

Analysis of Used Car E - commerce Platform

Juan Kong

No.1111, Huchenghuan Rd, Pudong, Shanghai, P.R.China 201306

Shanghai Jian Qiao University

15054@gench.edu.cn

Keywords: Used car; E-commerce; Platform mode

Abstract. How to make full use of the large-capacity, high-speed and large-scale advantages of the Internet to enhance the core competitiveness of the e-commerce model, break the traditional sales channels and comprehensively and rapidly develop the second-hand car market in our country is a problem to be solved in China's used car industry. This paper analyzes the current status and mode of the development of the used car e-commerce, and puts forward the problems in the development process, and puts forward the feasible solutions to these problems.

Used Car E-Commerce Development Status

From 2006 to 2016, China's automobile production and sales showed a gradual increase. In 2016, with the implementation of the policy of reducing the purchase tax by half, the relocation of second-hand car policy was gradually liberalized and some cities did not limit the purchase of new energy vehicles, which greatly stimulated the consumption of automobiles in the domestic market. In 2016, Annual sales for the first time exceeded 24 million. Figure 1 below is China's passenger car sales and growth rate in the past decade. Increase significantly higher than the previous year. However, in 2017, with the cancellation of the policy of reducing the purchase tax by half and jointly issued by the Ministry of Commerce, Ministry of Public Security and Ministry of Environmental Protection in March 2017, all localities are required to provide cancellation policies on the relocation of second-hand cars and expedite the cancellation of used-car limit Move to work. This series of good news have contributed to the rapid development of second-hand car market is expected in 2020, China's second-hand car trading will catch up with the new car trading volume. At the same time, platform profit models such as financial products, trading commissions and value-added services of used car e-commerce businesses gradually diversified, their concentration decreased, and their industries had ample room for development. Therefore, the future of used car e-commerce platform has great potential.

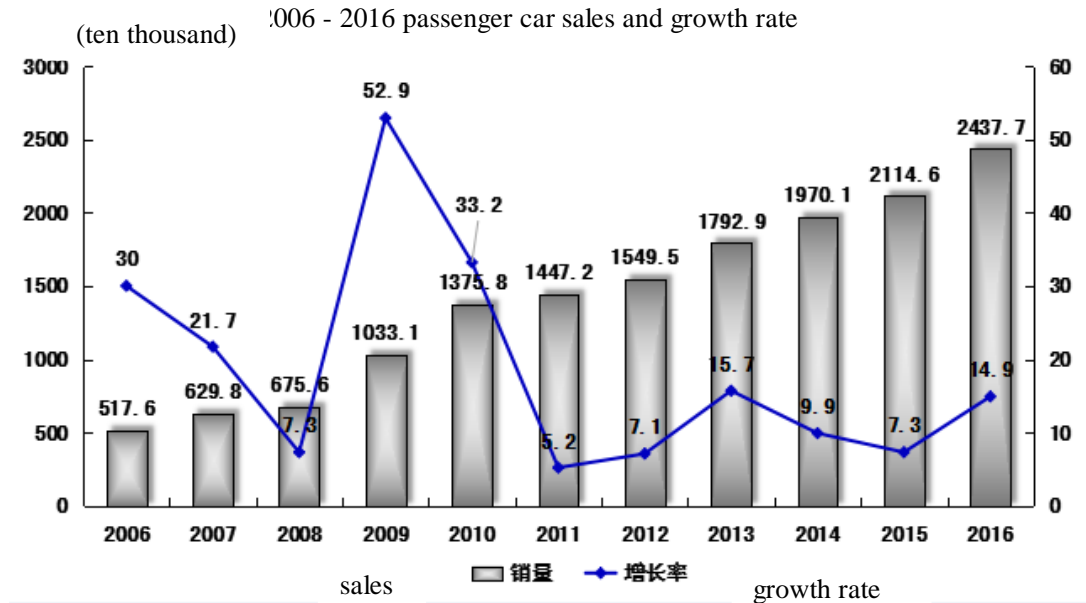


Figure 1. China's passenger car sales and growth rate in the past decade

Used Car E-commerce Platform Mode of Operation

From the current development of domestic automotive e-commerce point of view, the main types of used car e-commerce platform model from the larger analysis of the three directions, namely, business and personal transactions (B2C mode), transactions between enterprises (B2B mode) and Individual transactions (C2C). However, according to different trading roles, they can be further broken down into the following categories:

