

Study on the Challenges and its Countermeasures of Chinese Commercial Industry under Information Age

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ABSTRACT: With the rapid change of the times and change, it appears in the current business model a lot of innovative elements, the use of more high technology, the traditional business model has been challenged. In this case, whether in traditional commercial IT attack to get out, to create a distinctive business model, it has become the current urgent need to think about. It will analyze the traditional business model is facing a crisis, and explore countermeasures.

I. Introduction

For a long time, people's shopping patterns are based on face to face real shopping and have non-face way to shop, but has been stuck in mail-order stage. With the continuous advancement of communication technology, telemarketing, television shopping, fax shopping and other new way of shopping began to appear, however, these electronic shopping there are still a one-way choice when shopping inconvenience, small people select the amount of information can not be two-way exchange, and thus subject to greater restrictions. Thus, the first information age, long-distance trading merely a supplement form, the market trading patterns has been based on a close face to face transactions, which directly affects the commodity participate in the function and status of all sectors from production to distribution.

II. The Current Difficulties Faced by Traditional Business

In the traditional business model, information consumers is generally available to the consumer businesses, consumers do not have the channels and methods to obtain news, so that in the course of business of the business in a more active position. With the extensive application of information technology, people can more easily obtain information from the Internet, so that the original information asymmetry has been changed, the formation of a new information symmetrical situation. Therefore, if the business can not provide symmetric information to consumers, consumers will lose confidence and support, and ultimately reduce consumption.

Traditional Chinese manufacturing labor relatively low, so the cost is highly competitive. But with the advent of the Internet era, large-scale manufacturing were developed gradually toward mass customization, and therefore volume, mass-produced situation may change, each consumer has a corresponding model, and therefore more difficult to produce, the cost of upgrading , requires companies to look for other competitiveness.

Currently, the absolute advantages and position the business has been a challenge to the current business model more consumer-centric, enterprise-centric market ceased to exist. Consumers can

find the products they want on the web, and price controls, in the process of competitive enterprises have ceased to exist. If companies can not recognize that the situation changes and a shift in the market will be eliminated.

Traditional business serve as a link between producers and consumers of the bridge, its existence and development of the industrial age is the inevitable development of market economy. Former Information Age, the traditional business due to the advantages and necessity of its undeniable existence; on the one hand, producers are directly engaged in sales activities faced a lack of financial resources, poor information, lack of profit and efficiency is not high, therefore, commercial enterprises presence can reduce the cost of producers and consumers for the deal; the other hand, commercial companies can match different products according to consumer demand to meet the needs of different levels, reduce information search costs and risks of consumer purchase; the same time the existence of a commercial enterprise can not only reduce the number of transactions contact, and can save a lot of time and manpower, reduce costs and expenses. Practice shows that in the traditional market and producers indirect transactions by commercial enterprises to deal directly with consumers than the cost is lower when, therefore, there is a traditional business can reduce social transaction costs and improve the efficiency of commodity circulation.

Moreover, especially in the development of network technology to bring the impact of IT is twofold, on the one hand offers the possibility to manufacturers and consumers deal directly deprives part of the traditional business of living space; on the other hand must be noted that it but also reduce the operating costs of commercial enterprises, improve the efficiency of their operations in order to better service for manufacturers solve the worries, enabling manufacturers to focus on product research and development and production, and enhance their competitive advantage. Meanwhile, the traditional business through change, the use of network technology or the introduction of e-commerce, to provide better criteria for evaluation and services to consumers, facilitate consumer choice and combination products, but also help customers identify their specific needs, reducing network Shopping risk. Therefore, we can not simply think there is a commercial enterprise increased commodity supply chain and increase the cost of intermediate links, to deny its role and function in the entire supply chain.

III. The Changes in the Model of the Traditional Business

Impact of development of information technology to the traditional commercial is profound, both technological advances, information transmission speed and broad and direct role in the business enterprise information coverage, causing changes in the traditional business management and application of technology, but also the Internet in various social extensive penetration levels, changes in people's way of thinking, behavior, shopping patterns caused changes in the traditional business management concept, mode of operation. The advent of the information age brings both threats and challenges to the traditional business, but also brought new opportunities for development, we must clearly recognize that the traditional business environment in which to re-determine the market positioning, the use of information technology to accelerate the pace of reform, the search for new living space and competitive advantage in the 21st century in order to obtain significant development.

