

Comparative Study of E-commerce and Traditional Business Benefits from the Perspective of Logistics and Supply Chain

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Abstract: In order to promote the popularization and development of e-commerce in China, through the comparative study of the basic characteristics, competition principles, business philosophy, organizational structure, operation process, marketing, logistics, consumption methods and economic principles of traditional business and e-commerce. To demonstrate that e-commerce has the incomparable superiority of traditional business.

Keywords: E-commerce, Traditional Business, Logistics and Supply Chain

1. INTRODUCTION

Sub-commerce is expected to grow by 400%. E-commerce is a new business model and a new technological economic paradigm that has a profound impact on the economy and life. E-commerce can promote the transformation of production methods in enterprises and industries, making it possible for traditional manufacturing industries to achieve user-centered "small batch, multi-variety, zero-inventory" production, enabling retail and wholesale industries to use online shopping without physical stores. The model enables the traditional service industry to provide new differentiated and customized service methods; improve the resource allocation model, reduce the cost of economic activities, and improve the efficiency of economic operations. At the same time, e-commerce changes people's working methods, living styles, travel modes and consumption patterns through changes in business models, allowing more people to work from home, shop at home, and have more personal time that can be flexibly controlled.

2. COMPARISON OF BASIC CHARACTERISTICS OF TRADITIONAL BUSINESS AND E-COMMERCE

Compared with traditional business, e-commerce has the following basic characteristics: 1. Fairness. In e-commerce, all companies are on the same starting line. In a sense, the smaller the company, the more opportunities it benefits from the network, because the Internet allows them to overcome capital, talent, and geographic constraints. 2, virtuality. Because the interconnection has changed the traditional concept of space, there has been a virtual space or virtual society different from the actual geographical space.

3, fast. Because of the interconnection, economic activities have been characterized by rapid operation. Thanks to the interconnection, you can quickly search for any information you need and respond instantly to the market. 4, global. Because of the interconnection, beyond the limits of national boundaries and regions, the economic activities of the entire world are closely linked. The rapid flow of information, money, goods and services has greatly contributed to the process of world economic integration.

In e-commerce, companies must adapt to changes in the environment and adopt new competition principles in order to win in the fierce competition. 1. Personal market principle: In traditional business, mass production and mass sales are usually targeted at all customers. In e-commerce, you can use computers and networks to adapt to your individual needs and provide targeted low-cost, high-quality products or services. 2. Adaptability principle: Due to the existence of interconnectedness, market competition is carried out on a global scale, and the market is showing rapid changes. The company's products can adapt to the changing personal needs of consumers. The company's behavior must adapt to the rapid changes in the market. The organization of the company should be flexible and adaptable to the changes in the market. 3, the value chain principle: a product production and operation will have multiple links, each link may increase value, we call it the whole value chain. Companies should not only focus on the value added of a branch of the value chain, but should focus on the integration of the value chain and focus on value-added across the value chain. 4. The principle of specificity: mining the personal market and then targeting a specific type of customer in the market. Companies must first identify representative personal habits, preferences, and tastes to produce products that meet individual needs. The company then finds a large number of potential customers of the same type, treating them as an independent group and selling them to them. 5, the principle of mainstreaming: the practice of giving the first generation of products in order to win the largest share of the market is called the mainstreaming principle. Despite the high cost of initial digital products and infrastructure, the cost of continuing to expand is small, resulting in new economies of scale.

3. FEATURES OF SUPPLY CHAIN MANAGEMENT UNDER E-COMMERCE

The well-informed message is an important condition for modern enterprises to achieve sustainable and healthy development in market management. Only by fully grasping the changes in user needs and the information of competitors can we know ourselves and ourselves. In order to achieve information sharing in the supply chain system, it is necessary to apply information technology well, so that the supply of information in the whole system is more accurate, timely, and efficient, and the performance of the supply chain can be better improved. Therefore, as a company, the construction of the information platform of the supply chain, such as electronic data exchange, database, bar code, electronic ordering system and other information exchange technology and network technology, to build a complete supply chain integration system become more and more important.

In the past, enterprises have adopted a vertically integrated approach to achieve control. They believe that this can better integrate resources, but the vertical integration of business areas is too complex and too bloated in management organizations. Disadvantages, resulting in increased costs and higher risks. Therefore, the idea of horizontally integrated supply chain management came into being. The main mode is to use some external resources to actively respond to the needs of the market, so that enterprises can seize the direction of market and product development. The formation of such a system allows suppliers, manufacturers and distributors to penetrate all corporate links. Modern information technology has played a very important role in integrating business processes and transformations, enabling a partnership of customers and suppliers to establish a business partnership.

Under the influence of market competition globalization, it is very difficult for enterprises to adjust themselves by their own strength. Therefore, the enterprise's agile manufacturing model was proposed by the United States in the last century. This model is in dynamic alliances and virtual enterprises. This model is replaced by distributed, fully autonomous collaborative work to replace the previous collaborative pyramidal management structure, paying more attention to the creative play of people. The main feature is to emphasize the openness of information and the sharing of information.

