

Studies on Impact of Electronic Commerce to Modern Marketing Environment

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Abstract

E-commerce shortens the distance between manufacturer and the end user, also changed the structure of traditional markets, lower sales and marketing costs. Traditional promotions in the marketing channels will change, wholesale will be replaced by network, the deal directly implement on the network. Loss market of traditional personal selling, advertising propaganda has to adapt to the new needs of the broadcast media, target market selection and positioning, will depend on the network information. Network will create new sales opportunities.

Keywords: Electronic Commerce, Marketing, Marketing Environment, Consumers

1. Changes in the Market Environment

Marketing theory thought that marketing is process of enterprises through adjusting the controllable factors and adapting to the external environment. (Yu, 2004) The emergence and development of e-commerce make marketing external environment to profound changes:

1.1 Markets as the Global Market

E-commerce through the network, due to the networks nature of interconnection and open, time continuity strengthen spatial distance shortened, economic activities growing out of the borders of restriction (Gao & Wu, 2003), so that the market has rapidly become a global market, this will provide a vast potential market, while the global market requires a marketing means of rapid globalization, name marketing through the network.

1.2 Market Links Reduced

Enterprises traditional sales completed through layers of middlemen, and his e-commerce make enterprises to direct customers, direct transactions through the network. This is achieved 24 hours a day service, and eliminates a lot of the intermediate links. (Wang & Xu, 2003). Due to reduced middle link cause a reduction in marketing costs, thereby reducing the product's final selling price, it not only helps businesses expand sales over the Internet, but also for the benefit of consumers.

1.3 Changes in the Trade and Means of Payment

Under the environment of e-commerce, Enterprise direct sales over the network, then you can pay with electronic money, both for State-issued money saving investment and expenditure, for customers to order goods and payment savings more cost than other business models, and achieved the practice of non-paper and cash-free payment process, greatly facilitates the transaction.

1.4 Increased On Dissemination of Information and Communication Channels

Network is different from traditional newspapers of text-only communication, is different from audio-only radio, is also different from television that only spread for video transmission, it is the combination of three organic unity, and, it is a kind of multimedia information transmission mode. (Niu, 2005). The spread effect is unmatched by traditional communication tools. Communication is a two-way communication of information under the environment of e-commerce, information dissemination of information sources to the audience, and feedback of the audience to the information sources, thereby changing the one-way mode of information dissemination. (Ren, 2006). In addition, online communication can not only one to one interactive, and can be numerous to numerous. Visible, as a business tool or platform of e-commerce, providing the unmatched advantages for marketing communications of a large number of people.

2. Changes of Consumer and Consumer Behavior

E-commerce not only affect the marketing environment, but also impact on enterprise's target market. The effect specific embodiment on consumers and their behavior changes. Different

historical and cultural environment, particular different media environment in which consumption of different age groups. Popularity of television had a so-called "image of a generation", (Cai & Huang, 2002), the rise of the Internet created a new communication media, which popular produced of third --generation consumer, also known as consumers in the Internet age, or "N(net) era" consumers, or "e-man". Needless to say, the "e-man" is the target market of enterprises in e-commerce. This is different from a target market for any time in the past. "e-man" has a number of different from the characteristics of the consumers in the past, at the same time they also take something completely behaviour different from the previous consumer.

2.1 New Features for Consumers under the Network Environment

Under the Network environment of consumer pursuit and easy to accept novelty of thought and things; requirements active participation new products development and research, and entered factory and marketing sector, became cooperator who has help on enterprise, this is most highlight of features of 21st century consumer; (Li & Liu, 2003) they like publicity personality, requirements each pieces products are to under they personal hobby and needs made; requirements optimal price within of global range; various search engine also let they became information more full of consumer.

2.2 Changes in Consumer Behavior under the Network Environment

Under network environment of various search engine let "e human" without out home can do "shop around", they often large range of for select and comparison, to by purchase of merchandise price lowest, and quality best, and most has personality, makes businesses to get profit by in league means probability almost for zero; if market products cannot meet its needs, they will active to express themselves idea to manufacturers, consciously or no consciously to participate in the enterprise of new products development activities, this is different with the consumer passive acceptance product in the past (Zhang&Cui, 2007); consumers through the network to meet their individual needs, which enables companies to identify their real target market--active to search for information on the Internet, and enterprises avoiding to take traditional public as its target market promotions as a result of the loss.

