

# Reflections on the Driven Mechanism of Network Economy on Consumer Economy

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**ABSTRACT:** With the rapid development of information technology and the Internet, and gradually formed a special economic form, the network economy. With the deepening of the network economy, people's consumption patterns are constantly changing. Not only enhance the Network Economy's technology consumer economy, but also effectively refined consumer products division, and reduce consumer goods and consumer goods market mechanisms to improve the cost of the transaction it has a very important role. This paper further explores the mechanisms of promoting the network economy consumer economy, and on the basis of a detailed analysis of the economic impact of the network on the consumer economy caused.

## I. Introduction

Network economy first appeared in the 1990s to the United States, it is a social and economic reform and innovation in the field by the Internet as the core of information technology innovation generated. Broadly speaking, the network economy, agricultural economy and industrial economy, three are a new kind of socio-economic patterns, which belong to the category of the new economy; from the narrow sense, the Internet economy is equivalent to the Internet economy. Network economy via the Internet, or Internet-related industries and services, the revenues of the enterprise by obtaining all or part of the economy to obtain formation of their respective category must be Industrial Economy and attributable to the information industry sectors of the economy. However, regardless of the network economy is part of a new economic category or industry of the economy, it is the consumer economy has a very important role.

## II. Internet Economy Contributed to Enhance the Technology of Consumer Economy

Formative years of the network economy in the information technology innovation period. Research shows that computer chip every eighteen months the price will be reduced by half, but its function has more than doubled [1]. It can be said, to promote economic development and consumption of information technology and network economy are closely linked. Compared with traditional techniques enhance the consumer economy driven by technology to enhance the network economy is a type of reform and innovation, and technology continues to improve but also to the cost of consumer goods, technology development was becoming less and less and, thus, let Consumer develop technological innovation and modern consumer goods, building technology to give further impetus, and thus will be more effective universal consumer product innovations developed technology. The consumer economy gradually infiltrates all aspects of consumer

products development technology innovation and, thus, effectively improves the consumer economy technological strength. In addition, the type of technological innovation also largely reduced the price of information technology products, consumer goods and make intelligent investment project has been effectively promoted.

From the type of technological progress, the network economy and technological progress is neutral and Rhodes agreed Solomon neutral technical progress. Analysis of the Network Economy to boost consumer economy, from one hand, the network economy, to reflect technological progress and the development of consumer products business, is more modern advanced construction equipment, materials and technology, the economy began to consume a wide range of use and promote from computers, networks and artificial intelligence tools, traditional construction equipment. Materials and process equipment by means of information technology gradually becomes more intelligent and modern [2]. On the other hand, we continue to improve and upgrade the quality of the labor force can well reflect the network economy to promote technological progress. Through the information network technology, to a large extent opened up the field of consumer goods in the ability of individuals, thereby lifting labor efficiency, but also stores more and more human resources.

### **III. Refined Consumer Products Division and Improve the Consumer Goods Market Mechanism**

Why network economy can promote consumer economy, the main reason for this phenomenon is its production and distribution of consumer goods division detailed work has a certain role. On the one hand, the main reason for the formation of the network economy is to continue to expand the amount of social division of labor, resulting in Rostow "leading sector - Ministry of Information Industry Gate" dominant sector in the use of new technologies, not only to their own high growth rates can be maintained, but also enable them to grow gradually expand production and distribution of consumer goods and some other sectors, so that the whole effectively promote economic development [3]. On the other hand, the economic development of the network so that many of the social division of labor have been effectively extended, which also includes the refinement of the division of consumer goods production and circulation. Regional Planning traditional consumer market, with extensive use of e-commerce and the Internet, is gradually breaking down, people started to pay attention to promote regional consumer goods and, thus, to the traditional areas of consumer goods market gradually toward globalization, which means it will achieve production and marketing of consumer products division of refinement and growing consumer economy.

Second, the network economy to refine the process of production and distribution of consumer goods division, and also via the Internet to provide online trading platform for consumer goods, consumer goods, so that the transaction process, the information is often incomplete and appears to be effective in reducing asymmetries , which means it will further improve the consumer goods market mechanisms. Internet e-commerce transactions can display the signals themselves, this mechanism allows the consumer price, quality and some other signals, all parties will be provided to the consumer market up personally. In the consumer market, market trading signal as an endogenous variable, its transparency allows information asymmetry problem consumer goods transaction process has been effective in reducing [4]. Process and through the Internet a powerful search engine capabilities in the online purchase of consumer goods, it is possible to let customers search for efficiency has been greatly increased and, thus, allow consumers a chance to get the exact message the distribution of consumer prices, so incomplete consumer goods information can be reduced.

#### **IV. Network Economy is Effective to Reduce the Transaction Costs of Consumer Goods**

The main method of production of consumer goods and e-commerce to reduce the cost of education by means of circulation of the three technical support system. One is electronic data interchange, it can in accordance with recognized standards of business conduct online file transfer, e-mail so that paperless trading consumer goods transport communication can be achieved, so that the transaction consumer goods communication time and cost savings can be to a large extent; the second is an electronic ordering system that enables production of consumer goods and consumer goods distribution companies for their own production adjustments at any time, thus effectively reducing corporate vacant rooms and the backlog of funds to promote business transactions and consumer intermediaries between the production costs and the operating costs are effectively saving; the third is the business value added network, it belongs to a network service mechanism that can come out consumer information and consumer spending, and will support the sharing of resources and capabilities available to the user [5]. Business value added network technology enables consumers and businesses to achieve better communication, so that unwanted communication between businesses and consumers and transaction costs are minimized, prompting companies to better consumer personalization service.

Reduce transaction costs for the consumer economy has more facilitating role. First, reduce transaction costs it must also make the cost of consumer goods production and circulation of the economy has been reduced. For example, in reverse replacement cost equivalent methods to analyze the book is simple to use after the cost of the information service cancellations may happen to the information services is equivalent to the benefits, then the role of e-commerce on the consumer and business those contributions reduce transaction costs. Secondly, reducing the transaction costs of the division of labor society also has a role in promoting [6]. Horizontal division of labor determines the division of labor, consumer goods decreased transaction costs, from another point of speaking is to upgrade and expand the scale of its transaction efficiency, growth and division of labor, which in turn say that they will make consumer goods transactions scale has been expanding, consumer goods production and circulation of deepening division play a role in promoting. And to deepen the division of labor in the production and distribution of consumer goods, consumer goods production will enhance revenue and circulation.

#### **V. Conclusion**

In summary, the network economy on the consumer economy technology to enhance, improve and reduce the transaction costs of consumer goods production of consumer goods division of refinement and market mechanisms have a certain role. Although economic conditions in the network, the result is still the consumer economy consumer goods and associated fields productive forces and production relations contradiction movement, effective impetus to economic growth in the consumption of consumer goods, although still contains the accumulation of capital, labor input and other factors, but these factors impact on the consumer economy, and the path has changed a lot.

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