



# Corporate Social Responsibility Issues and Impact of Internet Platform Enterprises -- Taking the Chinese Market as an Example

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**Abstract.** With the rapid development of the internet and e-commerce, the scale and influence of internet platform companies are gradually expanding, bringing new categories and challenges to corporate social responsibility. The emerging internet platforms have the characteristics of multi-level and nested nature, leading to relatively one-sided research on the definition and measures of corporate social responsibility in this field, and there is still a significant gap in literature research. Therefore, this paper analyzes the direct and indirect corporate social responsibility events of internet platform enterprises in the Chinese market. By analyzing the process of event occurrence, handling results, and the profound impact on the event subjects and various sectors of society, it summarizes the social responsibility of internet platform enterprises from the perspectives of company policies, government constraints, and social reputation, Provides scientific research support and literature reference for the formulation and implementation of corporate social responsibility rules in the field of internet platforms in the future.

**Keywords:** Corporate Social Responsibility, e-commerce platforms, Platform Self Governance, Internet Interactions

# 1 Introduction

With the rapid development of the Internet and communication, internet platform enterprises are gradually playing an increasingly important role through electronic devices such as mobile phones and computers. Internet platform enterprises establish interaction or trading platforms to encourage buyers and sellers to interact or trade on the platform, thus forming a network ecosystem. Unlike general enterprises, the value creation of platform enterprises relies on the interaction or transactions of the users they connect to, and relies on network effects to promote the continuous amplification of platform value. Platform enterprises and their upstream and downstream users jointly form the platform ecosystem[1]. The form of economic operation driven by these Internet platforms, known as "Platform economy", has become an indispensable economic operation paradigm in social development and daily economic life, and has played a very important role in promoting modern social progress and economic development.

Internet platform companies have the characteristics of multi-level and nesting, which can maximize the aggregation of sellers and buyers, suppliers and customers, resulting in multilateral related behavior. At the same time, platform-based enterprises and bilateral users within the platform form a coupling of social responsibility behavior and social responsibility practice performance. This means that internet platform companies have built a new platform business ecosystem, which is the core organization within the business ecosystem. Other members of various organizations form dynamic network relationships for transaction interaction in the platform interface.

At the same time, it has changed the static relationship between consumers and producers in the original value-creation process, promoting a new economic paradigm of multi-party cooperation and mutual influence. This has brought profound impacts and changes to both the economic market and the political field[2].

For internet platform companies, corporate social responsibility remains a relatively new topic. The evaluation of corporate social responsibility is usually the evaluation of corporate social responsibility management and actual behavior by third-party forces such as government or public opinion. Platform based enterprises gather a large number of micro market entities, and platform companies play an important role as public interest regulators, guiding the behavior of suppliers and consumer groups[3].

In this social context, many internet platform companies voluntarily release corporate social responsibility reports, explaining the concept and behavior of social responsibility, consciously assuming corresponding responsibilities, and adhering to sustainable development. At the same time, the occurrence of social responsibility incidents has also attracted the attention of the Chinese government. At important economic conferences, the importance of corporate social responsibility in emerging fields was emphasized, and laws and regulations were issued to govern the behavior of corporate social responsibility deficiencies. This reflects the great importance that society attaches to the performance of corporate social responsibility[4].

However, the Social phenomenon in recent years shows that many Internet platforms lack corporate social responsibility management and social responsibility awareness. In the event of the lack of corporate social responsibility of Internet platform enterprises, platform enterprises pursue the short-term interests of enterprise operation at the expense of long-term interests of users, ignore social values under the logic of enterprise Profit maximization, and even intensify malicious competition in the market, seriously infringing the legitimate rights and interests of consumers[5]. The digital technology that supports platform business model innovation has a vague definition in terms of corporate social responsibility. By mastering user browsing trajectories and preferences, platform users are subjected to algorithmic discrimination, algorithmic hegemony, and other rights infringement behaviors. In summary, it can be seen that the serious emergence of social problems at all levels has led to the unsustainable business model of the platform. Internet platform enterprises are only in the initial stage of fulfilling their social responsibilities and watching from the sidelines.

The corporate social responsibility of internet e-commerce platforms has the characteristics of high dissemination speed and wide influence endowed by digitization and also combines the characteristics of two-way interaction and benefits exchange in marketing, which creates enormous difficulties for the definition and standardization of corporate social responsibility. Although the academic community has conducted extensive research on the social responsibility of general enterprises, research on the social responsibility of platform enterprises has only begun in recent years, and there is no unified view on the dimensions of the social responsibility structure of internet platform enterprises, and there are significant differences[6]. In recent years, there has been a lack of systematic analysis and induction of the problems and reactions of corporate social responsibility in the Chinese market. At

the same time, there is a lack of integration between corporate social responsibility and internet platform enterprises in identifying social environmental issues, making strategic decisions and topic choices for social responsibility, and participating in value co-creation with stakeholders[7].

