The Evaluation of Hellobike

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ABSTRACT

In recent years, bike-sharing has developed extremely rapidly in China because it is a convenient way for people to travel around the city, but it has caused many problems in the process of development. In order to solve their problems and improve the bike-sharing industry in the future, this paper takes the development status of Hellobike as an example, using SWOT model, PEST model, 4PS model, and STP model, discussing the development status of Hellobike in the environment, putting forward suggestions, and coming to the conclusion that the coordinated management of the government, enterprises, and individuals is needed to better promote the development of shared bikes.

Keywords: *Hellobike, SWOT model, PEST model, 4PS model, STP model*

1. INTRODUCTION

Bike-sharing has been everywhere in recent years, and it has been seen in various cities. Bike-sharing, which is more economical than driving, has attracted the love of the people. The reason why the author chose to analyze Hellobike is that it enjoys a unique advantage in the market as one of several major bike-sharing products. Compared to products such as Xiaohuangbike, Hellobike's depth of product and future potential are immeasurable by virtue of its deep binding with Alibaba Corporation, and the depth and breadth of its industry are excellent samples for analysis, allowing us to better look beyond the industry to its development [1].

In this paper, the author will use SWOT model, PEST model, 4PS model, and STP model to evaluate and analyze the external and internal environment, determine the factors of the marketing and know the product position, and build competitive advantage to give Hellobike some commendation and suggestions to improve their marketing shares.

2. SWOT MODEL

SWOT model is the situation analysis based on internal and external environment and competition. That is, it states the various main internal advantages and disadvantages and external opportunities and threats of the research object through investigation. Then, various factors will be matched and analyzed with the idea of system analysis. Through analysis, it draws a series of corresponding conclusions, which are usually decision-making [2].

2.1. Strength

2.1.1. Strong channel expansion and cooperation with other platforms

Alibaba, as the largest shareholder of Hellobike, bundled Alipay with Hellobike. If users' Alipay sesame score exceeds 650, they can directly pay for Hellobike without a deposit. In today's Internet era, people's basic payment methods are WeChat and Alipay, and the huge group of users on Alipay will notice Hellobike and thus be more inclined to use Hellobike as a shared bicycle for riding. At the same time, Hellobike will also cooperate with other big brand companies to launch a series of co-branded activities, such as the launch of co-branded cards, including the Shunfengbike co-branded card, the Mango TV co-branded card, the hungry co-branded card, etc. The cooperation with different platforms in different fields can not only substantially make Hellobike known to more consumers, but also enhance the brand image of Hellobike through these big platforms. This marketing channel allows Hellobike to be accepted and recognized by more consumers.

2.1.2. Affordable price

Now Hellobike has such a policy for new users that they can enjoy 1 yuan for 45 days for their first ride. At

the same time, Hellobike's ride price is 1 yuan for 30 minutes, which is cheaper than other shared bikes, such as Mobike's 1.5 yuan for 30 minutes. And generally, consumers don't ride for more than thirty minutes, so 1 yuan a ride is still very cheap, so this is one of the aspects of Hellobike that attracts consumers.

2.1.3. Eco-friendly

Compared to motor vehicles and buses and subways, Hellobikes do not need gasoline and other fuels to run, and they can be ridden by pumping up the tires. The power needed to open and close the lock function is also a lot of energy savings compared to others.

2.1.4. Convenient and fast

Since the area where Hellobikes are placed is very wide, it is easy to find a bike that can be ridden. For example, at the entrance of the community, the exit of the subway station, the entrance of the company, and so on, people's living areas are basically covered by Hellobike. At the same time, you can unlock the bike and start riding in just a few seconds by sweeping the QR code on the bike with your cell phone, which is very fast and convenient.

2.1.5. Big data calculates where to put the bikes

Hellobike's big data technology is very advantageous compared to other bike-sharing bikes, so it brings more profits to the company. Hellobike uses big data to calculate the feasibility of bike drop-off locations. They tend not to choose unoccupied areas, but areas where consumers gather to drop off their bikes, so that more people can come to use Hellobike. Therefore, the advantage of big data technology allows Hellobike to make the process of dropping off shared bicycles more efficient and better able to capture the market first [3].

2.1.6. Differentiated target market selection.

Hellobike observed that the competition in the bicycle sharing market in first-tier cities was too fierce, so it put more effort into second- and third-tier cities to avoid competing with many bicycle companies for the first-tier market.

