

## How to Apply E-commerce in Furniture Enterprises

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**Abstract.** In the modern information society, e-commerce enables furniture enterprises and individuals that master information technology and commercial rules to employ all sorts of electronic tools and network in a systematic way and to engage in all kinds of commercial trade activities that are realized with the electronic mode with high efficiency and low costs. In order to better develop e-commerce, furniture enterprises should make an analysis of demands on e-commerce and define the goal, guarantee of organizations, go on Strategic planning, evaluate its effect.

**Keywords:** Furniture enterprise, E-commerce, Countermeasures

### 1. Introduction

E-commerce is a new mode of commercial activities with the carrier of information network, which conducts commercial activities via globalized internet, combines together the purchasers, sellers, manufacturers and their cooperative partners through internet, intranet and extranet of enterprises, copies all aspects in pre-sale service and after-sale service of enterprises to the network, and, at the time of realizing electronization of corporate management, also reduces operation costs to the largest extent and improves the competitive strength of enterprises. E-commerce is no longer a pure technical issue, but represents a new economic revolution and predicts a new economic growth mode.[1]

### 2. Effects of E-Commerce on Furniture Enterprises

In the modern information society, e-commerce enables furniture enterprises and individuals that master information technology and commercial rules to employ all sorts of electronic tools and network in a systematic way and to engage in all kinds of commercial trade activities that are realized with the electronic mode with high efficiency and low costs. From the perspective of application and functions, e-commerce in furniture enterprises can be classified into three levels or 3S, namely, SHOW, SALE and SERVICE.[2]SHOW is to offer electronic business conditions and that furniture enterprises issue commodities and other information on the internet with the form of a website and make an advertisement on the internet. Through SHOW, the furniture enterprises can set up their own furniture enterprise image, enhance the reputation of the furniture enterprises, publicize their own products and services, look for new trade cooperative partners and offer a lot of new market opportunities for furniture enterprises. SALE is to realize the entire transaction activities in the traditional form with an electronic mode on the internet, such as, online shopping, etc. By means of SALE, furniture enterprises may complete the entire process of the transaction, enlarge the scope of transaction, improve the working efficiency, reduce transaction costs and acquire economic and social benefits. SERVICE refers to all sorts of pre-sale and after-sale services related with commercial activities that are developed on the internet. By means of SERVICE on the internet, furniture enterprises can improve their electronic commercial system, consolidate the former customers, attract new customers, enlarge the business scope of furniture enterprises and obtain more economic benefits

and social benefits. Furniture enterprises may strengthen the connection with suppliers and customers by means of e-commerce network, collect supply information of commodities, enhance the response capacity of furniture enterprises and make use of information superiority to speed up internal circulation of commodities and capital of furniture enterprises. Especially under the circumstance when information and technology is widely popularized, industrial management becomes increasingly perfect and technical achievement transfer is accelerated, furniture enterprises are likely to launch new products into the market faster than large-scale furniture enterprises.

E-commerce compels furniture enterprises to better adapt to changes in the market. Application and manufacturing activities of modern computer network are combined together in production of furniture enterprises, which makes it closer to the demands of the market and which helps to improve agility and adaptability of production of furniture enterprises, combine together products of high quality and low costs with timely delivery and considerate service and consider time and service and quality and cost as the requirements for production of furniture enterprises. E-commerce also changes the competitive condition of furniture enterprises and makes those furniture enterprises which even have inferior strength give full play to its flexible and mobile competitive superiority to a large extent. Although a small furniture enterprise is trivial in terms of power, its influences and marketing power will also be greatly improved through e-commerce, which makes it more likely to adapt to changes in the market and which is helpful for furniture enterprises to broaden the international market.

### **3. The Status Quo of Development of E-Commerce in Furniture Enterprises**

Informatization and internet economy are the foundation for an enterprise to develop its e-commerce.[3] According to “21cbh.com” and “topoint.com.cn”, it is indicated by a survey on informatization of enterprises jointly conducted on the internet, e-commerce is a typical application in enterprise informatization by a large majority of enterprises. From the survey result, it can be found that, there have already been 58% of enterprises that have set up e-commerce websites. An era is approaching in which the enterprises apply the internet in a comprehensive way. However, considering the degree of construction, there is still a great gap between different enterprises in terms of the practical application. For instance, 23% of enterprises are still at a stage of planning for construction and 16% of enterprises are in the process of construction but have not yet put it into practical operation. By contrast, the enterprises that have already developed e-commerce account for only 19% of all the enterprises investigated, but 10% of these enterprises indicate that the effect is still not obvious and there are only 9% of enterprises that have both developed e-commerce and have witnessed an obvious effect. This result shows that development of e-commerce by enterprises in China is still at an initial stage and there are still a lot of problems existing.

