

# Analysis on the Integrity Issues of College Students' WeChat Business Entrepreneurship From the Perspective of Game Theory

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## ABSTRACT

In recent years, in order to solve the employment problem of college graduates, the state has strongly supported the self-employment of college students. Due to the low entry barriers and flexible working hours, social e-commerce such as WeChat business has gradually become the first choice for college students to start their own businesses. In fact, in WeChat business transactions, there is a certain degree of integrity game between college students as managers and consumers. One side will decide its own strategy based on the other side's strategy to maximize the benefits. According to the relevant game theory, the integrity game of college students' WeChat business entrepreneurship is established, and there is a Nash equilibrium in the integrity game. But the trust crisis between WeChat business and consumers has led to the emergence of game paradoxes. To resolve the trust crisis and return the game of good faith to the Nash equilibrium, it requires multiple parties to work together.

**Keywords:** college students, WeChat business entrepreneurship, integrity game, Nash equilibrium

## I. INTRODUCTION

According to data released by the Ministry of Education, the number of college graduates in 2020 is expected to reach 8.74 million, an increase of 400,000 year-on-year [1]. The number of college graduates has reached a record high, and the employment of college students is becoming more and more difficult. In order to solve the employment problem of college graduates, the state strongly supports college students to start self-employment businesses, which are gradually recognized by the society. With the advent of the "Internet +" era, new forms of employment have gradually emerged. Such as WeChat business which relies on social networking platforms has developed rapidly, and due to the low entry barriers and flexible working hours, it has gradually gained college students. Some college students have been engaged in WeChat business entrepreneurship even during school. Due to the lack of a supervision platform and related legal constraints, WeChat business only relies on personal credibility guarantees, and the problem of integrity over time will become prominent. For college students who have not really stepped into the society, this group has obvious group signs, and these characteristics will have

an important impact on the behavior of college students' WeChat business entrepreneurship.

## II. GROUP CHARACTERISTICS OF COLLEGE STUDENTS

A. *The psychological maturity doesn't match the physiological maturity, and college students' behavior strategies are easily affected by the surrounding environment*

According to the years of primary and secondary education in China, most college students have reached the age of 18 when they enroll. China's General Principles of Civil Law stipulates: "Natural persons over the age of 18 are adults. Adults are persons with full civil capacity and can independently carry out civil legal acts." Therefore, most college students are already fully civil in legal sense when they enroll. But as far as reality is concerned, because college students have been studying and living on campus before enrolling in college, learning is the only task, and there are no other social activities other than learning basically. So, the surrounding environment faced by college students is very simple. However, college students are only physiologically mature adults as defined in the legal sense. The simple and closed campus environment has always made the psychology of most college students still immature. They are lack of the ability to handle various things independently. Therefore, the complex

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and changeable real environment can easily affect college students' outlook on life and values, in turn, it influences the choice of college students' behavior strategies in entrepreneurship.

*B. College students lack practical experiences in study and life*

In the traditional classrooms of colleges in our country, the teaching of theoretical courses is an indispensable part. Only the theoretical foundation is solid, students can complete the internalization of knowledge as soon as possible, but learning without practice tests can only be a "talk on paper", which is easy to cause students to have high eyes and low hands. With the development of the times, the society has put forward higher requirements for talent training in colleges. In order to adapt college students to the requirements of the times, the vast majority of colleges have increased the proportion of practical classes and enhanced students' practical abilities. However, the improvement of these abilities is still limited to the scope of learning knowledge and technology, and for the improvement of other aspects of comprehensive abilities such as dealing with interpersonal relationships, there are still no good laws and ways to follow. This also makes some college students have no objective evaluation of themselves in employment selection, it is easy to "eye above the top", and the ability to withstand blows and setbacks is weak, then they can't adapt well to the laws of society, and these will affect college students' entrepreneurial effectiveness.

*C. College students urgently want to be recognized by the society, and extremely eager for success*

College students are young, energetic, and possess advanced knowledge and technology, they are a vital force in economic and social construction. After the group enters the college stage, they are separated from the original single learning environment of primary and secondary education, the environment of contact is increasingly "rich and colorful", and the group is eager to try new things in society. At the same time, since they are physiologically grown-ups, college students are more eager to prove their social value and hope to gain social recognition through success. However, there are many understandings of the meaning of success, coupled with the rapid spread of various thoughts through the Internet, if college students are lack of the ability to distinguish various thoughts, they are extremely vulnerable to pragmatism, which in turn affects employment and entrepreneurial behavior choices.