C2B Mode (Customer to Business). C2B platform representatives are making cars every day, a good car, etc., individual car owners to provide their own vehicle source information to the platform, the platform will be used to convert this information to second-hand car dealers, the final auction through the way the car auction to the car dealer, this transaction The form can effectively make up for the shortcomings in the traditional trading process and give full play to the advantages of the Internet. It not only provides car sales channels for customers who want to sell cars, but also brings rich resources to car dealers. The platform serves as an intermediary and is responsible for detecting the condition of vehicles , For the two sides to provide a secure transaction payment methods to ensure the smooth progress of the transaction, and by collecting one of the second-hand car testing fees and related service fees to obtain profits.

B2B Model (Business to Business). B2B model representative is gifted shot, the car is easy to shoot, the platform through the major vehicle dealers access to the car source information, and then sold to brokers. With C2B mode auction platform is similar, the profitability is also very similar, different vehicle source service fee is also different. Platform integrated vehicle source information to provide various types of service assurance, a high degree of match most users needs and can optimize the user experience, enabling distributors, third-party service platform and user benefits, greatly improving the efficiency of the entire industry.

B2C Model (Business to Customer). B2C model is the mainstream of domestic used car e-commerce model, divided into two types, the first is a good reputation used cars, used car home as a representative. Car dealers can pay for certain promotional costs and other service charges on the B2C platform to sell their vehicles. Another model is self-owned vehicles, own trading network platform and its own showroom, through the mining of various channels, direct purchase of vehicles, after the curb fare sales, the use of intermediate vehicles for profit, this model car king Used cars are one of the largest representatives.

C2C Model (Customer to Customer). C2C mode direct docking individual owners and individual buyers, eliminating the need for the middle part of the transaction will not be the

difference. This model relies on individual used car consignment, the owner of the vehicle in the platform for registration, the platform will have this car information, for other buyers to choose, the owner can still use their own vehicles. At this moment, the platform should be responsible for matching the buyers of vehicles registered with the vehicle source, providing services such as watching vehicles and testing for the willing buyers, and finally reaching a deal. It is not difficult to see from the above that C2C's profit model mainly comes from the transaction service fee paid by the buyer. On behalf of business people car, car carefree and melon seeds used car.

Used Car Information and Information Mode. Used car home, 51 car, the first car network as a second-hand car information and information model on behalf of the main value lies in the service of all used car trading needs of users and dealers, online resources release and docking, in the pre-docking of resources Links, through the middle of advertising costs for profit.

C / B 2 B / C Mode. The C / B 2 B / C model represented by Checheng has been innovated in the above five models, providing an online platform on the B-side, connecting to the car sellers and buying a car through the O2O platform (online to online) And car dealers income car, car sales demand, through the financial means to allow car dealers to speed up the vehicle turnover on the platform to give car dealers financing to solve the car business car financing problems, vehicle placement problems; Vehicle manufacturers to conduct rigorous testing to resolve the quality concerns of car users, and can provide personal loans and insurance benefits to ensure the overall price of the rationality, from the transaction service fees and financial income.

Second-Hand Car E-Commerce Platform Model Problems

The key indicator of user experience depends on price transparency, availability, financial leverage, and offline services. The operation of second-hand car e-commerce platform needs to consume high cost of access, service and operation, and is also facing a more severe market environment for the used car e-commerce industry in China. China's second-hand car e-commerce platform model gradually revealed in the development of defects, mainly in the following points:

The Operating Costs of the Platform are Higher. Platform needs funds to maintain operations, but the platform in order to create the platform effect, are basically in a loss state. Although some platforms have also introduced auto financial services, but the effect is not obvious.

Second-hand Car E-commerce Platform Lack of Vehicles, Restricting the Development of Used Car E-commerce Platform. Adequate second-hand car source is the platform trading volume guarantee. However, due to the different levels of economic development, most domestic used car resources are located in first-tier cities. The entire used-car industry is tilted toward the seller's market and the fragmentation is more serious. In particular, under the policy of licenses and restrictions, consumer demand for replacement vehicles has been stimulated. The circulation of these replacement vehicles to tier-4 and-fifth-tier cities can not be well digested and the penetration rate is not satisfactory, which seriously hinders the development of e-commerce. Restrictions on relocation is also one of the obstacles, non-compliance with the emission standards of foreign vehicles can not be transferred, a greater impact on the development of the market.

