

# **The Empirical Study on the Influence of E-Commerce Market Characteristics on Product Innovation**

**Weiguang Guo**

Jiangxi University of Engineering, Xinyu, Jiangxi, China, 338000, China

**Keywords:** E-commerce Market Characteristics, Product Innovation, Influence Study

**Abstract:** Product innovation not only brings economic benefits to enterprises, but also creates more customer value for enterprises. Aiming at the related influence of e-commerce market on product innovation, this paper introduces the characteristics of e-commerce market and explores it on the basis of theory, and then concludes that e-commerce market directly affects product innovation and is related to the direct interests of enterprises.

## **1. Introduction**

The innovation of products helps the e-commerce market to continuously improve and develop, creating a lot of value. However, market updates have become more rapid, and the electronics market has been continually hit, and product innovation has been greatly affected. From the positive side of the analysis, the market's transformation is that it can continue to break through on the basis of innovation, from all aspects to meet the different needs of customers. From a point of view, it also gives electronic companies an understanding of the developments of other peers. In a market with such competitive pressures, they can find new breakthroughs, actively innovate and improve their own strength. Then, the emergence of this phenomenon will have drawbacks. The "disadvantage" is that some enterprises will imitate plagiarism of other companies' products in order to seek the greatest benefits, reduce their product value, and bring crisis to other companies' products. Reduce the value of this type of product. The e-commerce market has a lot of room for development. Every enterprise needs to join the development of the electronic market, expand the market share of the e-commerce market, update product innovation, and better serve the social and economic development. The e-commerce market has a great impact on product innovation. Therefore, in the development of e-commerce enterprises, we must strengthen awareness and improve innovation capabilities.

## **2. E-commerce market characteristics**

Compared with traditional markets, the e-commerce market has its own characteristics. Under the influence of the characteristics of the e-commerce market, all aspects have certain changes. First, e-commerce business performance. E-commerce transactions need to be implemented using e-commerce platforms. In order to standardize the business behavior of enterprises and promote the sound development of e-commerce, the e-commerce platform will assess the performance of enterprises. In other words, the e-commerce platform uses performance appraisal to influence the company's popularity on the platform, and the final result of this performance will also have an impact on the expansion of the enterprise customer base. Such as Taobao. Taobao platform will manage the performance of every Taobao store, and influence the position of Taobao store on the platform with the performance of the company. Once consumers enter the Taobao platform, they will learn about the reputation, products, services and logistics of Taobao. The evaluation of consumers after purchasing goods in Taobao store will have a practical impact on the credit upgrade of Taobao store. In fact, E-commerce platforms such as Jingdong, Paipai.com and Suning Tesco use this model. It can be seen that the final result of corporate performance will show the important characteristics of the e-commerce market. Second, the competitiveness of e-commerce companies. With modern shopping patterns and consumption trends, e-commerce has become a very important

way of consumption. And this type of consumption has had a real impact on people's lives. On the e-commerce platform, the competition among e-commerce companies is, in the final analysis, the competition of comprehensive strength, and can also be said to be the competition of core competitiveness. The comprehensive strengths of e-commerce companies include cost leadership, emerging market mining, marketing innovation, and product innovation. Product innovation is a key factor in the competition of corporate entities. Only product innovation can motivate companies to take the lead in the e-commerce market. Finally, e-commerce market information. Market information covers a wide range of topics, including information consumers need, peer competition information, market share information, and other corporate product information. When e-commerce companies make product innovations, they must use market information as a basis. For e-commerce companies, product innovation must understand how to collect enough information and improve the utilization of such information.

### **3. Competitive strength, innovative products tend to corporate performance**

E-commerce is currently developing rapidly in the international market, and its development prospects are broad, which has become an inevitable trend in the future development of enterprises. According to the statistics of IT research centers of Chinese companies, in 2012, China's network consumption reached 250 million yuan, an increase of 25% over 2011. In 2013, it developed rapidly on the basis of 2012. In particular, the transaction volume of Taobao has exceeded one year in one year. The annual "Double Eleven" has increased the volume of sales, and the sales have also broken the record for one year in one year. The "Double Eleven" sales in 2011. It has reached 100 billion yuan, but it has exceeded 200 billion yuan in 2012, and the growth rate has doubled. This is undoubtedly an economic challenge for traditional commercial buildings, and naturally becomes the trend of future development. Of course, the new innovations of this model have also ushered in new opportunities for major companies and created new opportunities for innovation. Some companies that have been imitated can use the electronic mall to achieve product innovation, quickly seize the market and win sales profits for themselves. Some businesses that lag behind other companies in product innovation can find new opportunities to achieve product innovation while changing market competition. They can change products that meet market demands according to market changes and achieve product innovation. In the traditional market, the intensity of competition will directly affect the product innovation of the enterprise, but in the e-commerce market, the intensity of competition will promote product innovation. Especially in the e-commerce market, once a new product is launched, a company with high customer value will be quickly recognized by the customer and generate purchase behavior. At this time, the competition is relatively small, and obtaining a short monopoly position will result in Higher sales profit and sales volume. At this time, it has already seized a large market share, so there is data on the volume indicating that there will be a large number of imitated products appear after a period of time, but the customer will select the purchased store based on the sales data, still bring a larger The amount of sales. At the same time, it has obtained the recognition of customers, publicized the company and enhanced the visibility of the company. When the competition of products becomes more and more fierce, enterprises will use a variety of innovative means to innovate products and acquire a short-term monopoly position in the market to win more benefits. Therefore, it can be seen that the competition of enterprises will drive the continuous innovation of products, and will continue to increase the visibility of enterprises and create more value for enterprises.