3. Changes of Marketing Concept

Changes in marketing environment and consumer behavior will inevitably lead to changes of marketing concepts. Traditional marketing ideas for useful oneself as purposes, around the purpose, concept of enterprise marketing experience four stages of production ideas, promotion ideas, marketing ideas and concepts of social marketing. (Zang & Zeng, 2003) Emergence and development of e-commerce has broken geographical segmentation, reduced flow time, reduced handling costs of transport logistics, capital flow and information flow, so that production and consumption more closely connected, and when consumer spending, showed clear "personalization" feature. In this context of this year, enterprises can only "customer" oriented; "customer satisfaction" became the most important indicators of enterprise development. (Wei& Lu, 2003). If Companies can respond quickly to customer

demands change, determines that enterprises survival and development in the fierce competition market.

E-commerce is not only a new technology for enterprises; it is a new concept of operations and management. To this end, companies must adapt to this change, revolution to the marketing concept. (Wang, 2000)Take the traditional marketing concepts only individuals best to steer the overall best ideas, specific form of marketing is the process of producers, managers, consumers, Government and the community can benefit , the core of which is "people-oriented, respect for people, caring, convenient, empathy, sincere in helping customers". Enterprises with the idea of developing a marketing strategy will be integrated taking into account different interests, focus on the customer, better recognize and grasp the market opportunity, stand in an invincible position under the environment of e-commerce .(Zhang,2001)

4. Changes of Marketing Management

E-commerce of produced and development led to changes of enterprise marketing concept, and led enterprise marketing of gravity by "promoting products" change for "meet customer needs"; by "to products for center" steering "to customer for center"; This led to enterprise marketing management of gravity by traditional of "4P", is product, price, place and promotion change for "4C", is customer, and cost, and Convenience, communication. (Wang, 2000)From "4P" show, first, e-commerce makes marketing products occurs changes, through network marketing can provides all products with digital and information or service project, by large sales products steering custom sales products, steering personalized of "one-to-one" network integration marketing; second, e-commerce due to on market supply and demand has powerful of match ability and market information full open, price became clear between competitors, cause price competition fierce between enterprises , this made more higher requirements on enterprise of price policy ; Third, e-commerce has changed the traditional alternate mode through network direct sales, realize zero inventory, efficient operation with no distributor.

The middlemen in the traditional sense will not be able to survive if unable to provide value added service to the user, simple trading company will not exist, the marketing channels will tend to flatten; last, e-commerce made marketing has added a whole new , effects better of advertising and public relations tools, namely enterprise implement advertising and public relations on Internet . (Wang& Xu, 2002).Large of TV advertising will disappeared from screen ,advertising of newspaper and magazine also will reduced, advertising of magazine and newspaper on the Internet becoming fashion; in addition, because of market segmentation directly face to individual, may will appears for customer making of personal advertising, this advertising not only acts as a communication media, also will caused audience intends to search advertising, in some situation , "they even spend money to see these advertising".

From "4C" show : first, e-commerce has overcome geographical limited which customer in traditional marketing due to limit of time and space, makes its customer throughout global; second, e-commerce as trading means of using due to directly trading and trading links

reduced and makes trading costs was reduced, makes consumer directly to get benefit; (Zhang & Cui, 2007) also makes enterprise more effective to control inventory, reduced even cancel inventory, to can reduced inventory occupied funds of cost, greatly reduced enterprise cost, and reduced consumer burden; Third, online sales, online purchasing, trading electronic is undoubtedly much easier to businesses, to facilitate the consumer; Forth, marketing results was constricted by the level of business and customer communication, and e-commerce created good conditions ,of effective and efficient communication between the two sides.

E-commerce by a fast and convenient way, supply whole-day information on companies and their products and services of our clients require, and interactively without geographical limits. (Liu, 2003) As in traditional marketing activities to get user feedback of information need to take a lot of talent and resources, in the era of e-business, as long as sends an e-mail message to the user in the database, or to add a "Mail to" button or link on the product page, users can very easily feedback their opinions and thoughts to sellers. As can be seen: only in the environment of e-commerce, will achieve "customer-centric", really make the people-oriented, respect for people, caring, convenient, helps customers in good faith, ultimately that enterprises in the fierce competition for survival and development.