In face of the opportunities and challenges brought by the internet economy to the traditional furniture enterprises, it has been generally acknowledged by furniture enterprises about urgency and necessity to develop e-commerce. Furniture enterprises in China are still at an initial stage in terms of resorting to e-commerce to develop trade activities and they are up to expectations in quite a lot of aspects. These furniture enterprises generally have the following predicaments: laggard operation thought, weak technical strength, great pressure in capital and insufficient talents, etc.

### **4. Countermeasures for Application Problems of E-Commerce in Furniture Enterprises**

For the time being, development of e-commerce has been a kind of tendency and the society in the future is necessarily imbued with e-commerce and e-commerce will ultimately change the situation of commerce. [4]New technologies are emerging in endlessly and mobile e-commerce has made its first appearance. Since e-commerce is able to greatly reduce the transactional costs and offer a broad market that furniture enterprises are unlikely to imagine previously, it has, so far, been recognized gradually by a lot of furniture enterprises. How to better develop e-commerce? The author proposes the following several suggestions.

#### **4.1 To make an analysis of demands on e-commerce in furniture enterprises and to define the goal**

Generally speaking, furniture enterprises fall within the scope of producing enterprises. Furniture enterprises need to process the raw materials into consumer goods, which will then get to consumers through the channel of sales. This sort of furniture enterprises are characterized by a small number of stable suppliers for raw materials and a relatively large number of customers group. Thus, we may analyze the problems of electronic commerce, internal informatization of furniture enterprises and electronic commerce of products sales. According to the scale of furniture enterprises and the benefit evaluation of e-commerce system, it is likely to decide whether to use the platform offered by furniture enterprises who offer e-commerce service or to use the self-built e-commerce platform. The e-commerce activities that need to be developed by furniture enterprises include the two types of B2B and B2C. If the furniture enterprises refuse to give up the traditional channel distributors, they may choose to develop B2B e-commerce and there is no need for them to develop B2C. Nevertheless, in order to improve the management efficiency of furniture enterprises, strengthen connection with suppliers and channel distributors and manage accurately the orders, the first thing to do is to develop B2B e-commerce.

#### **4.2 Guarantee of organizations**

After the furniture enterprises analyze and confirm the need and definite goal to develop e-commerce, there should be an organizational agency to help them fulfill the goal of e-commerce. At present, a large majority of furniture enterprises have no e-commerce department and even if the furniture enterprises have an e-commerce department, the department is constituted in the form of medium level managerial personnel in the furniture enterprises. This is unable to adapt to the need of development of e-commerce. E-commerce concerns with all departments of the furniture enterprises and an agency that parallels with other departments is unlikely to realize the requirement of integrating all furniture enterprise resources in the process of e-commerce activities. Thus, in order for furniture enterprises to develop e-commerce, it is necessary for them to set up the position of e-commerce chief inspector that is fully responsible for the overall planning of e-commerce. Considering the operational costs in furniture enterprises, this position can be held as a part time job by the deputy general manager of the furniture enterprises. The deputy general manager is responsible for coordinating the job of e-commerce department and the relationships between the marketing department, procurement department and production management department of furniture enterprises. An e-commerce department can be set up to be responsible for all specific technical and management jobs that have something to do with e-commerce in furniture enterprises.[5]

#### **4.3 Strategic planning**

Furniture enterprises have to have a clear-cut strategic program in the process of developing e-commerce and draw out a definite strategic program on the basis of analyzing the demand, feasibility and goal of e-commerce in furniture enterprises. Implementation of informatization step by step at different stages and according to different procedures may effectively avoid any repeated construction, information island and non-efficiency of e-commerce. Furthermore, it enables furniture enterprises to save twists and turns, make more effective use of e-commerce and informatization software to expand sales of furniture enterprises and enhance the internal management level of furniture enterprises.

#### **4.4 Effect tracking evaluation**

As for development of e-commerce, it is necessary to set up an effect evaluation mechanism. After strategic planning, task decomposition and division, task goals at different stages are determined, while the specific condition of task completion and the actual effects realized should be evaluated in due time. Firstly, the purpose of evaluation is to examine progress of e-commerce work. Secondly, it is to discover problems in time in the process of work that has already been in progress and then propose opinions for improvement in the future. Thirdly, it is to make an accurate statistics on the effects generated by development of e-commerce for convenience of the managerial personnel to make a decision. Fourthly, it is to form a long-term effective supervision and management mechanism for development of e-commerce to facilitate continuous improvement of e-commerce.

### **5. Summaries**

In one word, as a sort of commercial activity that is conducted with the high and new technical means of internet and mobile communication, e-commerce will necessarily become an irresistible development tide in the human society in the future owing to the strong advancement it employs. Only if the furniture enterprises come to full realization of this development tendency and make a positive exploration in developing e-commerce activities, can they not be eliminated in development in the future. Although there are still a lot of problems in developing e-commerce, e-commerce will necessarily become another important impetus for development of furniture enterprises so long as the furniture enterprises have a clear idea in e-commerce, have a clear-cut goal and an appropriate management mode.

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