The Review of Strategies for E-Commerce Development in Developing Countries and Economies in Transition

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Abstract: Nowadays, E-Commerce has been developing quickly and it brings great impact on economy of all the countries. What’s more, the influence it brings will be more obvious in the future. In this paper, we discuss the basic condition of E-Commerce in the world, but we focus on the developing countries and economies in transition. First, we analyze it’s a problem. Secondly, we set forth its necessary strategies. At last, we pose the targets that it should achieve. We insist that the E-commerce development in developing countries and economies in transition will have fine perspectives if the government, corporations and all the related people make great effort together.

Key Words: E-Commerce; Strategy; Economies in Transition

The Basic Conditions of E-Commerce Development in the World

Since some corporations, such as HP and IBM, announce that it is “the Year of E-Commerce” in 1998, E-Commerce develops quickly in the world and the sales volume doubles every nine months. Now, the sales volume of E-Commerce is one hundred billion dollars and it expands 262%. In 2003, there will be three hundred and fifty million persons in touch with the Internet and at that time, the sales volume of E-Commerce will be one thousand billion dollars. The rate of increase gets 3206%. And the sales volume is the total of B2C and B2B.

In the past ten years, the economy of America continues to be good, so it offers stable surroundings for the development of E-Commerce. In the world, the economy of Asia has been restored, the competition mechanism of Europe has been resuscitated and more people have the spirit of striving. All of these stimulate the development of E-Commerce. Internet also stimulates the businessman and they are willing to take venture and invest in new product and new technology. But even in the leader country, such as America, the ratio of the sales volume of E-Commerce in GDP is only 0.8% in 1999. The number will be 7% in 2003. Now, all of the countries in the world think highly of E-Commerce and make it as impetus to the development of economy. Even they think E-Commerce has more importance than The Industrial Revolutionary. As follows, we shall give some basic standpoint for the development of E-Commerce in the world.
I America is the leader in the development of E-Commerce.
At present, the use territory and scale of E-Commerce in America is more extensive than other countries. In 1998, the sales volume was seventeen billion dollar and the ratio in the total was 33%. In 2002, the number will be three hundred and twenty-seven billion dollar. It will reduce cost greatly. Outside America, the scale of E-Commerce is limited in other countries. In the world, Japan follows America in the E-Commerce development and it invests three hundred million dollar in E-Commerce. In 1998, the sales volume was sixty hundred million dollar, but it was only one tenth in relation to America.

II Developing Countries and Economies in Transition Develops E-Commerce Quickly
The development of E-Commerce in Developing Countries and Economies in Transition has interested people in IT and business. From 1993 to 1996, only in Asia, the number of web site increase 137%. As statistic states, in 2001, the sales volume in E-Commerce in Asia will be thirty billion dollar. So we know that the development of E-Commerce in Developing Countries and Economies in Transition is greatly promising. Some data show that the sales volume in Developing Countries and Economies in Transition will double every year.

Although America owns the leader status at present, and it’s portion in the world achieve 60%. For the development of other countries, the portion will become 39% in 2004. The sales volume in Europe will expand from thirty-two billion dollar to two thousand and three hundred billion dollar. But Developing Countries and Economies in Transition increase more obviously. Asia, South America, and Africa all increase obviously.

The Main Problem in Developing Countries and Economies in Transition

From 1999, the development of E-Commerce in Developing Countries and Economies in Transition has had great achievement. It has changed from “concept stage” to “actual stage”. The scale and number of web site expand quickly, but it’s creativity is limited.

That is to say, in Developing Countries and Economies in Transition, the beginning of E-Commerce is good and the perspective is also good. But it comes into a key stage presently. The segments of E-Commerce are not mature. As follows, there are some main problems.

I They Have not Gotten the Right Mode for the Development of E-Commerce
If the development of E-Commerce in developed countries is the result that follows
the developments of industry. Then E-Commerce is imported goods in Developing Countries and Economies in Transition. So it is not strange the corporations that are engaged in E-Commerce are all information industry and traditional industry is very limited.

At present, in Developing Countries and Economies in Transition, the main mode is “copy”. Most of the people who are engaged in E-Commerce are younge and their ages are under 35. So they lack enough comprehension for the traditional industrial and the condition of their country. Except minority, most industry of E-Commerce has not found the road to link with traditional industry.

