really getting the best price for procurement, increasing costs. Controlling procurement costs can effectively reduce repetitive procurement, shorten procurement time, and enhance procurement transparency, thereby resolving shortcomings in procurement and reducing corresponding costs.

2.5.2. Conducive to transforming the relationship between enterprises and suppliers to achieve mutual benefit

In procurement, although on the surface there is a cooperative relationship between the enterprise and the supplier, in fact there is a certain degree of confrontational competition between the two. Companies want to drive down purchase prices, while suppliers want to maintain sufficient profits. Among them, some suppliers will conceal or falsely report some information based on information asymmetry, which will bring harm to the procurement work of enterprises and increase costs. Through some strategies to control the procurement cost, a real cooperative relationship can be established between the enterprise and the supplier, the previous confrontational competition relationship can be transformed into a mutually beneficial cooperative relationship, and the information disclosure between the two parties can be maintained. , which can not only allow suppliers to obtain stable orders, but also allow enterprises to obtain benefits and reduce procurement costs.

2.5.3. Conducive to rapid response to demand and improved efficiency

In the real operation, the demand for various materials and equipment is bound to exist. Moreover, in terms of material procurement, the full amount of materials is usually not purchased at one time. Generally, with the continuous advancement of store operations, materials are purchased in batches, which can avoid the deterioration of materials caused by long-term storage. Under the traditional

procurement mode, due to the long procurement cycle, it may lead to material procurement not keeping up with the operation in the middle of the operation, and the problem of material shortage occurs, resulting in the operation being unable to proceed and stagnant. However, the corresponding labor costs and equipment costs are still being spent, which will lead to vain loss of costs. By controlling the procurement cost, it is possible to quickly respond to the material needs of the operation and provide the required materials as soon as possible, thereby greatly reducing the risk of stagnation, thereby avoiding additional cost expenditures and achieving the effect of cost control.

3. Influencing factors of purchasing cost control

3.1. Purchasing Process

The procurement process is an important part of procurement cost management. In the procurement steps, the proposal of demand plan, preparation of procurement plan, selection of suppliers, business negotiation and procurement contract signing are the pre-processing lead time of procurement; production, manufacturing, shipping, etc. Acceptance, warehousing, and settlement of payments belong to the post-purchase processing lead time, which together constitute the procurement process. Whether the procurement process design is reasonable and efficient will directly affect the procurement efficiency and procurement costs.

3.2. Purchase batch and specific service form

The large number of purchases is an attraction for suppliers and an advantage for buyers themselves. After all, large orders are bound to reduce supplier management and other costs compared to small orders. Therefore, suppliers often repay the purchaser by appropriately reducing the purchase price. Purchasing companies can make quantitative large-scale purchases to allow sellers to make appropriate profits and reduce costs. For procurement, the main commodities or services that need to be purchased generally include two forms, one is a one-time purchase, and the other is a continuous purchase. When the form of procurement changes, changes to the original plan should be made immediately. Therefore, clearly grasping the specific form of purchased materials plays a key role in the procurement process, and at the same time, the quantity and market valuation of procurement costs are also of great significance.

3.3. Supply Chain Bullwhip Effect

The bullwhip effect is a vivid description of the deviation and distortion of demand information in the transmission of the well-known American supply chain management expert Hau L. Lee, also known as the demand amplification effect. The general idea of "bullwhip effect" is that the information of each adjacent node department in the supply chain link is untrue, which will have a greater impact on the entire supply chain and produce a phenomenon of gradual amplification. Lead to the deviation of demand information, thus affecting the entire procurement activities of the enterprise. The impact of the bullwhip effect on the procurement cost mainly includes the change of the supplier's production plan caused by the increase in the procurement demand, which will affect the supplier's delivery time. At the same time, because the transportation cost is closely related to the order, the transportation cost will increase.

3.4. Delivery and Payment Terms

Delivery matters, including the location of delivery, the method of transportation, the cost of packaging and loading and unloading, the batch of delivery, the amount and method of payment, are an important part of the terms of the purchase contract, which will also have a direct impact on the purchase price. The price of the product is relatively low under the complete delivery batch, reasonable delivery time and payment terms. In an emergency, the buyer will increase the cost of the supplier in order to obtain the required goods in advance. Therefore, the supplier will increase the price appropriately.

3.5. Supplier selection

Supplier selection has a direct impact on procurement costs. The raw materials and spare parts

provided by suppliers are crucial to the quality of the final product of the enterprise. If there is a hidden quality risk in the supplier's products, even if the enterprise makes extra efforts, it cannot obtain the optimal product. The raw material cost of the seller is the most source and direct factor affecting the purchase price. The existence of an enterprise requires the pursuit of profit. The production of any product is driven by interests. Therefore, the purchase price is generally higher than the cost price of the supplier. The bottom line of the supplier's price is the cost price, and the difference between the two is the profit of the supplier.

