



## **Internet+ and Electronic Business in China: Innovation and Applications**

Theoretical Foundation of E-Commerce

### **Article information:**

**To cite this document:** "Theoretical Foundation of E-Commerce" *In* Internet+ and Electronic Business in China: Innovation and Applications. Published online: 21 Dec 2017; 1-2.

Permanent link to this document:

<https://doi.org/10.1108/978-1-78743-115-720171023>

Downloaded on: 27 February 2018, At: 18:13 (PT)

References: this document contains references to 0 other documents.

To copy this document: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)

The fulltext of this document has been downloaded 1 times since 2017\*

Access to this document was granted through an Emerald subscription provided by emerald-srm:353605 []

### **For Authors**

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit [www.emeraldinsight.com/authors](http://www.emeraldinsight.com/authors) for more information.

### **About Emerald [www.emeraldinsight.com](http://www.emeraldinsight.com)**

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

\*Related content and download information correct at time of download.

# PART I

## THEORETICAL FOUNDATION OF E-COMMERCE

Time flies. It is now the 17th year since 1999, the year China's e-commerce was born. In the spring of that same year, Yun Ma set up the Alibaba e-commerce website at a lakeside garden in Hangzhou's suburb. In the May of 1999, China's first B2C website selling software books, 8848 went online as operated by LaoRong or Juntao Wang. In the June of 1999, four travel enthusiasts from different industries, namely Nanpeng Shen, Jianzhang Liang, Qi Ji, and Min Fan created Ctrip to provide online ticketing and hotel reservation services. In the August of the same year, Yibo Shao and his alumni from Harvard established Eachnet, China's first C2C e-commerce network. By the November of 1999, Guoqing Li and his wife Yu Yu, who had both worked in the publishing business for about 10 years, set up China's first online bookstore, Dangdang. Starting from this year, e-commerce entrepreneurship began to surge and roll, changing people's living and consuming habits along the way.<sup>1</sup>

First, e-commerce has changed the way business is done. A typical scenario in traditional business activities is that a salesperson is "constantly on the move trying to break deals," while consumers get exhausted looking for commodities they need. In contrast, people now get serviced online by surfing online stores and purchasing all kinds of products via the internet. Businesses contact customers and conduct loan transactions utilizing the internet, and governments conveniently conduct electronic bids and make government purchases. Second, e-commerce changes people's consumption habits. The most obvious change in online shopping is the dominant customer. This means that the intention of customers to make purchases has become even more important, and consumers can choose to finish a transaction in an easy and self-serving manner, hence fully embodying the dominant role in online shopping. In addition, e-commerce has changed the production of traditional enterprises. For manufacturing enterprises, consumers' special needs, their individual e-commerce activities, and its social impact, all are presented to manufacturing enterprises via the internet so that an increasing number of businesses are targeting the long-tailed market by producing customized

products for consumers. For service enterprises, customized services covering the full spectrum of customers' life are provided by way of such innovative measures as internet financing, O2O, and localized daily services.<sup>2</sup>

E-commerce has already changed the world. Yet, in this era of the high speed development of the internet, the rapid spread of intelligent terminals, and a revolutionary surge of big data, e-commerce still retains its unlimited potential of vitality and creativity, given its nature of super sensitivity to its time and technology environment. Therefore, the internet plus e-commerce innovations will become a more important driver of national economic development.