The Offline Experience of Domestic Used Car Platform is not Satisfactory. The current used car platform has not tapped the potential needs of consumers, but also neglected the development of potential customers, while the after-sales service system is not perfect, online and offline convergence is not perfect, but only focus on online transactions, offline services not good enough. These problems have also hindered the development and expansion of used car e-commerce platform

The Price Transparency of Second-hand Cars is a big Problem Faced by the E-commerce Platform. The reason that consumers buy second-hand cars is that second-hand car prices are low, but they also hope that the performance of the car is safe and reliable. Therefore, to ensure fair and reasonable prices and good conditions is the fundamental development of second-hand car platforms. Therefore, only a reasonable used car price assessment Only to give users a better experience.

Service is not Perfect. At present, the used car industry lacks an effective supervision mechanism. The used car market can only rely on the integrity of traders and after-sales service to obtain the affirmation of used cars by consumers. The improvement of after-sales service is to ensure the benign development of the used car industry, the basic guarantee, only to establish a good industry standard can play a supervisory role and norms. Used car e-commerce platform for the development of protection.

Used car E-commerce Platform to Improve the Method

Optimize the Existing Used Car Body and Gradually Realize the Brand and Scale Development. The establishment of a sound second-hand car sales system is based on the development of e-commerce platform. Only by developing the second-hand car agency under the line into a large-scale used car market and establishing its own brand will attract consumers through the brand effect and at the same time scale The used car market is easier to establish a good system. Improve the functioning of institutions and online cooperation to promote the development of used car electricity supplier. This is also the future trend of second-hand car e-commerce development.

The Relevant Government Agencies Promulgated Sound Laws and Regulations to Standardize Second-hand Car Trading. From the current policy perspective, many of them are proposed policies and do not have detailed norms on specific implementation details. Therefore, I hope to learn from the mature foreign legal system to formulate some detailed laws and regulations in the specific implementation process can regulate them, through the construction of a sound system of laws and regulations to step up supervision of the industry.

To Establish a Detailed Vehicle Files, Improve Vehicle Evaluation System. Vehicle conditions are not transparent, vehicle information asymmetry is a major obstacle to the development of used vehicles. Therefore, drawing on foreign experience, each vehicle from the factory to the dealership dealers and consumers to use the entire link among them, to establish a complete and comprehensive vehicle files. This car's basic information at a glance, easy to manage. In addition, in the process of assessment, a complete set of evaluation mechanism should be established so as to ensure the accuracy of the evaluated vehicle price and evaluate the authenticity of the data.

Strengthen the Training of Professional Used Car Evaluation Talents. At present, many used car assessors rely on their experience to do related assessment work, and the lack of qualified assessment agencies in the country. Therefore, it is necessary to strengthen the training of second-hand car appraiser personnel, strictly comply with professional ethics, and have a solid foundation of professional knowledge. A qualified appraisal institution should be set up to provide professional training and issue relevant certificates. Improve the valuation of used car evaluation personnel attention.

Summary

The domestic second-hand car market in the future will be increasingly mature, the car source is increasingly rich, the industrial system is increasingly perfect, the evaluation criteria are perfect, and the trading channel structure is balanced. However, this process is bumpy and will certainly not be easy. After all, the entire used car market in China is still in the continuous exploration period of its business model and profit model. There are still many problems to be solved. Even though some enterprises are gradually falling down, the "second hand car market" will surely welcome a vibrant spring as long as it is on the right path to overcome the existing problems and difficulties.

Acknowledgements

Project Fund from Shanghai University Young Teacher Training Subsidy Program (AAYQ1626).

References

- [1] C.Guan: Based on e-commerce used car marketing strategy [D]. Yunnan University, 2015.
- [2] W.S.Wang and H.Y.Wang: Used car e-commerce marketing model of development [J]. China business, 2009, (17): 85-86.
- [3] Y. Long: Research on the Marketing Strategy of Used Car Based on Internet [J]. China Business, 2012, (09): 35-36.
- [4] J.W.Shao:An Effective Approach to the Growth of Used Car E-commerce [J] .China Market, 2014, (49): 178-179.