3.6. Interdepartmental communication and collaboration

The execution of purchasing affairs is never the responsibility of only one department, which also includes departments such as planning, design, production, sales and quality inspection. Therefore, only when all departments are active and perform their own duties can this task be completed in a highly coordinated manner. If the raw material requirements of the starting department are not calculated accurately, the subsequent departments will be affected. If there are too many deviations, the temporary purchase will increase, and the cost will naturally be lower; for the same reason, if the design department ignores the project cost; the quality inspection department or post-sales, the customer's satisfaction with the product cannot meet the standard, forcing the enterprise itself to improve the raw materials. The scale requirements of procurement will be reflected in the later cost accounting.

3.7. Price cost analysis and negotiation skills

The analysis of the cost and price structure of the supplier's products is the premise of knowing the purchase price and choosing whether to negotiate with the seller. Before the procurement department implements procurement negotiations, it must investigate and analyze the specific situation of the current market in detail. Only in this way can different and effective negotiation and negotiation methods be selected for different suppliers, and the original intention of striving for cost reduction can be adhered to.

3.8. Partnerships between companies and suppliers

If a company has a poor relationship with its suppliers, it is difficult to obtain complete cost structure information. Therefore, it is necessary to work closely with suppliers so that suppliers can share relevant cost information. In the context of economic globalization, if buyers and sellers can reach a consensus and cooperate with each other, they can reduce procurement costs and achieve a win-win situation.

3.9. product life cycle

Sourcing is also inextricably linked to the product life cycle. The life cycle of a product can be divided into stages such as the initial stage of life, the growth stage, the maturity stage and the decay stage, and due to the change of the life cycle, the number of purchases will also increase, and the relevant technical level should also be improved accordingly. At any stage of the product life cycle, reasonable measures should be taken to reduce the procurement cost according to the development characteristics of the stage, so as to reduce the total cost of the cost.

4. Main Problems Existing in Procurement Cost Control in Coffee Industry

4.1. Multiple retail channels to seize a certain market

With the rapid development of the Internet and entering the market, those consumers who only pay attention to offline stores will be attracted by the dual-channel business model, which makes the competition in the industry more intense. ^[6] Taking Luckin as an example, as a representative enterprise under China's new retail model, from the beginning of its establishment to its listing, it broke the listing record of Chinese Internet companies in just 20 months. With its novel business model, Luckin has forcibly entered the market in just a few months, and has aggressively expanded to occupy a place in the market. Through the combination of "online + offline + logistics", Ruixing Coffee has achieved the unification of commodities and logistics channels. And in response to the user's multi-scenario call, Ruixing tried different types of stores to provide a wider range of experiential consumption to create

consumption scenarios. At the same time, the full self-service service avoids many costs. And this kind of self-service experience is the inevitable result of the enhancement of consumer sovereignty in the era of mobile Internet.

4.2. Product uncertainty affects consumer repurchase

Product quality factors are mainly reflected in consumers' evaluation of the taste of coffee products. The rapid expansion of stores and the expansion of product categories have made products facing criticism that the differentiation is not obvious and lacks certain innovations. The way of grinding coffee using a coffee machine makes its taste inferior to that of hand-ground coffee.^[7] Therefore, it can be seen that procurement quality plays a key role in sales, which may increase procurement costs virtually.

4.3. Buyer's bargaining power is not strong

The buyer's bargaining power mainly reflects the buyer's response and efforts in negotiating the price, the quality of the purchased items, and even striving to obtain more high-quality assistance services for itself, so as to occupy a favorable position in the confrontation between the two parties. As we all know, bargaining power is crucial in the entire procurement process, especially in negotiations. In today's coffee market, most of the coffee beans and coffee machines used by enterprises are imported from abroad, and they are highly dependent on suppliers, so they do not have strong bargaining power.

4.4. The single method of sale restricts the purchase of inventory

At present, most domestic coffee shops operate in the offline store model. Without the foundation and premise of not developing more business methods, relying only on retail coffee in stores has greatly limited the scale of inventory to a certain extent,^[8] coupled with factors such as remote locations, which may make the buyer have a hard time controlling the purchase quantity, and even unable to obtain price concessions and advantages through large-scale purchases, which has the effect of reducing costs and controlling them.

5. Optimization strategy of purchasing cost control in coffee industry

5.1. Looking for a stable and reliable procurement platform

It is very stable and mature for coffee shops to use Hema Fresh and Ele.me to carry out distribution activities with high efficiency. Under the new retail model,^[9] it has its own APP, cooperates with various logistics platforms, and cooperates with various types of platforms to export products, and agents distribute goods for them, so as to ensure the stable development of the enterprise. Enterprises transforming to O2O new retail must find a suitable, stable and efficient logistics platform. If they do not focus on offline distribution, they are no different from traditional enterprises. In addition, under today's developed Internet model, it is also possible to establish stable cooperation with many online trading platforms by trying e-commerce platforms to open up a broader market for its own development.