Therefore, this study will provide examples and analysis of the issues that e-commerce platforms pose to corporate social responsibility from both direct and indirect perspectives. It will summarize the feedback and measures of the external driving factors of the enterprise itself, and then provide guidance on the measures and impacts of internet platform enterprises as the main bearers of corporate social responsibility and the network ecosystem composed of the platform, surrounding environment, and stakeholders.

## 2 Analysis of the problems

### 2.1 Platform self-management leading to direct CSR issues

**CSR issues led by individuals.** In the era of rapid information dissemination and surging consumer demand, competition between e-commerce platforms is gradually intensifying. There are many factors that affect consumers' willingness to purchase, including product prices, production costs, degree of differentiation, logistics delivery efficiency, and merchant service levels. These factors also affect the competitive behavior between e-commerce platforms with the same or similar business scope and structure[8]. So some internet e-commerce platforms gain unfair competitive advantages through methods that violate ethics or even laws, such as traffic and user information transactions between platforms, or social responsibility deficiencies such as monopolistic pricing and false advertising, thereby disrupting the competitive order of the social responsibility ecosystem of platform based enterprises.

In 2016, Dianping, a well-known independent third-party consumer review website in China, sued the search engine software Baidu for legitimate competition, becoming a typical platform competition case in the field of internet platforms, sparking widespread corporate social responsibility thinking. As a third-party review website, Dianping not only provides users with merchant information, consumer reviews, and promotional services, but also offers Online To Offline(O2O) transaction services such as group buying, restaurant reservations, takeout, and electronic membership cards. Dianping pointed out that Baidu website plagiarizes and replicates a large

amount of merchant information, user reviews, and other content in the process of providing life service information, seriously infringing on Dianping's information security and interests. Baidu, on the other hand, points out that as a search engine, it provides users with catering and other life service information through the integration of deep industry information. The relevant protocols of Dianping are open to search engines such as Baidu, and Baidu crawls relevant content under the conditions allowed by the robots protocol.

The issue of information authorization and obtaining economic benefits has always been highly controversial in the digital era of internet e-commerce platforms, and is an important aspect of the lack of social responsibility caused by competition among platform based e-commerce enterprises. In the end, the court decided Baidu stop unfair competition and compensate the public for the economic loss of 3 million yuan and the reasonable cost of 230000 yuan. This shows that the Internet e-commerce platform, as the subject of corporate social responsibility, has a weak awareness and a lack of systems, which have caused serious adverse effects.

**CSR issues between enterprises and users.** Internet platform companies have a bilateral effect, which leads to their corporate social responsibility not only in the competition between platforms, but also in the process of information collection and service provision with upstream and downstream users. Some Chinese internet e-commerce platform companies have already produced products and appliances with their own brands, and some internet social platforms have also begun to acquire well-known games to increase profits. This will directly affect users and suppliers.

Tencent is a famous internet company in China, and its social media platforms such as WeChat and QQ have become the most commonly used communication tools for the vast majority of Chinese people. In addition, he also expanded programs such as fintech services and office tool software, and the games he created and acquired have been widely popularized among children and young people. However, the increasing popularity of related games has caused increasingly serious problems such as addiction to online games and irrational excessive consumption among minors, affecting the development of teenagers and family harmony. As the operator and maintainer of games, Tencent has been criticized and condemned by parents and society for a time[9].

After continuous exploration and optimization, Tencent has gradually built a technology-controlled adult health online protection system since 2017, effectively

alleviating problems such as addiction to online games and irrational excessive consumption among minors. The core content of this system includes measures such as parents being able to use the platform to query and manage their children's gaming status, conducting real name authentication to control the gaming time of minors, and implementing game duration control far above the standards of relevant national laws and regulations, in order to address the negative gaming behavior of minors. It can be seen that for most e-commerce platforms, social responsibility and the relationship between the platform and users are still issues that need to be addressed, accounting for a large proportion of the lack of corporate social responsibility in internet companies.

## **2.2 The large platform network ecosystems lead to indirect CSR issues**

E-commerce platforms not only serve as the main body of corporate social responsibility and an important component of large-scale network ecosystems but also have horizontal network effects, which bring more demand uncertainty and market volatility to e-commerce platforms[10]. Therefore, buyers tend to purchase from sellers with better reputations and more capital, which means that sellers have a greater probability of providing high-quality products and services. Therefore, reputation and positive reviews have become important evaluation criteria and core competitiveness for e-commerce sellers, and consumers can even bear more brand premiums, which will directly bring them more orders and greater profits.

