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e-commence model

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Abstract: In this article, we offer a research on the value creation in customer's angle. Then we make a comparison between e-commence models. The feasibility analysis of SaaS-based B2B2C pattern has also been made. Finally it is concluded that the building of SaaS-based B2B2C e-commence can help enterprises better control their cost, supply products or services, and successfully achieve agile manufacture, quick response and value creation.

Keywords: B2B2C; business model; value creation; SaaS;

1 Introduction

The Internet has changed our lives in a swift and violent way, we depend on the Internet to accept information, rely on the Internet to social contact as well as shopping. Electronic commerce with its convenient, fast, low-cost advantages has changed our shopping habits and contributed to the prosperity of e- commence industry. At present, e-business has sprung up all over the country, but there exist a number of obstacles in the course of its development. As a new business model, B2B2C (Business to Business to Customer) offers more value to customers with the help of SaaS(Software-as-a-service) system.

2 The definition of value creation

At present，the definition of value creation has continued to develop and deepen, while no consistent view has been reached. Understanding customer value is the premise of understanding value creation. Customer value can be illustrated in three value dimensions: basic value dimension, demand value dimension and expected value dimension. And the three dimensions are not only in the product or in the service attribute, but in the customer's psychology and society attribute. [1] The core of value creation is inquiring into value constitution dimension to pass more value to customers in a appropriate way, by exploring new market and creating unprecedented competitive methods, including questioning the current rules and models.[2]

In summary, value creation in e-commence refers to the enterprises through which approach to target customers with value to realize its value orientation. E-commence operators need to understand the premise of value orientation, design suitable product or service to meet the needs of users. Actually two aspects of value creation need to consider: provide what kind of products or services and how to design the products or services.

In order to have a clear understanding of the two aspects, a questionnaire is designed to analysis which aspects bring value to customer. The questionnaires(the questionnaire can be seen in enclosure) are carried out in Guizhou, and get 318 effective pieces of samples. And the sample structure characteristics can be seen in Table 1, from which we get the features of our target customer: ages between 20 to 30, with

good education, average monthly income, and big online shopping consumption. It suggests that e-commence is promising.

Table 1.The characteristics of sample structure.

Statistics of variables	Type	number	percentage
gender	male	235	73.90
	female	83	26.10
Education	High school	33	10.36
	College degree	64	20.13
	University degree	132	41.51
	Master or doctor degree	67	21.07
	others	22	6.92
age	Less than 20	63	19.81
	20----30	127	39.94
	31----40	86	27.04
	41-----50	36	11.32
	More than 50	6	1.89
Monthly income	Less than 2000	87	27.36
	2000----5000	95	29.87
	5000----8000	65	20.44
	More than 8000	71	22.33
Online shopping consumption amount in a year	Less than 600	85	26.73
	600----1200	44	13.84
	1200----1800	65	20.44
	More than 1800	124	38.99

Pleasant purchase experience lies in two main aspects: the website and the service it provides.Value creation in e-commence comes from the website value and service value. According to the results of the questionnaires, the value composition of the above two values can be illustrated in Figure 1 and Figure 2 respectively.
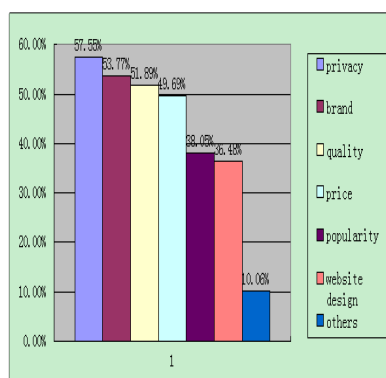

Figure 1. The website value constitutes
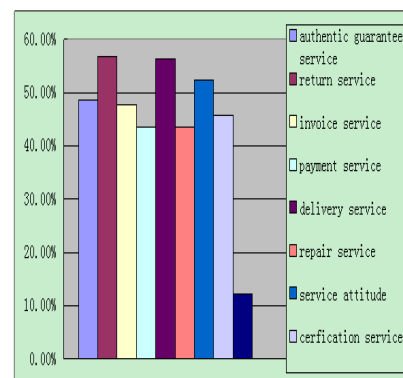
Figure 2. The service value constitutes

Figure 1 suggests that customers are concerned with the product price, brand, quality and attach great importance to their privacy during purchase on the website. Those parts accounts in the competitive websites. According to Figure 2, it is return service, delivery service and service attitude that influence customer's choice.

