

# Research on the Individuation of Client-Centered Ecommerce

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## Abstract

Many enterprises all over the world plunge into developing ecommerce in recent two or three years, but don't attain their expectant goals. Taking Chinese enterprises as the example, through analyzing the individuating trend of consumption and the operating status of ecommerce, this paper emphasizes that only the enterprises develop client-centered ecommerce considering their practice conditions can they fit the individuating trend of consumption and ecommerce, and puts forward some proposals for the individuation of this client-centered ecommerce for enterprises in new century.

## 1. Introduction

Internet brings one world-shaking change for people's daily life and economic activities. The enterprises worldwide trade with others on Internet, which is called ecommerce, this raises the producing efficiency and decreases the cost of the management, but also enlarges the production market and enhances the enterprise's strength. The traditional trade mode is receiving more and more challenges from this new trade mode on Internet. Chinese enterprises also plunge into ecommerce with great ardor in recent two or three years, but don't attain the expectant goals with the further development of ecommerce and Internet economy. Some new problems are appearing too such as the individuation of consumption and ecommerce. More and more enterprisers and scholars are analyzing these problems and trying to find some good methods which can help the enterprises do better and client-centered ecommerce and get better return. Some solutions are put forward such as cooperative business, synergic business and etc. Most of these solutions base on the theory demand and prefabricate some fixed stencils, but are not practical enough to fit the current practical condition of all enterprises from different countries. So the proper development strategy of client-centered ecommerce for meeting the individual needs of clients is needed very much by many enterprises, especially for Chinese enterprises.

## 2. Individuating Trend of Consumption and Ecommerce

There are enough and almost all kinds of commodities in human society now through more than 100 years' industry revolution, adding the fast

development of information technology with computer as a representative, these can gradually meet the individuation needs of consumers which are upswing, such as individuated cars, individuated houses, individuated home appliances, individuated clothes and individuated computers. Thus the individuated productions and individuated services have become the leading tide of our new age with client-centered concept. When one enterprise is regarded individuated, this means larruping and can get more consumers' more attention and consider more from the side of clients. Now almost all enterprises worldwide are in pursuit of their individuation. For instance, the famous retail enterprise of USA, Roudster-Rom Corp., makes one management tenet that the enterprise will satisfy any consumer's needs. When one consumer does business with this enterprise, besides the commodities, he will also be received a series of services such as the consultation and being run after. The relation between the consumer and the enterprise isn't ceased with the end of shopping and will continue for a long time, maybe the whole life of the consumer. This strategy gives the consumer one comfortable family feeling.

The consumer feel more convenient and save money by the means of doing shopping on Internet, but he also lose the satisfaction which is full of the milk of human kindness offered by traditional trade way, what he can see and get is infinite information on Internet and formatted service by the silent machine. For the enterprise, the lead of technology is temporal, the predominance is no longer easy to be acquired by the lead of technology now. Whenever and wherever Internet directly push the enterprise to the front of consumers and let the enterprise face more and more individuated demands. So, only the enterprise can provide characteristic services aiming at kinds of consumers by combining some traditional marketing means and Internet technology, it will be a simon-pure winner. The individuation of ecommerce comes forth following this demand, that is client-centered and providing the individuated services and products on Internet. It has the following two contents:

First, the custom-tailored service and merchandise full of individuation. Because of the difference of individual conditions, the clients' demands are different too. For the commodity with higher content of technology, the consumer no longer receives it just passively while the businessman no longer only provides many selections, he will take part in the processes of the commodity's design and production with his individual

love. Now whether the enterprise can provide more individualized services or not comparing with traditional companies becomes the key factor for a successful or a failed ecommerce.

Second, the custom-tailored information full of individuation. Internet makes it possible to custom-tailor information following the consumer's wish, this means huge business chances. The personal electronic newspaper provided by New York Times early is a good example. The best characters of Internet is real time and dynamic exchange, in virtue of this, consumers can enjoy the function of VOD, but also can take part in the design and production of the TV programs.

### **3. Analysis of Chinese Ecommerce**

Internet is influencing almost all the fields of Chinese society and culture deeply like it does in other countries. In the end of the year 2001, the total number of Internet users in china has exceeded 30 million and is increasing at a double surprised speed every year, the number of Chinese websites has more than 800000 while the number of government internet websites reach 3000. In addition, more than 1 million small companies, 10000 moderate and 100 large enterprises have connected to Internet. With a good Internet environment comes into being in china, doing ecommerce on internet is increasingly becoming one important way for one enterprise changes to be more competitive in new century. The representative door websites like Sina, Sohu, Tom, Capital Online develop ecommerce one after another; the traditional IT products manufacturers and sellers state their ecommerce development strategies and ecommerce productions early or late; the professional ecommerce websites including more than 100 thousand kinds of merchandises like 8848 and DangDang develop very quickly. In general, all kinds of enterprises want to expand themselves by this new business way of doing ecommerce.

