E-Commerce Strategy in Enterprises

Enterprises are the main body of economic activities. By this analogy, enterprises are the main body of e-commerce for certain. Without the participation of enterprises, a national e-commerce strategy would only be discarded even if it is the best.

As one kind of business activity through electronic communication, e-commerce has brought many kinds of advantages to the development of enterprises. From a transaction perspective, it not only improves the efficiency of business activities but also reduces the cost. From a management perspective, e-commerce strengthens the cooperation with enterprises as well as providing new business models and opportunities. E-commerce is a trend now. In the new market environment, enterprises are facing new opportunities and challenges. If enterprises fail to adapt to change, it is impossible for them to survive. “Many have argued that the Internet renders strategy obsolete. In reality, the opposite is true. Because the Internet tends to weaken industrial profitability without providing proprietary operational advantages, it is more important than ever for companies to distinguish themselves through strategy. The winners will be those that view the Internet as a complement to, not a cannibal of, traditional ways of competing.” Michael E. Porter (2010) emphasized\[1\].

In e-commerce times, traditional enterprises should restructure themselves and adopt proper e-commerce strategies or else be knocked out. In this respect, there are some typical examples such as GE, IBM, and Haier, etc. Besides, e-commerce has prompted enterprises with new business models, represented by Google and Taobao. No matter the former or the latter, all of them have make a good use of the Internet, make positive innovations to improve efficiency and have strengthened worldwide cooperation with efficient management mechanisms.

Since the Internet and e-commerce have a great impact on business practices and tend to change several industrial structures, enterprises and companies have no more choice. How to formulate an excellent e-commerce strategy and how to practice the strategy becomes the highlight of every company.

E-commerce aims at improving competitiveness, management power and technological innovation. When enterprises formulate e-commerce strategy, they should pay much attention to the product and the market. Firstly, the core of
business activities is the product, including real products and the virtual ones, like services. Owning efficient and advanced product policies contributes a lot. Especially in an age of fast information spread and advanced logistics, products can be distributed to segments in a short time. If the analysis of the product is not correct, it is possible to cause a disaster through the chain effect. Secondly, analyzing the market is also important. E-commerce has expanded the scope for sales and renewal, but also has increased the competition and the uncertainty of one product. Once a product comes out, people will rapidly become familiar with it through e-commerce and copy it. Due to the homogeneity of the network environment, the similarity among products obviously increases. Only with proper market analysis, can enterprises make a difference.

When it comes to the implementation of e-commerce strategy, enterprises should make a maximum utilization of various high-quality resources including finance, technology, equipment and humans, to highlight the strategic core. During this process, how to optimize the resource allocation and how to apply e-commerce technically are all determined by the recognition of the resources. So enterprises should cultivate a great number of e-commerce professionals. But we should remember that any technology is just a tool. Only when it is tightly connected with the business and operation will the advantages of e-commerce be represented.

Although the above common points exist, e-commerce strategy still differs according to industrial properties and enterprises’ characteristics. Details of typical enterprises adopting e-commerce well will be presented in the following sections.

4.1 IBM: Are You Ready for E-Commerce?

International Business Machines (IBM), nicknamed “Big Blue”, is a multinational computer, technology and IT consulting corporation headquartered in Armonk, New York, United States[2]. IBM manufactures and sells computer hardware and software, and offers IT services, application services, outsourcing services, consulting services and training services in areas ranging from mainframe computers to nanotechnology. With over 426,000 employees worldwide, IBM is the largest (by market capitalization)[3] and the most profitable[4] software & services company around the world according to The Forbes 2000 with sales of more than 109 billion US dollars. To take social responsibility, IBM’s Corporate Service Corps (CSC) has sent over 1,400 IBMers from 50 countries to more than 20 emerging markets[5] delivering high quality problem solving for communities and organizations since its launch in 2008.