In view of the group characteristics of college students, the issue of integrity is particularly important in WeChat business entrepreneurship. Dishonest

marketing behaviors not only affect the credibility of college students' WeChat business operators, but also affect college students' interpersonal relationships, distorts their moral code of conduct, and finally affect their outlook on life and values. In fact, in WeChat business transactions, there is a certain degree of integrity game between the operators and the consumers, and the strategy choices of one side will be affected by the strategy choices of the other side. Therefore, this article selects the perspective of game theory, considers college students in WeChat business entrepreneurship as one side, and consumers who buy the WeChat business goods as the other side. Then the article takes the interaction strategies of the two as the main research object, according to the relevant game theory, establish an integrity game profit matrix for college students' WeChat business entrepreneurship. Finally, the article conducts effective research on the interaction strategies of the two sides, in order to resolve the trust crisis in the WeChat business entrepreneurship of college students.

**III. THE INTEGRITY GAME IN THE WECHAT BUSINESS ENTREPRENEURSHIP OF COLLEGE STUDENTS**

In WeChat business entrepreneurship, college students can choose honest marketing or dishonest marketing; and consumers also face two strategies: buying and not buying. Combining the selectable strategies of college students and consumers in pairs, there are four types of strategy combinations.

*A. The situation when college students make honest marketing and consumers buy the WeChat business goods*

This is the most ideal combination of strategies. College students' honest marketing, the sales of WeChat merchandise are reliable, with good after-sales service and guaranteed quality; consumers choose to buy. At this time, college students have accumulated practical experience through WeChat business entrepreneurship, and exercised their interpersonal communication and problem-solving skills, also received certain monetary rewards. Consumers buy reliable WeChat business goods, save shopping costs, and get a better shopping experience, so this combination of strategies has achieved a win-win situation for college students and consumers.

*B. The situation when college students make dishonest marketing and consumers buy the WeChat business goods*

College students are dishonest in marketing, there is no guarantee for the quality of the WeChat business goods, or the after-sales service is poor or even without after-sales service; consumers choose to buy. At this

time, college students are dishonest in marketing, regardless of active dishonesty or passive dishonesty (for example, the sales are not primary sources, so the quality of the goods is not clear). Although it may be profitable once, this kind of dishonesty will affect the reputation of college students' WeChat business, and will eventually undermine the confidence of college students' WeChat business entrepreneurship. However, Consumers buy the WeChat business goods with quality problems, in addition to economic losses, there are more likely to have other losses. These will have unpredictable consequences for consumers. In the long run, this combination of strategies will adversely affect both college students and consumers.

*C. The situation when college students make honest marketing and consumers don't buy the WeChat business goods*

College students are engaged in WeChat business entrepreneurship, and screen the relevant information of the WeChat business goods, the quality of the goods is reliable, and the after-sales service is guaranteed; consumers don't buy for various reasons. This is also a common phenomenon in real life. At present, the homogenization of WeChat business goods is fiercely competitive, and the quality of goods is uneven. Consumers have many choices. Although college students are honest in marketing, consumers can still choose not to buy. At this time, college students have not received financial compensation, but there is no obvious loss; However, consumers haven't got high-quality and low-cost goods, and both sides have suffered varying degrees of loss.

*D. The situation when college students make dishonest marketing and consumers don't buy the WeChat business goods*

Regardless of whether college students are actively dishonesty or passive dishonesty in WeChat business marketing (as mentioned above in the case which the goods sold are not primary sources), consumers will avoid various losses if they choose not to buy. Although the dishonest marketing behaviors of college students may temporarily have no effect on their own entrepreneurship, but in the long run, dishonest marketing will definitely affect college students' outlook on life and values, and will also have many uncertain effects on their future careers.

#### **IV. GAME PARADOX: THE EMERGENCE OF TRUST CRISIS**

According to the above analysis, there is a Nash equilibrium in the integrity game, that is: college students choose honest marketing in WeChat business entrepreneurship, and consumers buy WeChat business goods. At this time, the entrepreneurial behavior of

college students can continue and consumers can also benefit. The sum of benefits is the largest. But in real life, the other three strategy combinations are not uncommon. And then, the game paradox appears. The reasons are mostly due to the trust crisis in WeChat business.

*A. Legal supervision needs to be improved*

WeChat business operators mostly display and sell goods through WeChat moments, and rely on personal relationships to sell goods. Therefore, the entry barrier for WeChat business is low, that is, anyone and any organization can engage in WeChat business. For college students with entrepreneurial needs, WeChat business is a very good entrepreneurial project, which can't only save explicit costs such as shop rental, some WeChat business projects even have marketing templates, which are very attractive to college students without any entrepreneurial experiences. However, at present, there is a lack of strong legal supervision of the WeChat business, especially the dishonest marketing behaviors has greatly damaged the interests of consumers, and the WeChat platform don't have any strong regulatory measures for WeChat business, so a trust crisis between WeChat business and consumers will follow.