5. Changes of Technical Support Means

The rapid development of information technology opened up broad prospects for marketing management concept of popularization and application. Customer relationship management (CRM) as marketing of technology support means, collection today newest information technology, including: Internet and e-commerce, and multimedia technology, (Li & Liu,2003) and data warehouse and data mining, and expert system and artificial intelligence and so on, also including two area content of customer care and customer satisfaction , its basic function including customer management, and contactor management, and time management, and potential customer management, and sales management, marketing management, telemarketing, customer service, even including call centers, partner relationship management, business intelligence, knowledge management, e-commerce and so on. (Zhang, 2004) Because of focus on customer care can significantly enhanced effect of services, to more benefits for the enterprise, so customer care across all aspects of marketing. Customer care include the following areas: customer service (including providing products information and services suggestions to customers, etc), quality (should comply with the relevant standards, suitable for use by customers, ensuring safe and reliable), quality of service (refer to the customer's experience in the process of customer contacts with enterprises), service after sales (including after sales enquirer and complaints, as well as maintenance and repair). (Wei& Lu, 2003) the greatest significance to customer care actual marketing of four variables is: products and services (this is at the core of customer care), communication, sales incentives, and public relations. CRM software of customer care module fully included the relevant marketing variables, makes this very abstract problems about customer care can be measured through related to a series of indicators, easy enterprise adjust to customer care strategy, making customers has more high loyalty to the enterprise.

Customer satisfaction refers to the customer through comparison the perceptual effects of a

product or service and expectations, formation the feeling of pleasure or disappointment. The enterprises continue to pursue higher customer satisfaction, because once the general satisfaction of customers find better or cheaper products, will soon replace the product vendor. (Jiang, 2004) Only those who are highly satisfied customers will not change providers. High customer satisfaction and pleasure to create a product brand of emotional resonance, rather than a rational preference, it is this resonates with due satisfaction and create a high degree of loyalty of customers to brand. Therefore, enterprises must strengthen the close contact with customers and increase customer loyalty. It is important to focus on customer turnover in the process of Improving customer loyalty, and take measures to effectively reduce the wastage rate. Attracting a new customer costs roughly the cost of maintaining an existing customer 5 times. (Lu, 2001). Takes more effort and expense to advise those satisfied customers go to the enterprise from their suppliers. Related studies indicates: If an enterprise reduces 5% customers loss ratio, its profits will be able to increase the 25-85%. Therefore, in the first place ,customer relationship management promoted to keep existing customers, to achieve existing customers repeat purchases is pursuing the primary objective. Followed by opening up new markets and attract new customers. (Liu, 2002) The CRM software absorbed by market research results on customer satisfaction, and to quantify them into indicators for measurement and evaluation. Enables enterprises to easily check customer satisfaction, for effective decision making. This marketing idea of establishing requirements companies must conduct customer relationship management.

So, customer relationship management (CRM) as market marketing of technology support means, its application will make enterprise can effectively implement customer care, improve customer satisfaction rate, (Zhang & Cui, 2007) and implementation on many retailers of directly trading, is by established marketing mode of B to B or B to B/C, elimination of intermediate links in the marketing system, and shortened trading time, reduced trading cost, implementation marketing efficiency.

6. Conclusion

In short, with the acceleration of the process of global economic integration, IT technology development, particularly Internet technologies emergence and wide application, human society from the industrial age entered into the era of e-commerce. E-commerce is "customer-centric" times; it requires enterprise marketing must revolve around "customer-centric". (Niu, 2005) commitment to improve customer satisfaction rate and customer loyalty, reflected on customer care and achieve fast-response to the clients' individual demand of enterprise is the most dynamic enterprises in this era, it is the most promising enterprises. Therefore, enterprise promoting e-commerce can effectively improve decision level, and efficiency and enterprise of fast reaction ability to market, to reduce products cost, to promote market sales, to improve enterprise internal management, optimization enterprise supply chain and sales chain, turn significantly to improve surplus, especially in current economic globalization environment, Chinese enterprises are facing international and domestic market of fierce competition, only promoting enterprise' e-commerce of construction, improve enterprise of integrated strength and market competitiveness, it can be in a good position in the fierce market competition. E-commerce

will also promote of Chinese enterprise management innovation and achieve modern enterprise management, and will promote enterprise's core competitiveness.

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