

Research on Entrepreneurship in the Background of Sharing Economy

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Abstract—After the widespread application of mobile internet technology, China has vigorously promoted the “Internet +” economy, and a large number of sharing enterprises have emerged, making important contributions to China's economic development. Based on the analysis of the macro environment of PEST that influences the development of entrepreneurs, this paper believes that entrepreneurship in the context of sharing economy has the characteristics of “sharing and innovation, change and openness, responsibility and responsibility”. And on this basis, it proposes relevant suggestions to promote entrepreneurial growth and suggestions for innovation and entrepreneurship.

Keywords—sharing economy; entrepreneurship; PEST analysis

I. INTRODUCTION

With the proposal of Internet + and rapid development of it, the era of sharing economy has been opened. The sharing economy utilizes high-tech such as the Internet, artificial intelligence, and cloud computing to integrate and gather idle and scattered resources, and to share the right of use through the Internet platform for payment to meet consumer needs. The sharing economy has broken the traditional business model, reducing middlemen and enabling workers to provide products or services directly to end customers. Individual service providers, when separated from commercial organizations, access the Internet's shared economic platform and have extensive access to the demand side[1]. With the help of the sharing economy, it can not only solve the problem of office space and capital but also solve the problem of centralized customers. In addition, the pooling effect of Shared platforms enables individual merchants to better focus on providing quality products or services. The emergence of the sharing economy has enabled many entrepreneurs to see opportunities, so emerging industries such as sharing bicycles, sharing cars, sharing charging treasures, sharing basketball, and sharing umbrellas have sprung up, infiltrating into every aspect of people's lives, and the sharing model has been deeply affecting people's ideas and life, the spirit of entrepreneurs in

this context promotes and influences the direction of business and industry development.

II. OVERVIEW OF ENTERPRISE DEVELOPMENT UNDER THE SHARING ECONOMY

Stimulated by the rise of sharing bicycles, China's sharing economy has broken out. The scale of China's sharing economic market transactions has continued to rise from 2015 to 2018, from RMB 799.9 billion, soaring to RMB 294.2 billion, as shown in Fig. 1. The distribution areas are seven areas of transportation, sharing accommodation, knowledge and skills, living services, shared medical care, shared an office, and production capacity. Among them, the top three market transactions in 2018 are living services (RMB 1,589.4 billion), production capacity (RMB 823.6 billion) and transportation (RMB 22.7 billion). The market share of the seven major sectors is shown in Fig. 2. The scale of direct financing in the sharing economy is about RMB 149 billion. From 2017 to 2018, the number of employees of platform enterprises increased from 5.56 million to 5.86 million, with a growth rate of 7.5%. In the era of sharing economy, the sharing model emerges endlessly, integrating offline resources at the supply end, and continuously providing users with a better experience on the demand side. The sharing economy has become the most important force in the social service industry[2].

