

# **ANALYSIS OF BUSINESS TO BUSINESS ELECTRONIC MARKETS IN CHINA: THEORETICAL AND PRACTICAL PERSPECTIVES**

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**Keywords:** Interactive market space view, Interactive e-commerce model, E-commerce process, Business-to-business electronic markets in China, E-commerce strategies and E-market capability.

**Abstract:** In China, electronic markets (e-markets) are in the early stages of development. It has unique characteristics in e-commerce activities and market mechanisms, which relate largely to the current industry structure, financial infrastructure and organization structure. This paper addresses an interactive e-market space view and proposes the interactive e-commerce model for studying e-commerce activities and strategies in e-markets of China. Building on this theoretical insight the model draws attention to the e-commerce process in which buyers and sellers, virtual market manager and its business partners are linked and in which web-based communication and collaboration take place, and to the adopted innovative market mechanisms. The e-commerce process can be modelled by separating main business activities into four phases designed to exploit business opportunities. The model is applied to analyse one successful B2B Exchange in China. It offers an effective approach to studying dynamic structure of transaction and a high performance e-commerce strategy. Our research identifies the four lever of e-market capability. These abilities imply e-market potential to achieving and sustaining a new level of e-commerce strategy performance, and a more competitive position in a rapidly changing B2B electronic market of China.