

Research on Communication Mechanism and Effect of Social E-Commerce in China

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Abstract

With the popularization of the Internet and the change of residents' consumption concept, e-commerce brings convenience to people's life and work, and network consumption has become a mainstream consumption mode. With the continuous expansion of e-commerce business, social network has become the main mode of Internet economic development with a rapid trend. Social network has abundant customer resources, which continuously influences people's life and work style. The advent of network economy era has an important impact on the development of global e-commerce industry. As a product of the development of the network economy era, electronic commerce, with its unique advantages, has played a decisive role in the form of global economic growth and commodity trading mode. In this paper, through the perspective of social network, the domestic e-commerce industry was actively explored, hoping to provide a theoretical reference for the rapid development of related industries in China.

Keywords: *Socialization; E-Commerce; Development Trend*

1. INTRODUCTION

With the rapid development of social media, "socialization" has become one of the most popular words. Concepts such as social e-commerce, social media marketing and social CRM have sprung up. With the rapid development of major social networking platforms, on the one hand, the characteristics that users of social networking sites are willing to share can produce a huge cross-marketing effect, which makes the advertising benefits on social networking platforms increasingly prominent; on the other hand, there are huge user groups on social platforms, which contain huge business potential, thus making it possible for social e-commerce to develop rapidly.

2. DEFINITION AND CHARACTERISTICS OF SOCIAL E-COMMERCE

Scholars have different opinions on what is social e-commerce [1]. Many scholars believe that social e-commerce is a new form of e-commerce and an extension of e-commerce in social media and social network services [2]. Afrasiabi Rad and Benyoucef (2011) believe that social e-commerce is a special form of e-commerce based on personalized and interactive social relationships [3]. Some scholars believe that social e-commerce is the process of using social media technology to influence users' purchase decisions, focusing on the impact of social media technology on business activities [4]. Marsden (2010) believes that social e-commerce uses social media technology to promote interaction between users and businesses, thereby improving the user's shopping experience [5]. Cecere (2010) also believes that social e-commerce through a variety of social media technologies can optimize and enhance the shopping experience of users, and promote users to purchase desired goods or services through social platforms [6]. Zong Qianjin believes that social e-commerce is a business model to promote and sell products or services by integrating social graph (interaction based on interpersonal relationship) and interest graph (interaction based on information flow) in the context of social media [7].

In a word, in the context of social media, social e-commerce utilizes social media technology to interact with interpersonal relationships and business information flow through social networking sites, social media, network media and other communication channels, and assists the purchase and sale of goods through social interaction, user-

generated content and other means. As shown in Fig.1, social e-commerce is the deep integration of social media and e-commerce [8]. People can find the webpage links of the products they need to buy through social media channels and traditional e-commerce channels, and then conduct further e-commerce activities [9].

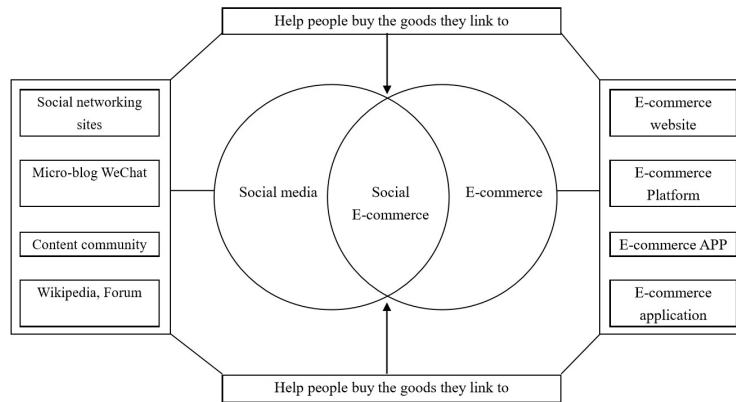


FIG. 1 STRUCTURAL DIAGRAM OF SOCIAL E-COMMERCE

3. COMMUNICATION MECHANISM OF SOCIAL E-COMMERCE

Traditional e-commerce focuses on buying and selling, which is just a simple online listing of products, focusing on marketing products while ignoring the subjective needs of consumers. However, social e-commerce is the product of the integration of traditional e-commerce and social network, which is closer to real life in people's way of activities and interpersonal relationships [10]. The characteristics of social e-commerce have gradually attracted the attention of many experts and scholars.

3.1 Producer and disseminator of information

Traditional e-commerce is that merchants publish information about goods to users one-way, and then users choose whether to buy or not, while the platform of social e-commerce is open to consumers and enterprises, which provides them with a fair and transparent communication platform. Social e-commerce encourages users to participate, contribute, comment and share commodity information, and is free to the public. People can easily convey information to other friends without restriction. Social e-commerce can promote the interaction between users and businesses, users and users, and encourage interested users to actively contribute and feedback content.

3.2 Reducing the time cost of user information search

On the basis of Internet, E-commerce breaks through the traditional concept of time and space, narrows the distance among production, circulation, distribution and consumption, and greatly improves the effective transmission and processing of logistics, capital flow and information flow. However, while traditional e-commerce brings convenience to people's shopping, the amount of information brought to people is also increasing. Commodity information and advertising information are overwhelming, and the information received by users is seriously "overloaded". At this time, some emerging social e-commerce will act as a "guide" to help users filter redundant information, so that consumers can not only filter information based on business information, but also through their friends, and make purchasing decisions accordingly.