2.2. Weakness

2.2.1. Unguaranteed Battery quality

Hellobike will have a sound when unlocking, which will make the power consumption faster, and if there is suddenly no power in the process of people driving, it will not be able to turn off the lock, which will cause inconvenience to consumers. Because the inability to turn off the lock means that the vehicle is still keeping time, if

the problem is not solved, then the vehicle will keep billing and the consumer will bear higher costs.

2.2.2. Untimely Bicycle maintenance

The area covered by Hellobikes is too wide and scattered, and the outdoor weather is cloudy and unpredictable plus the population of China is large and people ride in different areas, which makes it difficult to maintain the bikes. Because people need to use shared bikes for their daily travels, it is not a realistic problem to maintain the huge number of shared bikes on a regular basis. And if a shared bike breaks down, it is also an inefficient and costly decision to find that shared bike in the city and bring it back to the company for repair.

2.2.3. High depreciation costs

A Hellobike may pass through several areas a day and be used by multiple consumers. If you encounter some consumers who do not care for the bike, it will accelerate the depreciation of the Hellobike, so the life of the bike is not very long.

2.2.4. Insufficient internal funds of the company

Because of the high cost, low profit and low gross margin of Hellobike, the profit of Hellobike is not enough to support the company to have the next great action.

2.3. Opportunities

2.3.1. Less bike-sharing penetration in townships

Many shared bikes are only put in large areas in China's cities, but not many companies have put them in China's townships yet. As the construction of the countryside turns out to be better and better, the townships will also need shared bikes, so Hellobike can start a countryside plan so that people in the townships can also use shared bikes.

2.3.2. Great demand of the campus market

Since many universities have large campuses, students need bike-sharing to take classes on campus, thus saving more time. For such a concentrated area as a campus, there are fewer shared bikes available. Therefore, Hellobike can be placed on campuses to provide convenience to college students and increase its market share.

2.4. Threats

2.4.1. Too many bikes affecting traffic

The threat to Hellobikes is that people park their bikes randomly, park them by the road or park them in some

narrow areas so that some motor vehicles cannot pass. If the number of shared bikes is too large, it will not only affect the environment and appearance of the city, but may also increase vehicle congestion and aggravate the problem, so the excessive number of bikes and random parking is also a problem that needs to be solved.

2.4.2. The emergence of moral issues

Malicious damage to bicycles can wear out the lifespan of small bicycles, thus making public resources more wasteful. Also, some residents lock their shared bicycles in front of their homes just for their own convenience without any consideration for others, and this kind of unethical behavior also causes some difficulties in vehicle management..

2.4.3. More competitors

Hellobike has been facing a lot of competitors, such as Mobike, ofo small yellow car, Qingtang bicycle, and so on. They are all competitors of Hellobike in the same industry. They are all backed by big companies, which can help them survive in this industry. And there are more brands that we haven't met so far that are also trying to capture this market [4].

3. PEST MODEL

PEST model refers to the analysis of the macro environment. The macro environment, also known as the general environment, refers to all the macro factors affecting the industry and enterprises [5].

3.1. Political Environment

(1) Due to the development of industry nowadays, many environmental pollution problems plague people's lives, water pollution, a series of air and climate causes caused by vehicle exhaust emissions, all need to be managed by the government. The government is now encouraging people to travel green and in low-carbon environment and it is strongly supporting many environmental green projects. So this is a good opportunity for Hellobike, which advocates green, low-carbon and environmentally friendly travel, to follow the policy.

(2) Since 2018, various local governments have strengthened the management of shared bikes, with Beijing, Chengdu, Wuhan and Kunming issuing regulations to maintain orderly and standardized market operations and play a positive role in building a green and low-carbon system, addressing short-distance travel needs and managing traffic congestion.

(3) Many years ago, the government promulgated a policy of restricting the number of vehicles on the road, the purpose of which is to limit the excessive number of vehicles on the road, causing traffic jams and also reduce the emission of automobile exhaust, so that the pollution problem of the environment can be improved to some extent [6].

3.2. Economy Environment

(1) In 2017, with the promotion of a new generation of information technology such as artificial intelligence, big data and cloud computing, the industries related to the Internet economy, represented by the platform economy and sharing economy, stepped onto a new stage. By now, the technical development of the Internet economy has tended to be very mature, and more and more network platforms are pouring in. The use of Internet economy industries like Hellobike, making online APP payments, manual customer service consultation, network maps showing the location of vehicles, and other behaviors show that it is the right choice for Hellobike to follow the trend of the Internet economy.