However, this also leads to more serious and difficult-to-assess corporate social responsibility issues. Taobao is a popular online retail platform in China, including various e-commerce models such as group buying, distribution, and auction. However, in 2016, Chinese TV programs exposed Taobao's online shopping order swiping behavior, that is, the shop owner paid someone to pretend to be a customer and help the designated online store seller buy goods to improve sales and credit, so as to improve the ranking of the shop in the platform. Such behavior seriously damages consumers' right to know and misleads their understanding of product quality[11]. At the same time, this has led to a sharp decline in the public trust in e-commerce platforms themselves, resulting in user loss. For operators on the platform, malicious brushing of orders by competitors can damage the reputation of the store, and the decline in the reputation of e-commerce platforms can affect the number of consumers logging into the website, causing great losses to sellers.

Finally, in the form of mainstream social media pointing out the Taobao issue, it has driven the Internet platform ecosystem to think about corporate social responsibility on e-commerce platforms. Taobao and other online shopping platform markets have established a swiping monitoring department within the company to curb platform swiping behavior, and the Chinese government has also revised relevant laws and regulations to restrict such behavior. The impact of bilateral users on corporate social responsibility is more complex and far-reaching[12]. Under the guidance and constraints of platform entities, what is more, important is the formation and development of a common concept of social responsibility and values in the platform ecosystem.

### **3 Suggestion**

The issue of corporate social responsibility on internet platforms has a significant and far-reaching impact on both the company itself and the economic ecosystem composed of internet platforms. It requires internet platform enterprises to consciously constrain their obligations as responsible entities and also requires resource complementarity and value guidance from the entire social circle.

Internet platform enterprises can gather bilateral user groups with the same value preferences in the market by building platform link interfaces, forming a platform-based corporate social responsibility ecosystem[2]. From the exposure and correction of these phenomena of corporate social responsibility deficiencies mentioned earlier, it can be seen that internet e-commerce platforms play an important role in the Chinese market, profoundly affecting the development of the platform based corporate social responsibility ecosystem.

Based on the above example analysis of the lack and alienation of direct and indirect corporate social responsibility of Chinese internet platform companies, as a new organizational carrier for social responsibility practice, platform based enterprises should construct interactive rules and mechanisms to protect the legitimate rights and interests of upstream and downstream customers, and meet the social expectations of diverse market entities, At the same time, promote the participation of diverse social entities in social issues within the platform to achieve the goal of comprehensive value creation and sustainable development.

The ecosystem network generated during the operation of internet platform enterprises makes the social responsibility content dimension of platform based

enterprises include traditional stakeholders and bilateral users of the platform. Therefore, fulfilling social responsibility should not only be the enterprise itself but also based on the internet platform, linking various economic and social members to participate in solving corresponding social problems. A network ecosystem built by internet platforms with shared value preferences, based on the platform's social responsibility rules and values of social expectations, utilizing the complementary resources of diverse societies to form problem-solving thinking and holistic actions, better-improving market rules, and undertaking corporate social responsibility.

## **4 Conclusion**

This study provides examples and analysis of the lack of corporate social responsibility behavior of internet platform enterprises such as Baidu and Taobao in the process of obtaining corporate benefits. It is found that enterprises, as the main body of corporate social responsibility, have a negative impact on the behavior and impact of direct and indirect corporate social responsibility issues, as well as on the ecological network relationships and results generated during the operation process. Afterward, this study summarized the practices of the ecosystem network generated by enterprise entities and operations, and strengthened the implementation of corporate social responsibility in improving their own mechanisms and strengthening link effects, providing guidance for the sustainable development of internet platform enterprises and the internet economic ecosystem to a certain extent.

This study compensates for the relatively weak research and inadequate implementation of measures on corporate social responsibility in the emerging field of internet platforms. It analyzes and summarizes the causes, processes, and results of typical incidents of corporate social responsibility loss and alienation on internet platforms in the Chinese market, providing a reference for the avoidance measures of corporate social responsibility loss in the process of autonomy and interaction with upstream and downstream users for internet platform enterprises.

In the future, as an emerging field with great potential, internet platform enterprises will have a lot of exploration space in the academic research field and time analysis and inspection field of corporate social responsibility. Internet platform enterprises, as the main bearers of corporate social responsibility, also influence bilateral users and stakeholders in related fields, and cannot do without policy guidance and social rules constraints. At the same time, with the rapid development of technology and society,



internet platform enterprises will bring more benefits and risks with unpredictable development directions and speeds. It is necessary to continuously adjust and innovate the theme and constraint forces of corporate social responsibility, and maintain the balance and sustainable development of corporate social responsibility in the field of internet platforms.

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