According to the customer suggestion in the questionnaires, some aspects need to improve in e-commence, the aspects is shown in Figure 3. We can see from it that produce variety, reasonable price and product certification are extremely important in e-commence. And these suggestions give clues to be a successful e-business.
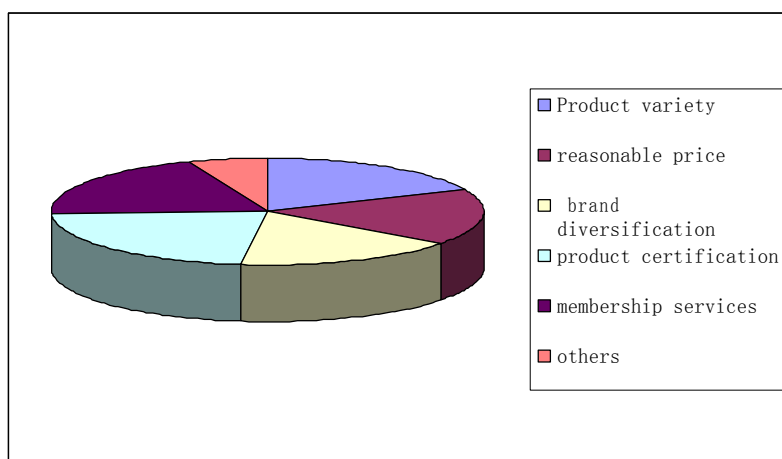
Figure 3. Customer suggestion

3 The comparison of e-commence models

Electronic commerce refers to enterprises achieve operating income through Internet. electronic commerce mode can be summarized as the following five kinds of management modes: B2C (Business to Consumer), B2B (Business to Business), C2C (Consumer to Consumer), C2B (Consumer to Business), B2G (Business to Government)[3]. And the most common ones are B2C, B2B, C2C modes. The comparison between the three common modes and B2B2C is shown in Table 2[4].

Table 2 .The comparison of the e-commence models

| mode	advantage	disadvantage
B2B	Specialization and integration	Lack product innovation
	High credit	Poor data authentication system
	Easy to delivery and settlement	Few customers
B2C	Quality assurance	high distribution cost
	diversified payment method	Heavy origination structure
	Unified and standard service	slow market response
B2B2C	Authentic guarantee	Slow market response
	Wide range of customers	Narrow reception
	Sound logistics	

4 The feasibility of SaaS in B2B2C model

Traditional B2B mode has the shortcomings of lack product innovation, poor data authentication system,

few customers, and B2C has the disadvantages of high distribution cost, heavy origination structure and slow market response[5] .While B2B2C e-commerce mode solves some defects of B2B mode, for enterprises can truly realize the whole e-commerce platform among enterprises, thereby e-businesses can obtain the high-end customers and earn higher profits. At the same time, it also inherits the advantage serving for the terminal customer; thereby B2B2C platform provides the opportunity to directly face the terminal consumer and extends the service scope of B2B model[6].As a consequence, the downstream enterprises and consumers are all included in the scope of customer groups through various product and service design, information flow, capital flow, logistics flow. However, the B2B2C e-commerce mode has the disadvantages of slow response and narrow reception, which should turn to SaaS system to solve the problems.

SaaS reduces software maintenance cost for users, which is a bottleneck for a great number of small and medium-sized enterprises to carry out information technology[7]. The users of SaaS overlap with the customers of B2B e-commerce. Since SaaS is widely used in the manufacturing industry, service industry and circulation industry, which coincided with commerce users centralized in industry. Therefore, SaaS and e-commerce has natural combination.

SaaS combined with e-commerce that is the perfect connection between the enterprise internal information and external transaction information, while selecting B2B2C pattern is the best coupling point to achieve full e-commerce. First of all, from the angle of users, the most pressing users of SaaS and e-commerce are small and medium-sized enterprises, so they have a common user base; secondly, in the aspect of efficiency, it can make the information stream flows smoothly, reduce information asymmetry, improve the efficiency of information transmission; again, as to the effect, it can reduce the operating cost, improve business performance; finally, as to the novelty, they respectively are today's most cutting-edge information technology service models and business operation mode, and each of them has broad development space. Therefore, the application of this model is a kind of mode innovation, which can be illustrated in Figure 4[8].
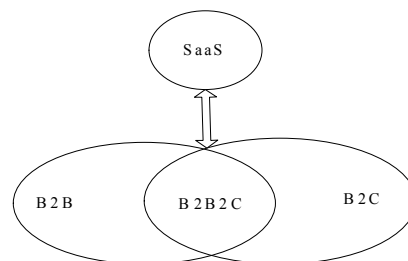
**Figure 4. SaaS-based system in B2B2C e-commence model**

Then LFA(logical framework approach) is adopted to figure out the feasibility of the model that B2B2C e-business model in SaaS system. The logical framework model of this model can be illustrated in Table 3[9].