4. COMPARISON OF TRADITIONAL BUSINESS AND E-COMMERCE OPERATIONS

Compared with traditional business, the operation process of e-commerce is virtualized and convenient. The specifics are as follows: 1. Preparation before the transaction. In the e-commerce marketing model, the

supply and demand sides of the transaction are completed on the website and the homepage, and the communication of the two parties has the characteristics of fast and high efficiency. 2. Trade consultation process. The paper documents are transformed into electronic records, files and messages on the network with the support of the network and the system, and the data exchange protocol guarantees the correctness, security and fastness of the network information transmission. Features. 3. Contract and execution. The functions of the network protocol and the e-commerce application system in the e-commerce environment ensure the correctness and reliability of all the trade consultation documents of both parties to the transaction, and have legal effects in the case of third-party authorization, which can be used as a dispute in the execution process. Arbitration basis. 4. the payment process. The payment of funds in e-commerce transactions is carried out in the form of credit card, electronic check, electronic cash and electronic wallet. Comparison of traditional business and e-commerce marketing E-commerce network marketing has undergone tremendous changes compared to traditional business marketing. Mainly in the following aspects: 1, the difference in marketing strategy. Traditional marketing is the key content of business operation with products, prices, channels and promotions. Network marketing is based on the needs of customers, the cost of meeting demand, convenient purchase and enhanced communication. Traditional marketing mainly chooses a bustling location to build stores and recruits a group of waiters. Network marketing requires only one computer room, several servers and a small number of marketers and website maintenance personnel. 3. Differences in the form of competition. Traditional marketing is a face-to-face competition between vendors in real space. The rules of the game are that big fish eat small fish. Internet marketing enters the real space such as enterprises and families through the virtual space of the network. The game rules are fast fish eating slowly. fish. 4. Differences in promotional methods. Traditional marketing mainly involves one-way product advertising on TV, radio, newspapers, magazines or billboards. Network marketing mainly uses two-way communication to organically integrate advertising, consulting, technical guidance and orders. The traditional business logistics distribution is extremely cumbersome. A large number of people are engaged in simple repetitive labor. People are slaves to machines and statements. E-commerce logistics and distribution distributes these mechanical tasks to computers and networks, fully embodying informationization, modernization and The basic characteristics of socialization; the traditional business logistics distribution process is composed of multiple business processes, influenced by human factors and time, e-commerce logistics and

distribution can realize real-time monitoring and real-time decision-making of the whole process; traditional business logistics In the distribution management, due to the limitation of information exchange, the completion of a distribution process takes a long time. The information and resources of e-commerce logistics and distribution will be transmitted to the relevant links in a few seconds through network management; the traditional business logistics distribution enterprises need a large area. The warehouse, and the virtual enterprise of the e-commerce system network, connects the warehouses of different owners in different places through the network system, making it a virtual warehouse, and performing unified management and deployment, and the service radius and cargo distribution space are enlarged. In this way, enterprises are incomparable in traditional logistics and distribution in terms of the speed, scale, efficiency and rational allocation of resources.

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demand; supply is reduced, prices are rising, resulting in reduced demand. Traditional business believes that as the amount of consumption increases, the level of satisfaction that a unit of goods or services will bring to people will gradually decline. In e-commerce, the more consumers eat, the stronger their appetite. For example, once a user of Microsoft uses the company's products, they are reluctant to learn to use other systems and continue to purchase new versions of the original system, which is increasingly dependent on their products. There is an increasing law of marginal utility. Traditional business believes that there is economy of scale in production. The scale of the enterprise should not be too large or too small, and each industry has an appropriate scale to minimize the average cost. In e-commerce, the law of increasing returns to scale plays a role, that is, as the scale of enterprises expands, the average cost shows a trend of decreasing. The traditional economic cycle theory and Phillips curve involved in traditional business are outdated. The network economic theory involved in e-commerce can improve labor productivity, prosper the economy, create new industries and increase new employment opportunities. It can achieve high-speed economic growth, low unemployment rate, and low currency rate. 5, learning. In e-commerce, it is an economic model that uses information to add value. Value added can generate more information, and more information can be further added. This special cycle of collecting information is called learning. Learning is a core part of the positive feedback mechanism. In industries with rapid learning such as communications and computers, economies of scale can be transformed into quality.

5. CONCLUSION

The application of e-commerce in supply chain management effectively compensates for the defects of traditional supply chain management, so that the management of supply chain is no longer limited to the internal management of enterprises, but can play a corresponding role for customers and suppliers, even For the customer's customer, the supplier's partner, establish a cross-enterprise collaboration that covers product design, forecasting requirements, external assistance and purchase, storage, manufacturing, distribution, and overall process of customer service.

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