

Original Research Article

Impact of Globalization in Chinese Ecommerce Market

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Abstract: This project is to help the blooming of the knowledge on the entire process of globalization that runs parallelly with the Chinese market implementing a great effort to change the definition of the business market. The project will definitely help understand the value of globalization and the fact that it is behind the tremendous success of the Chinese market in the global and international market.

Keywords: globalization; e-commerce; Chinese market; impact

1. Introduction

China is known for having one of the largest populations. Therefore the productivity main of the country is also high. The country is mostly known for producing different types of products^[1]. It offers the products to its customers at a comparatively low price, and therefore around the world, people buy stuff from China. In current years, e-commerce is helping the Chinese e-commerce market flourish in a positive manner, as this aspect of the business is offering the company with enormous opportunity to grow and gain more customer attention. Therefore, based on the topic background, it can be stated that in the current business scenario, the globalisation is creating a direct impact on the company growth and development especially in the scenario of the E-commerce market.

2. E-Commerce Market in China

According to various reports found online, it can clearly be stated that the online market of China is the fastest-growing markets around the world. The country has around 632 million people who are using the internet in their daily lives, thus making the market of e-commerce of china the largest around the world. Moreover, the GDP rate of 3.2 percent is contributed by China's e-commerce markets. On the other hand, based on a different aspect, it is also quite evident that the technology in China is the fastest-growing, which created an impact on the overall business models as well. Similarly, to reach a global customer value, the organizations of china are using online platforms as their main resource, which provides them with a massive customer range but with minimum expenses.

2.1. Trends in the China Ecommerce Market

In addition to the e-commerce market of China, the market trends have a significant impact on the entire scenario, which is helping the organization to achieve growth and development. Moreover, the trends are further responsible for driving the overall approaches of the e-commerce market in a positive manner. For example, live streaming in online platforms is becoming a massive hit which is helping the companies increase their sales value. Furthermore, the markets are shifting its business from KOL market to the KOC markets, which are helping the organizations gain a direct consumer opinion.

Apart from this, with the help of short videos are playing an important role to gain the attention of the customers in the e-commerce market. Furthermore, the companies are using the recommence in the upcoming

business scenario as well. The delivery processes are aiming to be faster in upcoming years, which will provide an efficient service to the customers. On the other hand, the trend regarding cross-border e-commerce is also changing in current years, which will create a massive impact on the global factor. The group-buying is another important aspect which has the capability of creating long term impact. These are few trends of the Chinese e-commerce market that have the capability of creating a long term and noticeable impact on the global value.



Figure 1. Trends in the China Ecommerce Market (Source: Lin, 2019)

3. Challenges created by Globalization on the Chinese e-commerce market

In recent years, the e-commerce market of China, along with the growth, is facing different issues as well. All of these issues are directly creating an impact on market development, and especially, when the e-commerce market of China went global, the issues became more visible. Few of the issues are discussed in the following:

a) The failed business model of Amazon

In the case of China, Amazon was unable to produce its brand from scratch, which initiated this failed brand value. The company has a strong brand value across the world, but poor leadership in China made the company's downfall more prominent.

b) The failed business model of eBay

Similarly, the business model of eBay is of no use in the Chinese market. The auction model of the company, which is quite famous in the markets of the United States, was never well accepted by the people of China, which further initiated its downfall. China people believe in saving their goods and possessions for future use, which made eBay lost its place in Chinese e-commerce competition.

c) Mobile phones and online purchase

In the case of China and its e-commerce market expansion in the global area is highly associated with the technological differences. The people of china mostly use the mobile phones to buy their needed products however in other parts of the world is still not aware of the mobile technology in this level which creates an impact on the buying ratio as well^[2].

d) Logistics issues

The logistics power of the Chinese e-commerce market is comparatively good compared to other companies. However, due to international shipping and poor infrastructure, customers in many cases have to wait a bit longer to receive their products in their hand.

e) Online Payment issues

In many cases, when buyers bought something from online, they prefer to pay offline or after receiving their products. However, this issue, in many cases, is creating an impact on payment procedures.

f) Trust issues

Building trust with the customers, especially when the business is running online and in another country like China can be a genuine issue, which further creates a long term impact on the growth factor as well^[3].

4. Impacts created by Globalization on the Chinese e-commerce market

In term of the Chinese e-commerce market, it is quite obvious Globalization puts a strong impact on the entire development of the Chinese e-commerce market as well. Globalization is something that changed the entire trading system over the world. Apart from that, Global e-commerce is known as the boon for each and every customer and small businesses that may not have before had any link to global markets. Globalization of ecommerce helps to create an efficient way for all those small businesses of china to get associates easily with the global markets. Most importantly, Globalization puts a deep impact on the economy of the businesses positively. It helps the business to consumer (B2C) global e-commerce is increasing quickly because of the growing profits and enhanced Internet access, the enormous preponderance of e-commerce is business to business (B2B). The entire Chinese small and medium business establishments are getting several positive and significant monetary impacts from the Globalization. On the other hand, Globalization also puts a deep impact on the entire political context of China. Globalization puts a direct impact on the digital economy of China along with its telecommunication infrastructure, which is deeply influenced by state policy and investment. On the other hand, it is also important to note that Globalization is a not a fresh perception; in several other nations, Globalization helps to increase its entire influence and trade across the oceans and continents. That helps to change the traditional business system effectively^[4].

5. Summary

The entire study is mainly focused on the Impacts of Globalization on the Chinese e-commerce market. In modern business culture, the impact of Globalization is increasing day by day, which is further initiates the growth of an organization at a global level as well. It reflects several important factors that associate with the Globalization and put a deep impact on the entire ecommerce of China. The Ecommerce Environment in China is divided into three main segments, such as mobile commerce where buyers buy stuff from mobile browsing. Globalization influences communication of system of china significantly that helps to develop connectivity and the increase of the Internet as a global network has led to a growth of in e-commerce of China by controlling the monetary dealings transaction place over the Internet. The entire study also reflects the main issue of Globalization and e-commerce structure in China can be linked with Amazon's failure. The e-commerce market of China, the market trends has a significant impact on the entire scenario, which is helping the organization to achieve growth and development, so it is quite relevant to state that making the market of e-commerce of china the largest around the world.

About the author

Wenhao (1996-), Chengdu, Sichuan, China, graduated from De Montfort University, UK with a Master's degree in Business Administration.

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