But Chinese enterprises are changing from planned economy system to market economy system and haven't enough market experiences, so, many of them just imitate the ecommerce mode of foreign enterprises simply, establish Internet website, issue information and do business on Internet, etc. They have not enough experiences or time or skills to make one analysis that whether the practical conditions of the enterprises fit for doing ecommerce or not and how to do first. The result is disappointed. Chinese enterprises' current status of developing ecommerce is: ecommerce has been developed vigorously and busily on the surface in recent two or three years, but the result is the little proceeds comparing the huge investment, some even deal losing money in business now; the total amount of ecommerce is so small and less than RMB5000 million in the year 2001; the development level of ecommerce is still resting on one lower level and the ecommerce upsurge like in America don't emerge in china.

There are many reasons causing this result, the main factors are described as following:

First, imitate the ecommerce mode of foreign

enterprises simply while not considering the practical condition of the enterprise carefully and insist on having done all things by one step excessively and seek to set up one complete and consummate ecommerce platform. Such as whether the products are fit to do ecommerce or not, whether the quality of the employees and departments fit to develop ecommerce or not, etc.

Second, the ecommerce contents are very finite and the marketing means are simple and bald, lack of individuality, so these still can't arouse and stimulate the consuming appetite of Chinese people and change their traditional consuming conception which formed for a long time.

Third, there isn't one enough and full estimate about the influences for china's incomplete ecommerce environment, such as relative poor Internet establishments, more expensive Internet fee, not too reliable security technology of Internet and information, shortage of the organizations for ecommerce's notarization and arbitration, etc.

Forth, the management, establishment and technology of physical distribution in China is very poor, the advanced third-party system is lacked very much. This situation make it very finite of the ecommerce developing area for one enterprise and can't ensure providing in-time service of sending the goods, say nothing of sending goods spanning areas. It is unimaginable if one enterprise can develop ecommerce fast in a large scale and get one good repay in this condition.

Last, Chinese enterprises are still not used to accept the concept of client-centered for their long history of the planned economy system.

### **4. The Proposals for the Individuation of Client-Centered Ecommerce**

According to the ecommerce developing status of Chinese enterprises and the individuating trend of ecommerce, many project providers have put forward a lot of ecommerce solutions, such as cooperative business, synergic business and etc. Most of these projects base on the theory demand and prefabricate some fixed stencils. For example, some providers emphasize beginning with ERP of the enterprise inside, some pay stress on the visualization of the enterprise. Analyzing these projects carefully, we can find out that these stencils lacking flexible, which can not reflect the peculiarity of each enterprise and can not accommodate to new circumstances. In order to improve the efficacy of ecommerce and adapt to the individuating trend of ecommerce, Chinese enterprise should consider comprehensively the circumstance of capital, the operation trait and economy environment so as to plan the individualized ecommerce strategy suited to each enterprise.

#### **4.1 Analyze the latent customers of enterprise's products, their consumption ability, the ecommerce possibility of products and the**

**investment risk through decision adviser consulting, find out one appropriate entry to begin with and ascertain the development direction of ecommerce. Notice the key point.**

Ecommerce is investment, not consumption. The enterprise should evaluate the situation of present competitor and the character of its products carefully, according to own limited financial and material resources, find one appropriate entry to begin developing ecommerce instead of doing with all-sides. Each kind of merchandise has specific user group. Each group has the preference, consuming ability and consuming habit, the enterprise should analyze the market fully in order to find accurate product location. For example, Shanghai Maydeal Science and Technology Corp. set up one nationwide professional medical electronic market: [www.maydeal.com](http://www.maydeal.com) in June 2000. The company adopts the strategy which meeting enterprises' demand, selects medical consumable goods as an entry to do ecommerce, offers a professional medical ecommerce platform for professional buyer and medical product supplier which has definite classification and complete kinds of goods. Although Maydeal website was set up only one year ago, now it has been beginning to establish its leading market position in China.

**4.2 Begin from demand chain, combine BPR and Client-Centred concept, pay more attention to use social resources and explore one series of flexible business processes that suits ecommerce development.**

The business process of ecommerce is other than that of traditional business, which also differs from each other because of different trade and different enterprise. When designing the business process of ecommerce, the enterprise should consult experts and customers, consider problems from the demand chain, accord with the individuated demands of consumers as far as possible, give fast feedback and notice to evaluate the work efficiency of the process and adjust it in time. For example, the operation process developed by Qingdao Haier Group which can make fast feedback on network offers the individuated service that the distributor can custom made refrigerators. This gets warm welcome of dealers, and helps Haier and numerous dealers get better return together.