(2) As a high-cost, low-profit industry, the bicycle sharing industry is bound to fail if it only burns money to put more vehicles. The bike-sharing industry also needs to explore new profit models. Facing the current situation of the industry, which is gradually becoming a downward trend, bike-sharing should find ways to break through the bottleneck and come up with ways to cut costs and get higher profits and lower costs [7].

3.3. Social Environment

(1) Many urban roads in our society distinguish between motorized and non-motorized lanes, which creates some advantages for bicycle travel and allows people to travel by bicycle in a safer and more orderly social order.

(2) As there are many motorized vehicles nowadays, it brings great inconvenience to society, such as not being able to find a parking space when people go out or people get stuck in traffic jams, which all cause people's time not to be guaranteed. Therefore, many people in society now choose to ride bikes rather than drive.

(3) The exhaust emission from driving brings pollution to the social environment. Driving often and staying seated for a long time at work will make people physically fatigued, so many people want to get some degree of exercise on their way to and from work. This social environment also gives some opportunities for bike-sharing to gain more market share.

3.4. Technological Environment

(1) WiFi hotpots and 4G, 5G technology is developed, GPS positioning technology, cloud computing and big data technology are mature, providing users with intelligent and precise services.[8]

(2) The maturity of mobile payment links optimizes the user experience and facilitates paid riding, which is conducive to the virtuous cycle of the industry.

4. 4PS MODEL

4Ps marketing theory is a tool composed of four unique but interrelated and interdependent variables and they are products, prices, promotions, and locations [9].

4.1. Product

4.1.1. Product attributes

Most Hellobikes are white with blue or red accents, and this color scheme enhances its recognition. Hellobike gives priority to safety and comfort, and constantly upgrades the bicycle. The body of the bike is made of advanced wear-resistant materials, the cushion is ergonomic, the bike is lightweight and comfortable, the paint and coating are made of clean and environmentally friendly materials, and the bike can be unlocked in 0.99 seconds.

4.1.2. Branding

The "hello" after unlocking makes the brand image of HALO more distinct. Hello insists on taking the route of an intelligent bicycle, which can obtain data and information for operation and maintenance needs, including monitoring the vitality of vehicles, users' cycling data, urban spatial and geographical data, etc.

4.2. Price

Hellobike's pricing is lower than that of other brands of shared bikes. Users can also purchase a monthly card for 20 RMB, which allows unlimited rides for 30 days, with the first 2 hours free. Users with a sesame score of over 650 can ride without a deposit in any city in China, and they can ride directly through Alipay.

4.3. Promotion

Hellobike cooperates with Alipay to start the no-deposit mode, and users only need to use the money from Ant Huahua to secure the deposit, and if they don't need it, they can apply for a refund. HelloBike will also give out random bonuses and prizes as well as promotions to promote and attract more consumers. Hellobike will also cooperate with other big brands to launch a series of co-branding activities. These online platforms can help Hellobike promote its brand and increase its publicity channels.

4.4. Place

Hellobike also adopts deep cooperation with local governments and regulatory authorities to promote its products. Hellobike has been launched in 90 second- and third-tier cities, including Hangzhou, Suzhou, Nanjing, Xiamen and so on. Some local governments have actively approached and provided various resources to support Hellobike's presence, and the government will also help the bicycle companies operate.

5. STP MODEL

STP analysis generally refers to the target marketing. Target marketing refers to that enterprise identifies different groups of buyers, chooses one or several of them as the target market, and uses the appropriate marketing combination to concentrate on serving the target market and meet the needs of the target market [10].

Through market segmentation and target market selection, Hellobike has finally established its own market positioning. In terms of market segmentation, there are two sub-segments: daily urban commuting or short distance travel within the city and scenic leisure riding, according to the different usage scenarios and travel needs. In urban daily travel, and according to different city level, the further market segmentation can be divided into one, two, three, four tier cities four market segments.

In terms of market positioning, Hellobike has chosen the second and third tier city market and scenic leisure riding market under the urban daily travel market. This is different from many bike-sharing companies that focus only on first-tier cities, and Hellobike has more advantages to compete for market share. Because competition in first-tier cities is extremely fierce, while the vast short-distance travel market in second- and third-tier cities still has more space, Hellobike has chosen to take second- and third-tier cities as its entry point, avoiding the fiercely competitive first-tier city market, thus gaining more opportunities.