Table 3. The logical framework model

Level description	Objective verifiable indicators	Verifiable approach	important external conditions
target	Target indicators	Monitoring and supervision	Main conditions to achieve target
objective	Objective indicators	Monitoring and supervision	Main conditions to achieve objective
output	Output material quantitative index	Monitoring and supervision	Main conditions for output
input	Input material quantitative index	Monitoring and supervision	Main conditions for input

To some extent, applying LFA in the feasibility analysis of SaaS in B2B2C is a process of seeking and

recognizing the essence of the e-business model. The logical analysis can be shown in Figure 5
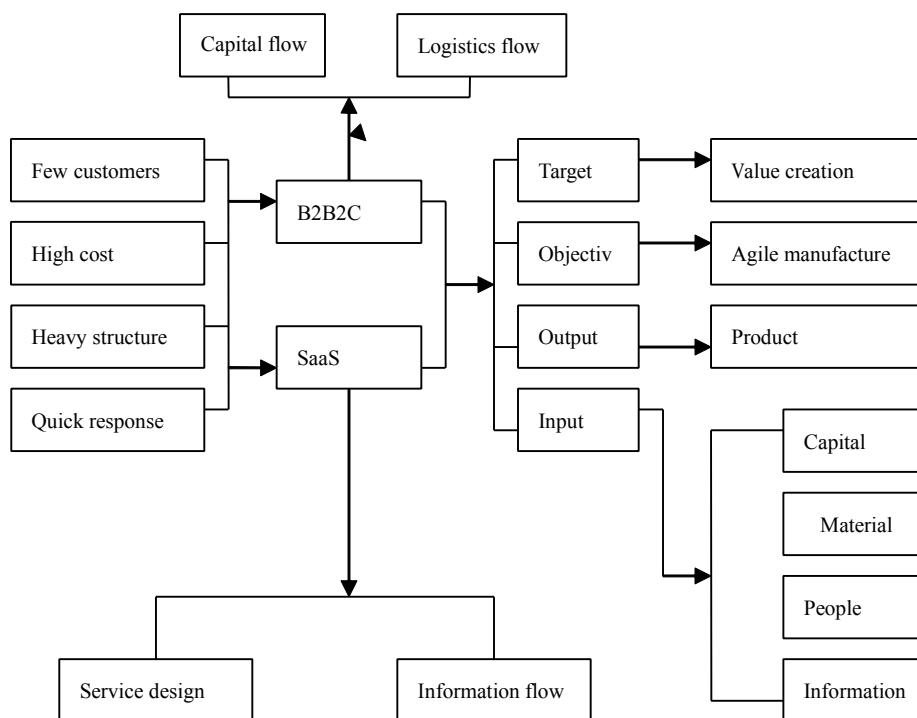
Figure 5. The logical model of SaaS-based in B2B2C e-commence model

In traditional business process, procurement, production, circulation, market are not closely linked, and each department does routine work within their respective program, so it is not likely to quickly response to the market changes and immediately feedback to the production sector, as a result, agile manufacturing can not be achieved.

As SaaS introduced in e-business, market demand through Internet network can rapidly feedback to the production department, then production department can design network purchase plan according to the requirements, implement required production, and sell through the internet network[10]. Every aspect of the information can be rapid feedback to the relevant departments, implement collaborative production, collaborative commerce.

5 Conclusions

The combination of SaaS makes it possible that information flow accurately, quickly, passes through any links of enterprise production and sales operation and closely linked with the market. So that the market, procurement, production, sales, market are in orderly circulation, which are contribute to quick response, agile manufacturing and value creation to customers.

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The questionnaire of Consumers' online shopping habits questionnaire

Dear Madam/Sir: Hello! This is a survey of consumers' online shopping habits, your valuable information is the key to the success of this study, sincerely hope that you answer the following questions carefully, and we will promise to keep your information confidential.

Please choose the appropriate answer.

1. Your gender: A Male B Female

2. Your education degree:A high school Bcollege C university D master or doctor degree E others

3. Your age:A below 20   B20—30   C 30—40   D 40—50   E Above 50

4. Your monthly income: A below 2000 B2000—5000   C 5000—8000   D   Above8000

5. Yearly online shopping consumption amounts(yuan) to: A below 600   B 600-1200 C 1200-1800 D 1800-2400   E   above 2400

6. Which one you concerns most during your online shopping in a website?(multiple choice)   A price B brand   C quality   D popularity   E website design   F others

7. What kind of service you consider during your online shopping in a website?

A authentic guarantee service   B return service C invoice service D payment service   E delivery service F repair service G service attitude H certification service

8. Do you have any suggestion to improve the website service? If any, please write down.