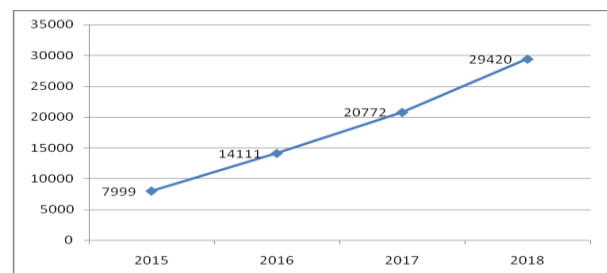


Fig. 1. The scale of the sharing economic market transaction from 2015 to 2018

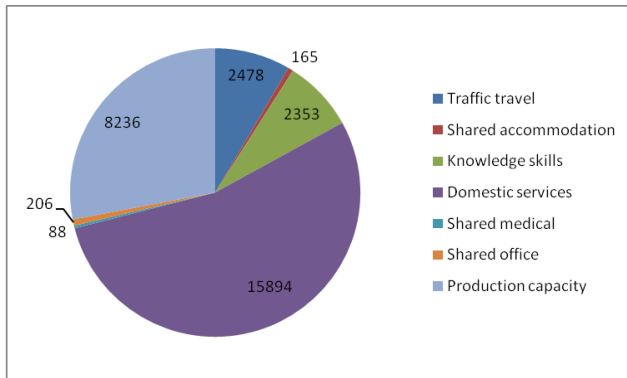


Fig. 2. Market structure of sharing economy in 2018

The development of the sharing economy is diversified and involves a wide range of fields. Under the impetus of the Internet, the update is iterative and the business model is constantly changing. Entrepreneurs need to judge the situation and use the keen business sense and accurate judgment to break the traditional thinking pattern, constantly innovation and exploration, to improve people's lives as a starting point, exert entrepreneurial spirit, contribute to society, return to society, and closely integrate the sharing economy with social development[3]. The sharing economy will bring about tremendous changes in our urban life, and even change the existing lifestyle, which is the trend of The Times. It is inevitable that entrepreneurs will seize the opportunity and look at the right time to win a place for the brand during the economic transformation period.

III. PEST ANALYSIS OF ENTREPRENEUR DEVELOPMENT

The sharing economy is characterized by zero sharing cost, precise point-to-point sharing, rapid and simple establishment and removal of sharing relationship, and the reuse of idle resources by network platform. These characteristics are great challenges for traditional enterprises and have a major impact on entrepreneurs. In order to better understand the impact of sharing economy on entrepreneurs and promote entrepreneurs to develop faster and better, this paper will analyze the macro environment of entrepreneurs from the four aspects of their political environment, economic environment, social environment and technological environment.

A. Political Environment

Entrepreneur and entrepreneurship have been valued and relevant legal documents have been issued gradually. On September 25, 2017, the Central Committee of the Communist Party of China and the State Council issued the "Opinions creating a healthy environment for entrepreneurs to grow up and promote outstanding entrepreneurship to better play the role of entrepreneurs." [4]. This is the first time that China has affirmed the status and role of entrepreneurship in the form of a central document. The "Opinions" outlines the spiritual connotation that entrepreneurs in the new era should have a sense of patriotism and responsibility. On August 2, 2018, the Central Supreme People's Court issued the "Notice on Giving Full Play to the Role of Trial Functions to Create a Good Legal Environment for Entrepreneur's Innovation and

Entrepreneurship", protecting the legitimate rights and interests of entrepreneurs, improving the credit a discipline of tempering justice with mercy, and correcting enterprises involved regulations such as wrong ownership of property rights and paying attention to the legitimate demands of entrepreneurs have become major measures to help improve the business environment. In addition, relevant departments have carried out special rectification actions in the areas exposed by the online car-hailing, bike-sharing, Internet video, online live broadcasting, Internet news and online infringement. 11 regulations including "Measures for the Quality of Taxi Service Quality", "Code for the Operation of Food Safety of Internet Catering Services" and "Regulations on the Management of Micro-blog Information Services" have been issued one after another. China's first industry self-regulatory standard, "Standards for Shared Accommodation Services," was released and standardized. The regulatory framework for institutionalization and legalization began to be established.

B. Economic Environment

According to the 2019 Annual Report on China's Sharing Economic Development, the transaction volume of the sharing economic market reached RMB 2.942 billion in 2018, an increase of 41.6% over the same period in 2017[5]. The number of participants in the sharing economy is about 760 million, and the direct financing scale is as high as RMB 149 billion. Among the 305 unicorn companies in the world, there are 83 Chinese companies, of which 34 are shared enterprises. It is worth mentioning that there are 11 sharing enterprises in China that entered the ranks of unicorns for the first time in 2018. Although the development of shared economic benefits is good and the sharing enterprises are developing rapidly, due to a large number of participants based on the Internet, there are many enterprises that have joined the sharing economy across regions and industries, making the sharing economy appear in the process of cross-regional and cross-industry. Problems such as supervision and employee employment have led to a tight environment for the sharing economy.

C. Social Environment

As of June 2019, the number of Internet users in China reached 854 million, an increase of 25.98 million compared with the end of 2018. The Internet penetration rate reached 61.2%, an increase of 1.6 percentage points from the end of 2018. Among them, the number of mobile Internet users reached 847 million, an increase of 29.84 million compared with the end of 2018, and the online mobile phone Internet access rate was as high as 99.1%. The sharing economy is built on the network platform, and the huge netizen base is the basis for the development of the sharing economy. However, the online car-hailing incident, the ownership of Shared bikes, random destruction and other chaos, exposed the user's integrity and ethical issues, affecting the development of enterprises and industries.

