Research on Sharing Economic Business Model Based on O2O
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Abstract. With the help of mobile Internet and advanced information technology, the emerging sharing economic business model could be achieved through the O2O operating platform. The traditional business model of sharing economy will be expounded in this paper firstly, and the E-commerce operation model of sharing economy based on O2O will be built in accordance with the analysis of value network members in this brand-new business model so as to analyze the innovative and applied promotion of business model based on O2O. This paper aims to provide theoretical support for the transformation and development of emerging venture companies and traditional companies.

Introduction

The sharing economy is a new economic mode, through which spare resources will be shared to demanders and earnings will be gained by providers. The concept of sharing economy was firstly presented by two America scholars in 1978, and sharing economic phenomena began to boost for the sake of the rapid development the Internet technology which makes it is achievable to share spare capacity. [1] Based on the O2O platform, the combination of online and offline business models could change the consumption habits and product acquisition methods in the emerging shared economy business model. This brand-new business model facilitates users to share their tangible and intangible idle assets to a more meaningful place, thus, users will pay more attention to the usage value and product demand, rather than their ownership to some degree. [2] The whole process of consumption is more data-centered, mobile and socialized. With the help of mobile Internet and other information technology, the emerging economic business model could be achieved through the O2O operating platform. [3]

Based on this, the traditional business model of sharing economy will be expounded in this paper. In addition, the E-commerce operation model of sharing economy based on O2O will be built in accordance with the analysis of value network members in this brand-new business model, thus making it is possible to analyze the innovative and applied promotion of business model based on O2O. The study aims to provide theoretical support for the transformation and development of emerging venture companies and traditional companies, and further make these companies more apparently located in the market, all of which will also present decision basis for policy-makers so as to promote the sustainable development of economy and society.

Traditional Business Model of Sharing Economy

The Business Model of Sharing Economy

Individuals or enterprises with identical characteristics would be divided into the same groups on the sharing economic platform. Adaptive function development and brand position in accordance with consumers’ crucial needs and humanistic characteristics is of great significance for collection improvement and processing feedback after demand-side transactions. [4] Owing to the characteristic of low investment cost for fixed asset, abundant supply will be pushed to customers in line with the big data algorithm. Sharing economic platform is of great potential due to the
malleability and superposition of supply and demand side, and the platform resources and platform expansion would immensely strengthen user’s stickiness in turn. What’s more, the trust relationships of demand side and supply side would be built through social networks and credit bureaus on sharing economic platform. In addition, the relevant functional departments of the government will strengthen supervision over the third-party sharing economy platform by the establishment of market access and exit mechanism, information disclosure requirement and reinsurance system. The business model of sharing economy is as shown in Figure 1.

Figure 1. The business model of sharing economy^{[1,5-6]}

Traditional E-commerce Operation Model of Sharing Economy

The most traditional sharing economic activities and ideas counts on the leasing business, and a plenty of fruitful business modes have been conducted successfully, such as old items exchange, second-hand clothes selling, CD/comic books loaning, community care pet and so on. [7] A huge e-commerce trading platform will be constructed after the emergence of E-commerce business model. For example, eBay realizes the resale of goods twice or more, then achieve the transferring through logistics, which further facilitates the transaction through network payment. Otherwise, offline experience of this business model is lacked, and the logistics delivery can only reach the goods or services that can be packaged and transported, which makes the business model is rather limited.

In this article, the sharing economic participants of traditional e-commerce are totally abstracted into “Internet trading platform”, “users (the demand side)” and “merchants/users (the supply side)”. In accordance with this consume model, the merchants or the users (providers) publish their products information online, and the online trading platform provides information for consumers. Furthermore, consumers order after simple online communications and goods will reach consumers’ hands through the logistics distribution (virtual items transferred via the Internet file). Ultimately, consumers complete the payment confirmation through the platform payment system, and evaluation system will be evaluated on the platform. This consume segment present by this study is shown in Figure 2.