*B. WeChat business goods' information asymmetry*

Goods' information includes the manufacturer, place of production, production standards and so on. The most important information is the quality of the goods. Whether the quality of the goods is reliable, in the final analysis, only producers can know, this is information asymmetry. Especially for the college students of WeChat business entrepreneurship, they are lack of entrepreneurial and practical experiences, and there is no way to distinguish the quality of the goods. More often, they are also engaged in the sale of the goods through the recommendation of other WeChat business operators. Therefore, in WeChat business transactions, consumers have doubts about the quality of goods. If the quality of goods sold by WeChat business operators (including college students) is not reliable, the operators may get profit in one-time transaction, but in the long run, dishonest marketing behaviors will inevitably damage the reputation of WeChat business, and then make consumers lose their trust in the WeChat business, which will aggravate the trust crisis between WeChat business and consumers.

*C. After-sales service of WeChat business goods is not guaranteed*

In the WeChat business transactions, even if the WeChat business operators prove that the goods quality is credible by issuing goods quality certification, production licenses and other auxiliary materials, that is, the WeChat business operators sell in good faith, but

after-sales service is also an important reason for consumers to buy WeChat business goods again. Especially for goods with high after-sales service requirements (such as electrical appliances), if the after-sales service can't be guaranteed, it will greatly affect the shopping experience of consumers. For college students engaged in WeChat business entrepreneurship, their initial consumer groups are often their classmates and friends. If the quality of the goods is not satisfactory, and the after-sales service is not guaranteed, this will greatly affect the interpersonal relationship of college students, and even affect the establishment of a correct outlook on life and values.

## **V. RESOLVING THE TRUST CRISIS AND RETURNING TO GAME EQUILIBRIUM**

Consumers have a certain degree of mistrust of WeChat business. If there are dishonest marketing behaviors of WeChat operators, including college students, this will exacerbate the trust crisis. Therefore, in order to return the integrity game to Nash equilibrium, it is necessary to resolve the trust crisis and rebuild the trust between WeChat business and consumers.

### *A. Improvement of relevant laws*

On August 31, 2018, the Fifth Session of the Standing Committee of the 13th National People's Congress voted to pass the "E-commerce Law", which will come into force on January 1, 2019, it has laid a legal framework for the healthy development of e-commerce in China. But after careful study, it is not difficult to find that even if the "E-commerce Law" includes the supervision of social e-commerce such as WeChat business, it also emphasizes the importance of industry self-discipline and honest marketing in the general rules. This shows that whether it is traditional e-commerce or social e-commerce, honest marketing is a prerequisite for profitability. In addition, the law clarifies the role of the electronic business platform in resolving transaction disputes. For WeChat business, WeChat is its platform, and Taobao, JD.com have specific customer service procedures to deal with complaints in transactions. However, WeChat's customer service is more about handling WeChat account related issues, so the WeChat platform can't restrict and manage WeChat business transactions like Taobao, JD.com and other platforms. Even if it is, it's not a hard supervision within the legal framework, so it is impossible to fundamentally solve the trust crisis in WeChat business transactions. However, we should see that the promulgation of the "E-commerce Law" has gradually enabled the healthy development of e-commerce, including WeChat business.

### *B. Improving the credibility of goods quality*

According to the data in the "2016-2020 China WeChat Business Industry Panoramic Survey and Development Strategy Research Report", beauty makeup, knitting, maternal and child, health, and agricultural specialty occupy the main market share of WeChat business [2]. The vast majority of these goods are related to human health, and consumers will be cautious when buying such WeChat business goods. If WeChat business wants to gain consumers' trust, it is particularly important to improve the credibility of goods quality. For WeChat business goods, WeChat business operators can issue goods quality certification, production licenses [3], and even create a credible image of goods quality in the form of KOL endorsement. As a representative of the highly educated and highly qualified group, college students' entrepreneurship in WeChat business also adds credibility to the quality of WeChat business goods. Only if the quality of the goods is guaranteed, the integrity marketing of the WeChat business operators can reshape the trust between the WeChat business and consumers, and return the Nash equilibrium of integrity game.

### *C. Establishing a perfect after-sales service mechanism*

WeChat business is based on the interconnection between people to sell goods, low sales cost, high cost performance, coupled with a perfect after-sales service mechanism, will inevitably improve the consumers' shopping experience. And the consumers' shopping experience is good, then the reputation of the goods is naturally good, then with the help of good word of mouth, the credibility of WeChat business will also be improved, which will greatly promote the sale of goods. And perfect after-sales service will also stabilize the interpersonal relationship of the students of WeChat business entrepreneurship, enhance the confidence of college students to start a business, and ultimately promote the healthy development of the WeChat business industry.

## **VI. CONCLUSION**

Due to the particularity of the group, the WeChat business of college students also has its particularity. The integrity issues of college students' WeChat business entrepreneurship stem from the trust crisis between WeChat business and consumers. Resolving this trust crisis is conducive to the harmonious interpersonal relationship of college students and the formation of correct outlook on life and values. Therefore, it is possible to resolve the trust crisis in the WeChat business of college students by improving legal supervision, improving the credibility of goods quality, and establishing after-sales service

mechanisms, so that the integrity game will return to Nash equilibrium. Finally, the WeChat business industry can develop healthily and orderly.

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