D. Technical Environment

Achievements in big data, cloud computing and other high-tech information technologies have been emerging, major

breakthroughs have been made in scientific and technological innovation, and scientific and technological achievements have been rapidly industrialized. Artificial intelligence technology is applied to the field of travel, innovative technologies such as voice recognition, smart dispatch, and large-scale traffic management, which enhances the user experience and increases driver income. Algorithm optimization of major enterprises improves business efficiency and reduces transaction costs. In addition, Beijing, Shanghai, Guangzhou and other regions have fully promoted the construction of science and technology innovation centers. Major platform enterprises (Tencent, Alibaba, and Huawei) have invested a large amount of research and development funds to provide support for research and innovation.

IV. CHARACTERISTICS OF ENTREPRENEURS IN THE CONTEXT OF SHARING ECONOMY

Scholars, peasants, industrialists and businessmen have been at the bottom and at the edge of society. Since the reform and opening up, with the development of the market economy, the social status of entrepreneurs has been greatly improved. In 2017, the "Opinions" historically affirmed the entrepreneurial spirit and clarified its role in the market economy. The document emphasized the need to stimulate entrepreneurs' innovative vitality and creative potential, protect entrepreneurs from expanding their innovation space in accordance with the law, and continue to promote product innovation, technology innovation, business model innovation, management innovation, and institutional innovation will make innovation and entrepreneurship a lifelong pursuit and enhance innovation and self-confidence. The book "Zero Boundary Cost Society" defines entrepreneurship in the context of sharing economy as social entrepreneurship, and has the spirit of sharing the spirit, courage to take risks, not seeking for use, but seeking to use. While entrepreneurs in China in the context of sharing economy have the following prominent characteristics:

A. *Sharing and Innovation*

The spirit of sharing is to realize the sharing of resources without caring about time and benefits, and based on the motivation of others. The paid resource sharing triggered a vigorous sharing of the economy under the rise of sharing bicycles. The sharing spirit of entrepreneurs has contributed to the rise of new industries such as sharing umbrellas, sharing power grids and sharing cars. With the advent of the sharing era, the sharing platform has sprung up, mainly involving traffic sharing -- online car booking, sharing bicycle, house sharing -- piglet short-term rent, financial sharing -- Lufax, knowledge and skills Sharing -- the Pig Eight Rings Network and other major sectors. The competition among the major online platforms is fierce, and there are some outstanding ones among them. The first priority of these shared platforms is innovation. Innovation is the foundation of the company's standing. The founder of Didi taxi, Cheng Wei, takes "making the trip better" as the enterprise tenet, constantly proposes innovations such as windmills and green bikes, masters key technologies, builds cars and launches, effectively meet the needs of customers and successfully attract customers.

B. *Change and Openness*

For entrepreneurs, constantly adapting to changes in the current situation and making corresponding changes and properly opening up to the outside world is an irreversible situation, constantly adapting to the needs of the market for enterprise products and business models, so as to achieve better development. Suning occupies half of China's electrical appliance market and has never stopped on the road of transformation and exploration. When the physical store business was hit by e-commerce, in February 2012, Suning established Suning Tesco, which is a combination of high-quality physical storefront and e-commerce, and goes online and offline. In 2016, Suning's online turnover was RMB 80.5 billion, surpassing offline for the first time, accounting for 54% of the total annual operating income. In July 2017, Suning made it a reality to buy cars in supermarkets, and launched the first domestic car collection supermarket. In September 2019, Suning acquired 80% of Carrefour China, and through the smart retail scene shaping and other technical means, Carrefour carried out a comprehensive digital transformation, building online and offline supermarket consumption scenarios to better meet the upgrading consumer demand.

C. *Responsibility and Responsibility*

Responsibility and responsibility can be divided into three levels: individual, business and society. In the context of the sharing economy, entrepreneurs themselves continue to learn and continue to maintain their personal acumen and decision-making power in the industry. Secondly, entrepreneurs shoulder the normal operation of the company and profit and pursue technological innovation. Finally, the basic responsibility of entrepreneurs is to provide safe and reliable products, solve social employment problems, pay taxes according to law, pay attention to environmental protection, be enthusiastic about public welfare, and help others. When there is a problem with the product, it is courageous to take responsibility, quickly respond to the strategy, stop the loss in time, reduce social nuisance, hide morality in the heart, and be cautious in acting.