Figure 2. The traditional consume model of sharing economy.
Consumption is mostly disposable in traditional consume model. For instance, if you bought an old rice cooker and if your provider is also a user, the identical secondhand products are only one product. As a result, the value and ownership of the goods have been transferred after the sale. In conclusion, it is obvious that the product sharing consumption pattern is of low users’ viscosity, and a plenty of products and services cannot be packaged and consumed by this method. [8]

The E-commerce Operation Model of Sharing Economy Based on O2O

The sharing economy business model based on O2O figures out the users’ experience that traditional e-commerce cannot reach. Information search and the convenience of original online product or service could be recognized through advanced information technology in this brand-new consume model, as well as the wireless mobile web search. Consumers can make prompt reservations or payments through the Internet, then obtain local product or service experience and acquisition, and finally pay through a variety of emerging electronic payment methods. [9] What’s more, it is rather beneficial for consumers to evaluate on trading platforms and recommend their consumption on social networks. Thus, an entire consumption link would be entirely completed. The E-commerce operation model of sharing economy based on O2O is shown in Figure 3.

![Figure 3. The E-commerce operation model of sharing economy based on O2O.](image)

Technologic methods and platform granted by O2O thoroughly integrated these scattered individual activities into an impressively collaborative network. In addition, trust mechanism is the crucial point of sharing economic business model whether it is traditional or based on O2O, and splendid and diversified trust is conducive to the development of business model.

The Creativity and Applicability Analysis of Sharing Economy Based on O2O

A Decentralized Network Connecting Human Resources and Materials

A huge number of potential contributors and demanders are the fundamental conditions for the operation of sharing economy. The tremendous potential of the sharing economic business model will be enormously developed only when the huge market volume reaches its critical value. Sharing economy is a commercial activity connecting the supply and demand by the means of Internet technology in an expanded and collaborative environment. [10]

Take Advantage of the Spare Capacity of Tangible and Intangible Assets

Spare capacity is the most excellent characteristic of the consumption behavior of sharing economy. From the perspective of market efficiency, participators could successfully transfer the usage right at a lower cost and earn marginal benefit if they own spare assets to draw other participants in sharing economy. As for individual user, a variety of products which are rather practical for other users at other times are bounded. Therefore, sharing economy make spare space, time and skills to be used efficiently and promptly, which could not only reduce using cost, but also prolonging the lifespan of these items.

Make Sharing Economic Business Model Socialization
Traditional e-business model is still dominated by business in which product and service will be contributed through internet. Users have less interaction with the platform, and there is no incentive for users to share comments. [11] By contrast, the sharing economic business model based on O2O provide users with an expanded and cooperative environment, making it is convenient for users to share their consuming experience. Words marketing is also expensive asset of an enterprise, a plenty of users will sign up every day when it reaches a tipping point even you would not go to the market.

The Establishment of Trust Mechanism

Owing to the openness and extensibility of the sharing platform, the trust of registering users is essential and can be measured by specific indicators obtained from sharing activities. In addition to this, the grading mechanism in permanent fields can be formed and converted into quantitative trust value through the mutual evaluation and recommendation of users. In general, the participating members of the sharing economy and business activities are users who share their consumption.

Achieve Mobility

Location-based innovation service would be completed in sharing economy business model through LBS technology. Product or user information can be obtained by user’s signing in position, making the platform much more localized. Information service providers and demanders can doss successfully by searching near information. At the same time, corresponding information and preferential activities can be obtained directly through scanning the offline mobile information.

Summary

A suitable business model structure to promote the sharing economic development was proposed based on the O2O platform, which was beneficial to study the development strategy and management methods of the shared economic business model. The research results of this paper is as follows: (1)The combination of sharing economy and O2O business model could break the limitations of traditional e-commerce thinking, explore the social mobility of local innovation factors, rich the development research on shared economic business model, and is more suitable for the actual needs to develop economic business model in China. (2) The analysis of sharing economic model based on O2O could construct a brand-new sharing conceptive business model, which could provide design basis of sharing business and facilitate enterprises in China in the future.

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Reference