With the use and development of Internet technology, a new way of doing business e-commerce companies have emerged one by one, because it has the incomparable superiority and more and more enterprises widespread attention. At present, 52 percent of global e-commerce companies have undertaken. Under the rise of e-commerce, but also the emergence of a new type of commercial activities one network business. Network business and traditional business, it is a

bridge to connect producers and consumers, also plays to help consumers make buying decisions and meet the demand, help producers grasp merchandise sales, reduce costs of producers to deal with consumers costs and many other features, but the network business and there is a big difference between traditional business and network business is an alternative to traditional business is the development and extension of commercial functions in new areas. Amazon great success obtained show the network business in the network has broad prospects for development. It predicted that the 21st century Internet-based network business will be the largest business area, the network business this business model will become the mainstream of the world, and compete with the traditional business.

Business organization evolution "tell people: commercial enterprises must adapt with changes in the socio-economic environment in order to continue to exist and develop, otherwise it will inevitably be eliminated despite the complexity of the multilevel nature of consumer demand, spending power, decision. the business organization form, format is unique. A new format even then showed its nature, it is impossible to completely replace all forms of the past, but it can cause changes in the status of the different commercial activities in the traditional commercial activities to stagnate or decline, when the introduction of commercial enterprises must have the courage to adapt to the new situation and the new business model format to transform the traditional business model, to try to carry out commercial activities on the network, such as the creation of a virtual retail outlets, combined with the strengths of the network business of business flow and traditional business logistics strengths, comprehensive play the greatest effect.

In the information age, the way traditional business to gain a competitive advantage will be of great change, in the past, the traditional business only focus on internal management, including the management of commodity, financial management, management staff will be able to gain a competitive advantage in the marketplace. Later, as competition intensifies and commercial enterprises and through the development of chain operations, reduce inventory to gain advantage. The information society, to explore the potential of this form of competition alone can not meet the requirements of the competition, commercial enterprises to himself in the entire supply chain of goods consider their position and value re-confirm their competitive advantage.

On the whole supply chain, manufacturers, wholesalers, retailers, the previous state is that we are considering their position, cooperation between them is a highly unstable bargaining and distrust cooperation, the entire chain It is loose and slow response. In this way the product sold by one commodity one one customer, only connected through information technology together to form a complete system of rapid response, reduce costs and inventory consumption, improve the operation speed of the entire supply chain, to achieve the best competition. American scholar Martin believes that competition in the market competition in the 21st century, not the enterprise and between enterprises, but competition in the supply chain and supply chain.

Therefore, the commodity supply chain is actually a profit chain, which uses interest mechanism closely linking participants, so that they misplaced priorities, in close cooperation, a win-win effect of a prosperity. Business enterprises should reshape the competitive advantage lies in the concept of innovation, companies must abandon the past that narrow self-centered concept of interdependence should be a clear understanding that only sincere cooperation, to improve their efficiency through the supply chain to improve overall supply chain efficiency, thereby increasing the interests of consumers, to improve their competitiveness in order to obtain higher profits and greater levels of living space. This requires commercial enterprises improve logistics efficiency and improve service quality efforts, especially in terms of logistics, when online shopping has become the main way to

shop, who in time to deliver the goods in the hands of online shoppers, who will win the competition online Advantage.

Due to speed up social networking, information technology processes, information systems and information resources profoundly impact and changing the traditional way of business management. Network provides a fast and convenient way of communicating with each other to communicate those little exchanges between business people in the past. A company's top leadership may at any time direct knowledge of the lower levels through the network, and the most basic level managers can also directly through the network with the top leadership of the dialogue, so that middle management is not so important. Thus, in the United States proposed a "Cancel middle manager", "enterprise rebuild" slogan. This shows that extensive use of information technology, management more open, democratic, and use for many years traditional business management model will have a strong impact. Traditional organizational structure, a knife} five kinds of the various links of the value chain of the financial people to a certain functional departments to form a longitudinal hierarchical pyramid structure, its decision-making information from the top of the pyramid to the bottom of the longitudinal layer by layer to pass along information communication wavered. Issued and obtain information to make management information not required by the intermediate layer, thereby flattening the organizational structure of the pyramid, forming a flat organizational structure model. Its information transmission is all-round, three-dimensional, any one sector is very convenient to send or receive information. Its organizational structure is flexible, resilient, able to respond quickly to market demand, timely seize the opportunity. This structure also establish a rapid response requirements commodity supply chain proposed in this way, once universal, commercial enterprise management substantive changes occur. Adapt to this change the traditional business only to reborn into a new modern business information society needs.

IV. Conclusion

With the development of information technology and the popularity of the traditional business model has been a great impact, if companies can not immediately change the traditional age of innovation and change, it will not be recognized by consumers, was eliminated by the rapid development of society. I believe that through the new technology of change and transformation, China's traditional business model change will be reborn, Chinese enterprises will also move towards a new business model to enable enterprises to obtain long-term, continuous development.

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