In addition, the pursuit of excellence, the risk of taking risks, and the courage to take risks are also the excellent qualities of entrepreneurs in the context of sharing the economy[6]. Zhou Hongyi, the founder of the 360 Group, personally proved that only by constantly pursuing excellence, being brave in taking risks and taking risks, can lay the cornerstone of the enterprise.

V. CONCLUSION

In the era of sharing economy, entrepreneurs are determined to forge ahead, always maintain the spirit of innovation, adhere to the product bottom line, grasp the integrity and dreams, adapt to the changes of the current situation, adhere to the product to bring convenience to people, the concept of corporate welfare for the society and Sharing the spirit has made important contributions to the accumulation of wealth, job creation, economic development and comprehensive national strength. The political, economic,

social and technological environment in which entrepreneurs are located is excellent, but it is slightly inadequate. Based on this, the following suggestions are proposed to promote entrepreneurial growth and the cultivation of entrepreneurship and promote the diversified development of the sharing economy.

A. Improving Policies and Regulations and Strengthen Industry Supervision

The affirmation and protection of entrepreneurs and entrepreneurs in the "Opinions" and "Notices" effectively promoted the affirmation of entrepreneurs. The 11 policies and regulations promulgated in 2018 cover the four major areas of online take-away, online car, online medical and online content. The scope of laws and regulations is still insufficient, and relevant policies need to be further improved. The information asymmetry between the sharing platform and the government has led to major accidents. The government's emergency response is not timely, the warning information cannot be smoothly transmitted, the data sharing level needs to be improved, and the emergency management system needs to be improved. Platform algorithms lack the relevant regulations, technologies, and professionals to comply with, resulting in price discrimination and value-oriented disorder, which need to be classified and centralized. In addition, there are a large number of people in the shared service industry, and they must strictly adhere to the conditions for service access, ensure the ethical quality of service personnel, and protect the personal safety and interests of consumers. Perfect policies and regulations to solve the worries of entrepreneurs, make entrepreneurs dare to think and act, and provide a legal basis for the development of entrepreneurship.

B. Improving the Integrity System and Management System

The nature of the sharing economy determines that integrity is the core of development. As far as the shared bicycle and online car booking industry is concerned, enterprises misappropriate the deposit without authorization, fail in the financing, withdraw funds and leave the bikes idle, resulting in a serious waste of resources. The complaints about online car booking are not timely, and the driver's supervision is weak, resulting in potential safety hazards. On the consumer side, some people have stopped their bicycles and took their own actions. The bad behaviors that are arbitrarily destroyed have triggered a crisis of social trust. Improve the integrity system of enterprises and consumers, strengthen local management, improve the management of employees, improve the local management system and enterprise management system, create a good atmosphere of trust, improve the social responsibility of consumers and entrepreneurs, and provide a good environmental basis for the cultivation of entrepreneurship.

C. Improving Corporate Social Responsibility and Attach Importance to Environmental Issues

Entrepreneurship is the purification of the chaotic image of the sharing economy. Encouraged by "mass entrepreneurship and innovation", some entrepreneurs use every means to make money and circle money, lacking social responsibility, leading to serious market disorder and even serious environmental pollution. As entrepreneurs, they need to assume social responsibility, innovate the technology of products produced by enterprises, innovate the financial business, guarantee the safety of products, guarantee the safety and health of consumers, maintain the environmental protection, and give play to the entrepreneurship in the era of sharing economy

ACKNOWLEDGMENT

This paper is supported by Fund Project as follows:

1. The National Natural Social Science Foundation of China: the Impact of Human-Machine Cooperative Behavior Characteristic on Enterprise Human Resource Management System in the Era of Artificial Intelligence. (NSSFC 19BGL123);
2. Soft Science Project of Science & Technology Department of Sichuan Province(18 rkx0682): Study on the Impact of Climate Comfort and Sports Leisure on Occupational Health and Innovative Behavior of Elderly Knowledge Workers;
3. Soft Science Project of Science & Technology Bureau of Chengdu(2017 - RK00-00047 -ZF): Research on Knowledge Innovation Driving Mechanism and Talent Change of Chengdu Advanced Manufacturing Enterprises Based on Catching-up Cycle Theory.

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