3.3 Relation-based information recommendation

The popularity of the Internet and the rapid development of e-commerce have led to the emergence of many types of shopping websites on the network. Generally speaking, as long as they have certain knowledge of computer networks, most people can easily establish their own online stores. However, the low threshold has also caused many online stores' reputation and product quality to be uneven, which has brought consumer trust crisis. The emergence of social e-commerce has effectively alleviated this phenomenon. Therefore, the information recommendation based

on social network relationship improves information trust. According to McKinsey's 2011 China Consumer Survey, Chinese Internet users have a prominent feature that social media has a greater impact on Chinese consumers' purchase decisions than on other countries and regions. When friends or acquaintances recommend products and services on social media, they are also more likely to actually buy them.

4. THE DILEMMA FACED BY THE DEVELOPMENT OF SOCIAL E-COMMERCE

4.1 Overdependence on upstream

In China, Taobao is the lifeline of social e-commerce, 70% of the traffic in the industry is oriented to Taobao. As far as e-commerce industry chain is concerned, the real value of social e-commerce has not been fully demonstrated. Overemphasizing the function of shopping guide and relying too much on the websites and businesses upstream of the industrial chain make the social e-commerce lose its leading position in the industrial chain. Once Taobao is alert and adjusts its income share, social e-commerce will lose a lot.

4.2 Limited market capacity

In addition to relying too much on Taobao, another problem with social e-commerce is that the market is small and homogeneous. At present, social e-commerce in China is mainly concentrated in the vertical areas of clothing skin care, mothers and babies, home and so on, and it can be seen that not all areas are easy to expand. For example, people's demand for IT equipment and book sharing is much lower than clothing. Meilishuo and Mogujie.com mainly faces young women, the category is relatively single, mainly concentrated in clothing and cosmetics, and unit price is not high.

4.3 Over-sharing of information

Although social e-commerce is easier to stimulate users' desire to buy than traditional e-commerce, how to effectively and targeted stimulate users' needs for sharing and recommendation has become the most direct problem faced by social e-commerce. Community-based trading environment improves the number of users sharing, and users are willing to take the initiative to produce content. However, due to the limited ability of social e-commerce to identify information, users share information unevenly, which to a certain extent leads to information explosion and excessive spam.

5. THE FUTURE DEVELOPMENT TREND OF SOCIAL E-COMMERCE

5.1 Achieving good differentiated competition

With the rapid rise of social networking sites and e-commerce, social e-commerce is becoming popular. Whether social e-commerce is social e-commerce or e-commerce social, whether it is interest map or transaction-oriented, there is no final conclusion. However, it is worth noting that different social e-commerce should provide differentiated services to form differentiated positioning, so as to avoid uniformity. Different social e-commerce should form obvious differentiation to gather users to attract popularity. The realization of good differential competition can better satisfy the different needs of consumers and maximize the potential of each sub-market to realize its own value.

5.2 Highlighting the influence of word-of-mouth communication and opinion leaders

The emergence of the Internet has provided great convenience for consumers to obtain information, but also brought an era of information explosion to mankind. The massive growth of various goods and information on the Internet has inevitably increased the psychological and time cost of consumer choice while satisfying consumers' purchase needs. Therefore, in the social e-commerce, through word-of-mouth communication between people in social networks, consumers are encouraged to disseminate more positive information and reduce the dissemination of negative information. Word-of-mouth recommendation between these networks will become a new way of e-commerce marketing. Businessmen can make more profits by attracting potential consumers with the positive recommendation of existing consumers.

5.3 The combination of big data and social e-commerce

The future win-win of social media and business must be based on big data. Massive unstructured data generated in social e-commerce is a typical "big data" system with great commercial value. If the consumer's consumption path is divided into: Demand Mining (before shopping) - Demand Satisfaction (shopping) - Demand Feedback (User Evaluation), then the massive data accumulated by social e-commerce platform undertakes the role of demand mining, mainly for businesses to find new users. The screening of user behavior information by social e-commerce is more accurate, which is helpful for the accurate investment and enlargement of commodity advertisements. With the high efficiency of social network information dissemination, product marketing and promotion can create unprecedented scale and speed of popularization.

6. CONCLUSION

With the rapid development of social media technology and the continuous change of people's consumption concept, the deep integration of social media technology and e-commerce has become a social e-commerce. As a new type of e-commerce model, social e-commerce is becoming popular, attracting more and more attention from enterprises and academia. As a new Internet application, social e-commerce is not only an effective way of information exchange and a disruptive business model, but also a booster to further integrate the virtual world with the real world. We have reason to believe that the future of social e-commerce will develop better and bring users a higher shopping experience.

ACKNOWLEDGEMENTS

Research Topics of Taizhou Science and Technology Association (Grant No.TZKXKT2018); Research on School-level Topics of Jiangsu Agri-animal Husbandry Vocational College (Grant No.NSF201810).

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