

Research on the Effect of E-Commerce Industrial Development on the Promotion of New Urbanization

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¹**Abstract:** In the Internet era, as a digitized business model, e-commerce with its significant advantages of high efficiency, fast speed and low cost has been developing very rapidly, providing a new development path and development model for traditional trade practices. It has become an important part of modern commercial circulation, having an important position in national economic growth. Therefore, as one of the main directions and forms of commercial circulation's future development, the development of e-commerce industry will definitely become the important factor for influencing new urbanization, having far-reaching impact on its pace and effect of future construction.

Keywords: e-commerce, commercial circulation, new urbanization

1 Introduction

In recent years, e-commerce industry in China has a very favorable momentum of development, in 2011, Chinese e-commerce market transactions amounted to 6 trillion yuan, having a year-on-year increase of 33%; in 2012, Chinese e-commerce market transaction scale amounted to 7.85 trillion yuan, having a year-on-year increase of 30.83%, and in accordance with this datum, e-commerce's proportion of GDP has reached 15% ^[1]. This fully shows that e-commerce has become an important part of modern commercial circulation and occupied an important position in national economy growth. The development of commercial circulation is an important measure to promote new urbanization and economic development has relations with commercial circulation for long, the developments of both are mutually conditioned. As one of the one of the main directions and forms of commercial circulation's future development, the development trend of e-commerce industry will definitely become an important factor for influencing the promotion of new urbanization, having significant impact on the future development pace and construction effect of new urbanization.

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2 Relations between E-commerce Industry and Trade Circulation

E-commerce usually refers to a new business model in which buyers and sellers do various business activities without seeing each other based on browser / server application mode in the open Internet environment among a wide range of commercial trade activities worldwide, achieving consumers' online shopping, merchants' online transactions and online electronic payment as well as various business activities, trading activities, financial activities and related integrated service activities^[2]. Commercial circulation refers to the circulation of commodities and industries providing services for the circulation of commodities, mainly including wholesale and retail trade, catering, and warehousing, and it involves the transportation industry and so on^[3].

Consequently, e-commerce is an important manifestation of commercial circulation.

3 The significant Effect of E-commerce Development on the Promotion of New Urbanization

3.1 Mechanism of Interaction between Commercial Circulation Development and Urbanization

There has been long-time relationship between circulation industry and urban economic development. Urban economy is an organic combination of "city" and "market", and the developments of both are mutually conditioned. "City" is the form, and "market" is the content. Only by establishment on the basis of prosperous commercial exchange activities can a city has vitality and competitiveness^[4].

3.2 E-commerce Industry's Promotion Effect on Regional Economic Development

E-commerce Industry promotes Regional Economic Development. Table 1 shows the e-commerce transaction amounts and their proportions of GDP in some demonstration cities. It can be concluded from analyzing Table 1 that first, e-commerce transaction amount is large and the proportion of GDP is large. From the e-commerce transaction amounts' proportions of GDP in the demonstration cities, it can be seen that the e-commerce transaction amounts in 2010 have the average contribution ratio of 27.96% to regional GDP, indicating that e-commerce has great promotion effect on regional economic and social development; secondly, the scale of e-commerce transactions shows the development condition of enterprises' e-commerce^[5].

Table 1. E-Commerce Transaction Amounts' Proportion of Regional GDP in Some Demonstration Cities in 2010

Demonstration City	E-commerce Transaction Amount	GDP	Proportion (%)
Hang Zhou	4900	5945.82	82.41%
Nan Jing	2400	5010.36	47.90%
Bei Jing	4000	13777.94	29.03%
Ning Bo	1400	5125.80	27.31%
Shang Hai	4250	16874.42	25.19%
Har Bin	623	3665.90	17.00%
Qing Dao	600	5666.19	10.59%
Mean Value	2296.9	8216.42	27.96%

Unit: 100 million yuan

E-commerce Industry Contributes to the Expansion of Consumption. Table 2 is the online shopping situation from 2004 to 2011: online shopping transaction amount has increased from 5.14 billion yuan to 773.56 billion yuan with an average annual increase of 104.7%; online shopping consumption expenditure per capita has increased from 230 yuan to 4,137 yuan with an average annual growth rate of 51.1 %, much higher than that of total consumption expenditure per capita (16.6%); for the online shopping consumption expenditure per capita's proportion of consumption expenditure, this indicator in China in this period has increased from 5.0% to 30.8% with an average annual increase of 29.5%^[7]. The relationship between E-commerce transaction and traditional commodities trading is negatively related relations, competitiveness, and jointly promotion. Under the policy guidance, e-commerce's stimulation of expanding consumption is increasing^[8].

²**Table 2.** 2004-2011 Chinese Online Shopping & Online Consumption Expenditure Per Capital

Index	2004	2005	2006	2007	2008	2009	2010	2011	Average annual growth rate (%)
A. Transaction amount for shopping online (100 million yuan)	51.4	157	263.1	561	1281.8	2630	4610	7735.6	104.7
B. Consumption Expenditure Per Capita for online shopping (Yuan)	230	483	610	1020	1602	2413	3115	4137	51.1
C. Total Consumption Expenditure Per Capita	4577	5138	5813	6736	8169	9374	11525	13451	16.6
D = B/C	5.0	9.4	10.5	15.1	19.6	25.7	27.0	30.8	29.5

² Note: iResearch Consultation Report (2011); *China Statistical Yearbook* (2004-2012)

3.3 Regional Economic Growth is the Necessary Condition for the Promotion of New Urbanization

New urbanization is not only a new growth point of economic and social development in our city but also the starting point to expand domestic demand and improve livelihood projects. The requirements of implementing new urbanization mainly include^[9]:

First, achieve veritable changes from “agricultural to non-agricultural” status;Secondly, people achieving “agricultural to non-agricultural” change have good living and working environment in cities. Thirdly, urbanization should have support from relevant industrial projects.Fourthly, commercial circulation should play the leading role well in promoting the development of production and livelihood.

4 Conclusion

In the process of economic and social development, commercial circulation is an important part as well as the only way to stimulate consumption, stimulate domestic demand, and improve GNP, and adjusting the development model (strategies) of commercial circulation is the requirement of deepening reform and “transfer model, adjust structure, stabilize development, and benefit people’s livelihood” in the new situation as well as the requirement of better playing a leading role, serving life, promoting production and new urbanization. On the other hand, with the continuous improvement of technology and information technology, e-commerce industry has deserved to become an important part and one of the main manifestations of commercial circulation. Therefore the development of e-commerce industry will directly affect new urbanization, and they both have interaction and promote each other. Effective adjustment of industrial development strategies and development models will positively promote new urbanization.

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