### **4. Product innovation strategy under the characteristics of e-commerce market**

Product innovation encompasses fundamental innovations while encompassing design innovation. Enterprises adopt new science and technology on the basis of original products or change the appearance of products. If you want to measure the strength of enterprise product innovation, you can use the number of innovative products and the speed of innovative products as a benchmark. As far as the e-commerce market is concerned, the faster the product innovation is,

the more beneficial it is to increase the number of product marketing, so as to improve the performance of the company. As far as e-commerce theory is concerned, if e-commerce companies meet the expectations of consumers, they will stimulate consumers' consumption behaviors and generate purchasing desires, thereby improving corporate performance. For e-commerce companies, the standard of product innovation should be the expectations of consumers. Consumer expectations can provide direction for product innovation. In other words, consumers will have a good reputation for e-commerce companies by satisfying their desire to purchase in their purchases. While e-commerce companies have not changed their production costs, the production cost strategy has increased, so that they can obtain a larger consumer base and improve corporate performance and profits.

In the highly competitive e-commerce market, companies can only maintain their market share in the e-commerce market by continuously enhancing the comprehensive strength of e-commerce companies. However, e-commerce companies use e-commerce to carry out trading activities, and the consumer groups they face are very large, diverse, and cover a wide range. In such a situation, there will be some differences in consumer demand between different consumers. Compared to traditional markets, product innovation in the e-commerce market is easier to copy and imitate. However, if the innovative company that has been in the leading position can copy and plagiarize the product, it can use the more innovative ability and mature innovation system to innovate the product again, so that the innovative product always keeps the front end of the e-commerce market. Win a higher profit for the company. In this process, leading e-commerce companies can use sustainable product innovation to maintain their favorable market competitive position. Enterprises that are weak in the e-commerce market can actively innovate bedding and reverse the competition. Product innovation is a very important driving force for companies. As long as it is an economic entity, it should not give up product innovation in market competition, and give due attention to product innovation, and use products as an important means to enhance the competitiveness of enterprises. In addition, under the characteristics of the e-commerce market, e-commerce companies should use dynamic and real-time market information as an important reference basis when making product innovations. Market information includes many aspects, such as product technology, consumer demand, market size, market conditions of other competitors, etc., but the main related to product innovation is product technology, consumer demand, and competitors. In the e-commerce market, it is still necessary to combine theoretical knowledge to learn, tap the data generated by the electronic market, and analyze the data for the market, fully understand the competitiveness of the enterprise, the purchase behavior and consumption attributes of the customer, etc., and exploit these potentials. Information, evaluate the market, tap new products, and adapt to market needs. Market information can help companies gain inspiration for product innovation, improve the unique design and novelty of developing new products, and help companies to develop different design solutions for different market needs, design different products to meet the needs of different market customers. Demand, get more profit. From this point of view, market information plays a major role in the e-commerce market, not only can product innovation, but also the quantity and technology of products can be guaranteed, diversify products and meet the changing needs of different markets.

## **5. Conclusion**

Competition intensity and market information will affect product innovation and directly affect the e-commerce market. Enterprises can process according to the market information data, judge market demand, market competition intensity, product innovation for market demand, seize market share, and obtain more profit space for enterprises. These examples also directly indicate that product innovation has a direct relationship with the e-commerce market, so it is necessary to effectively carry out innovative behavior according to market demand.

## **References**

[1] Lu Xiliang. Analysis of the impact of e-commerce market characteristics on product innovation

- [J]. Economic and Trade Practices, 2016, 12 (1): 456.
- [2] Xiong Yan, Li Jieyi. An Empirical Study of the Impact of Organizational Learning on E-Commerce Market Performance [J]. Journal of Information, 2012, 28(12): 29-33.
- [3] Zheng Chengde, Wang Qian, Liu Wei, et al. Empirical Research on the Influence of E-commerce Market Characteristics on Product Innovation [J]. Management Science, 2014, 16 (6): 90-102.
- [4] Hu Gang, Lu Xianghua, Huang Lihua. Electronic business ecosystem and its evolution path [J]. Economic Management, 2009b(6): 110-116.
- [5] Zhao Jing, Zhu Zhen. Enterprise e-commerce value creation process model [J]. Journal of Management Science, 2010, 13b(12) : 46-60, 75.