In addition, since other bike-sharing companies have not entered the scenic market, there is relatively little competition in the market for bike-sharing companies, and the pricing space is relatively large. Therefore, Hellobike has adopted a differentiation strategy by entering the scenic leisure ride market, thus successfully obtaining higher profits than the average of other bike-sharing companies in the scenic market.

6. SUGGESTIONS FOR HELLOBIKE

6.1. Growth strategies

6.1.1. Increasing vehicle investment

Hellobike can increase its share of vehicles in the market, so that more bikes can be seen in the market, and there is a greater chance to be used by more consumers.

6.1.2. Developing new markets in towns and cities

Opening up new markets is certainly an effective way to get more opportunities. Investigate the market in townships and invest in a large number of vehicles to capture more market share before other bikes can penetrate the market.

6.1.3. Using other platforms to expand the marketing effect and attract more consumers

Hellobike can continue to expand its marketing channels and cooperate with more platforms in different fields, while offering preferential policies, so that there will be more opportunities for consumers to learn about Hellobike and attract more consumers.

6.2. Turnaround strategies

6.2.1. Strengthening cooperation with the government to maintain vehicle order

The government is absolutely in control of the population data and traffic situation, so it can cooperate with the traffic and population departments of local governments to share data, add road tips and vehicle safety riding warnings in the corresponding road sections to reduce the occurrence of traffic accidents; at the same time, comprehensive analysis of age groups and other factors that are crucial to riding safety and vehicle order, and make reasonable adjustments in the region.

6.2.2. Promoting the care of vehicles and reduce depreciation costs

Use the accurate location tracking function of bicycles and follow-up surveys to screen out users with a high rate of vehicle damage after riding, send special notifications to their cell phones, and encourage them to park their bicycles at designated locations and cultivate a sense of caring for their vehicles by giving them riding discounts and other measures.

6.2.3. Upgrading battery performance

The battery performance of bicycle sharing directly affects the company's performance; stronger battery performance not only enhances the bicycle's range, but also increases the positioning accuracy and other location tracking functions by using the spare power. More directly, it can reduce the number of recycling vehicles caused by low battery power or performance degradation, as well as prevent unnecessary capital loss.

6.3. Diversification strategies

6.3.1. Developing more bicycle products

Hellobike can develop more products, such as electric bikes, to meet more customers' different needs, expand its business scope beyond "one kilometer in front of the door", and use its original market advantages to compete in more areas.

6.3.2. Improving the accuracy of big data

Improving the accuracy of big data can better analyze where to put bicycles to attract more customers. At the same time, pinpointing the areas with more damage and less demand, and appropriately adjusting the proportion of bicycle allocation can promote better flow.

6.3.3. Improve user riding experience

Hellobike can change the performance of vehicles, such as improving the quality of vehicles so that consumers can ride more effortlessly and faster; or designing more ergonomic vehicles to meet the needs of customers; and introducing more interesting functions on the corresponding APP combined with accurate big data analysis, for example, analyzing the dense area of vehicles to meet the needs of multiple users riding at the same time; one-to-one vehicle identification. Ensure the privacy of the case of the vehicle to implement accurate location tracking.

6.4. Defensive strategies

6.4.1. Real-time monitoring of the number of bicycles

Monitoring the number of bicycles can timely adjust the inventory capacity and production and reproduction speed to ensure that the company can control the cost of bicycles as the company's main products to reach a good standard. Besides, it can reduce unnecessary surplus and deficit problems to ensure that the company's main products have a high reliability rate. And at the same time, it can more accurately optimize the number of vehicles in each region ratio, making the service more humane and scientific.

6.4.2. Regular maintenance of vehicle quality

As the company's products, whether the vehicles can operate normally determines the smooth operation of the company's industry and the evaluation of users.

6.4.3. Recycle damaged bicycles regularly

If damaged bikes are not collected, it will mislead consumers to think that they are rideable vehicles and waste time to unlock them. At the same time, if the damaged bikes are recycled, it can also reduce the number of bikes in the city and improve the environment.

7. CONCLUSION

In this paper, the author analyzes the status of Hellobike in order to provide evidence that enterprises can not run the bike-sharing business by themselves, they need the support by both government and citizens. Then, with the corporation of government, enterprises and society, they can maximize the public interest at the lower cost. Therefore, not only Hellobike, but also all the bike-sharing industry will have better development in the future. However, in this paper, the author doesn't use enough data to support the points. Although the analysis is detailed and various, this paper still lack the corresponding data to support. In the future study, the author will collect more useful data to estimate the bike-sharing industry and Hellobike.

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