5.2. Select the right supplier and evaluate it regularly

The choice of suppliers has a great relationship with whether the products or services purchased in the later stage can obtain customer satisfaction. For the coffee industry, it is very rare to be able to buy high-quality and cheap coffee beans, which also determines whether it can gain a good reputation in the market, that is, to create a brand effect. Therefore, throughout the entire procurement process, the selection of suppliers must be very careful, and there are various methods. In the later stage of procurement, what the purchaser needs to do internally is to do a good job in maintenance work, based on assessment and evaluation, and regularly consider and evaluate the selected suppliers, so as to know what to do, play a role in preventing risks, and prevent delivery. The production interruption caused by discontinuity will increase the total cost of production and operation. In addition, there must be a certain degree of transparency in the information exchange with suppliers, and various types of product information must be verified by multiple parties to ensure compliance. It is also necessary to establish

direct communication with suppliers, so that middlemen can obtain certain profits from them and increase unnecessary procurement costs.

5.3. Improve the overall quality of purchasing staff

As the operator of the procurement process, procurement personnel must not only have excellent professional knowledge, but also have strict requirements for themselves and comprehensive development. The coffee shop must manage the procurement specialists in a separate way, so that the procurement staff can fully play their roles at critical times and remember to fulfill their responsibilities. First of all, the performance appraisal at the end of the year, to check whether the goal of the year is well accomplished, is naturally indispensable. In the following year, the company should also follow up and supervise the business progress of the employees in the new year from time to time. To test their work results through performance appraisal, can play a motivating role in staff. The company also needs to implement a strict procurement management system, so that whether it is leaders or employees, rewards and punishments are clearly defined and punished together. In addition, the company should improve the overall quality of buyers through scientific and targeted training. First of all, you can explain the raw materials to the newly recruited buyers, so that they can understand the technical requirements of the coffee beans they need to purchase, so that they can more accurately judge the materials of the suppliers. Secondly, the company should regularly train on-the-job purchasers to make them more proficient in business processes and to be able to make scientific decisions when encountering problems, so as to complete the procurement operation efficiently.

5.4. Implement centralized procurement and continuous procurement

For the coffee industry, if you want to reduce procurement costs and improve procurement efficiency and quality, centralized procurement is crucial. When an enterprise is in the process of centralized procurement, the small and piecemeal procurements are very different. Each subsidiary company and many separate purchasing departments have been cancelled, and their needs are directly presented to the sole purchasing department of the enterprise, and then the centralized purchasing department collects and unifies various needs to form a large purchase order. The demand is met, it mainly promotes the strategic partnership with the supplier through the reasonable integration of resources, and ultimately improves the bargaining power between the enterprise and the supplier in the negotiation of the procurement contract, and improves the absolute advantage of the enterprise in the price competition. . In addition, large orders are often very attractive to suppliers. Large purchase quantity itself is also an advantage for purchasers. However, when the quantity is limited to a certain extent, if you want to obtain supplier price discounts, you might as well strive to establish two parties. Long-term cooperation has formed a relatively stable continuous procurement.

5.5. Establish the concept of whole process cost

If an enterprise wants to control the procurement cost and improve the economic harvest, it must be clear that we are concerned about the cost control of the whole procurement process. Obtaining low-priced procurement materials reduces costs, but obtaining high-quality services, timely high-quality supplies, and stable resources is more conducive to long-term cost-benefit for enterprises. To grasp the procurement cost is not only reflected in the reduction of direct costs, but also includes a series of problems in production and after-sales after the procurement is completed, so it is necessary to comprehensively consider various benefits. If you blindly reduce a certain cost and completely ignore the response of other aspects, the cost reduction will not be reflected in the profit level of the entire company. Based on this, the concept of cost control in the entire procurement process should be established, and the procurement target procurement should be strategic. It covers a series of work items such as decision-making between self-made and outsourcing, supplier management, overall accounting and control of purchased material costs, and grading control of purchased materials. In the implementation of procurement, it is necessary to have a foresight to foresee the overall cost, and to evaluate the potential cost of the entire long-term production and use process, and establish the concept of "overall procurement cost = price + use cost + management cost + after-sales cost". In the whole process of procurement, we will formulate countermeasures to reduce the overall cost, and gradually implement the method to reduce costs during the procurement period, and finally achieve the goal of cost reduction.^[10]

6. Conclusions

In the process of controlling the purchasing cost, the company should not only control the material purchasing cost, but also effectively control all aspects of the company's production and operation to effectively and comprehensively reduce the cost and improve the company's operating efficiency. In order to continuously enhance the company's economic strength and inject new momentum into the company's stable and long-term development, it is necessary to let all employees cultivate the concept of cost control and attach great importance to it. Establish effective means of supervision and management, establish the company's business philosophy, corporate image, incentive mechanism, improve employee awareness, actively implement cost management, and control systems to lay a solid foundation for the smooth operation of the company. In any case, enterprises can only ensure the quality of products, enhance the economic strength of enterprises, and enhance the competitiveness of enterprises only by considering all aspects of procurement costs and properly streamlining the procurement process. This paper analyzes the problem of purchasing cost control in the coffee industry and puts forward some countermeasures. From the perspective of all the data and the current status of the coffee industry, the coffee industry has a huge potential market in the future with broad prospects. Keep and control the purchasing cost. Only by controlling this link can enterprises achieve stable and long-term development.

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