Ⅱ The Social Form of Complete Set Mechanism Restrict the Development of E-Commerce

The basic installation and social environment of Developing Countries and Economies in Transition need integration, standard, and consummation. Corporations need to develop E-Commerce deeply. Some policy, standard and law need be consummated. The information system is not prefect and there are some obstacles in exchanging information for the reason of language. What’s more, the persons of talent are lacked. All of the problems hinder the development of E-Commerce.

Ⅲ The Division of Web Site is More Specialized

The atmosphere of trade turns to try to be practical, and various specialized and vertical web site come into practice. In fact, in the development of E-Commerce, only those web sites that are specialized and fixed position right can be the winner.

The Right Strategies for Developing Countries and Economies in Transition to Develop E-Commerce

Developing Countries and Economies in Transition have done a great deal of deeds in the development of E-Commerce and make great achievement. But in total, it has great gap with the developed countries and now it is in the primary stage. So Developing Countries and Economies in Transition should draft long-term strategies according to their financial resources and national power and to develop their E-Commerce under it’s guidance.

Ⅰ The Strategies for the Development of E-Commerce should be Multiple

Follow the advanced technology in the developed countries. On the basis of introducing advanced technology, Developing Countries and Economies in Transition should develop their own new products and new technology and take initiative innovation, to shorten the gap with the developed countries and make the achievements commercialization, industrial and international.

Ⅱ Employ the Information Technology in all the National Departments

Develop the core function of the information technology to transform the traditional industry and to promote the improvement of technology in all trades. Exploit and use
the information resource to improve the technology content in industry and the ability in innovation.

*** Attach Importance to Person of Talent
Train persons of talent actively in multitude way and spread the information technology knowledge and improve the information consciousness. The persons of talent who master management knowledge and information knowledge are urgently needed.

**** Develop Information Industry through Innovation in Technology, Management and Institution
Carry out the strategies that focus on large companies. But also need to pay attention to the development of small size companies. Organize some large companies through coalition and amalgamation, which include software and hardware. Develop hardware industry on the basis of software industry. It is needed to underline the national product and local product. Government should adjust the product structure according to the need of market both home and abroad.

***** Complex Strategy
Since in the development of region and industry is not balanced in Developing Countries and Economies in Transition, the information basis in traditional trade is weak. Traditional trade and modern trade will exist long-term together. So the strategies must be complex. According to different problems, the strategy is different in different trade.

The Target for the Development of E-Commerce in Developing Countries and Economies in Transition
In Developing Countries and Economies in Transition, they must have some targets to develop E-Commerce. Long-term target and shout-term target must be linked. In different stages, they will have different targets. The last target is to develop E-Commerce in full scale. There are some targets as follows.

I In the main national department, such as foreign trade, finance, banking, industry, agriculture, it is necessary to set up a few typical cases to promote the development in all trades.

II Select 2 or 4 large cities and 5 or 7 middle or small cities to carry out experiments. Develop different E-Commerce model in large, middle or small cities.

III According to the national condition, develop own product to achieve definite market portion, such as 15-20%.

IV Bring out good market circumstance and perfect law. Establish secure protection system.

In addition, there are two aspects that should be paid great attention to.
Respect the aspiration of company.
To develop E-Commerce, government and companies are all very important. The construction of E-Commerce stresses the leading function of company. So it is very important to enhance the enthusiasm of companies.

Develop key technology.
Although there are some gap in the development of E-Commerce in developed countries and Developing Countries and Economies in Transition, some key technology must be owned. And it is very important to control and master some top-secret information technology. Of course, it should be linked with mature technology in developed country. Government should pay attention to it and take some necessary measures.

Conclusion
Through the study of the development of E-Commerce in Developing Countries and Economies in Transition, we can make conclusion as follows.

- The main gap between developed countries and Developing Countries and Economies in Transition in the development of E-Commerce is social circumstance.
- In Developing Countries and Economies in Transition, they are looking for the suitable mode to develop E-Commerce. What’s more, many traditional industries begin to recognize the importance of E-Commerce and attempt to develop E-Commerce.
- It has the basic factors for the development of E-Commerce in Developing Countries and Economies in Transition. It has latent capacity is tremendous and it develops with great speed.

So we can say that the prospects for the development of E-Commerce in Developing Countries and Economies in Transition are good. Government should change its conception and provide necessary help. It should create fair circumstance and develop E-Commerce not only according to its own condition but also keeping up with the international development. We think that only government should enhance its management and control and give right guidance to the industry. It is possible for Developing Countries and Economies in Transition to rise rapidly in the new economy under the effort of social members.

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