**4.3 According to the development trend of ecommerce and the characters of business process, purchase the ecommerce technical platform or unite to develop one. When implementing, perfect each module step by step, pay attention to the cooperation with traditional commercial pattern and prevent from pursuing success immediately or just at one step.**

The enterprise should go to consult the experts who can make careful analysis about the management scale,

the trade and business characteristics, and give good proposals according to actual circumstances to the enterprise. If condition permitted, it is a good idea to develop the corresponding ecommerce technical platform by uniting other professional companies, and perfect it modularly step by step. By this way, the technical solution of ecommerce can suit the customers better, provide and add peculiar services for the clients in time.

**4.4 In place of establishing the ecommerce platform solely at one huge cost, develop net cooperative business between enterprises actively, construct and support a harmonious and uniform market environment for sharing the resources and benefits. This also can meet the individuated needs of customers better and realize the enterprise's durable development of ecommerce.**

Since Chinese enterprises contact market economy lately, they lack enough understanding of market risk and market competition. They always like to do business by themselves and do not pay attention to the cooperation between the enterprises and the use of social resource, so as to increase operation cost and market risk. So does in the field of ecommerce. For Instance, not long ago, some name brands domestic companies, such as Chunlan, Haier, Midi and so on, throw huge capital respectively on internet and build each ecommerce platform, in order to construct one B to B and B to C system which has the capacity to realize the functions such as sales online, delivery online and purchasing online in global scope. But the results may not as their hope. On the contrary, considering the construction and maintenance of common market environment, the long-term development of market and the long-term benefit of customers, three famous world-class corporations, General Motor, Ford and Daimler-Chrysler, decide to give full cooperation to found and run one common online B to B website instead of building the competitive and independence B to B website each. Besides, about the management of physical distribution in support ecommerce development, according to the facts of low profits in Chinese transportation enterprises, lot of assets leaving unused and growing unemployment, the enterprise can use these social resources fully, organize and manage them efficiently, design one work process of physical distribution to satisfy the customers and cooperative partners just at low cost.

**4.5 Explore the marketing strategy of ecommerce actively. Maintain some operating ways of traditional business to meet the need of the continuity of customer habits, but also combine the characteristic of Chinese culture, be positive to adopt the new technologies and new methods according with the new century concept. Notice the combination of the social benefit and the commercial benefit to cultivate one good**

## **individuated ecommerce image.**

One good individuated and client-centered ecommerce image with the individuated marketing strategy of ecommerce can help the enterprises to maintain a long-term relatively regular customers, but also attract new user to join the consumption chain of the enterprise continuously. For example, environmental protection has become the hot and important topic of the 21<sup>st</sup> century. That the enterprise collects discarded batteries or presents one environmental can for collecting discarded batteries incidentally When delivering goods may be one nice peculiar marketing method which accords with new century concept. It can consider both social public welfare and the commercial benefit too. Another, when implementing electronic payment, we can retain some traditional payment means, such as cash payment on the spot, which accords with the long-term consumption culture of most Chinese people and satisfies some consumers by continuing their payment habit.

## **5. Conclusion**

When one enterprise or one Internet website or one kind of service is client-centered, this always is regarded individuated and means larruping and will get more consumers' more attention. Individuated productions and individuated services have become the leading tide of ecommerce age. That Chinese enterprises construct their individuated ecommerce platform and develop individuated ecommerce is the effective strategy which replies the challenge aroused by the individuating trend of consumption and ecommerce, help the enterprise to bring into full play of ecommerce while avoiding venture and bring back one material repay. This also is one feasible way which helps Chinese enterprises subsist, develop, boost up in the more and more competitive market and gain one preponderant position. One good news is that some Chinese enterprises have begun to do some works in pursuit of developing client-centered ecommerce for adapting to the individuating trend of consumption and ecommerce with the client-centered concept. For example, when the consumer logon the ecommerce system which is set up by Digital-china Corp. of Legend Group, one characteristic homepage will come forth. If the consumer is a registered user, the ecommerce system will display the peculiar homepage made just for this user and provide him individuated one to one services. This also shows Digital-china Corp. is establishing the fundamental strategic concept which consumers are first and the center.

On the other hand, the enterprise shouldn't go from one extreme to the other too. This is said that the enterprise shouldn't pursue the individuality blindly and regard it as the target, the key point is client-centered and suit for clients' demands.

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