Research on Social E-commerce Model and Its Typical Cases in the Age of Mobile Internet

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Abstract. As an emerging e-commerce model, social e-commerce integrates e-commerce and social media, providing an effective solution for traditional e-commerce to reduce the cost of diversion and tap the value of online shopping inventory users. According to the different traffic generation mechanisms, this paper divides social e-commerce into four types: micro-business, Net red e-commerce, content social e-commerce and group e-commerce, then compares and analyzes the operation mechanism of related typical cases, in order to provide some useful reference and reference for the relevant enterprises committed to the development of mobile social retail e-commerce.

1. Introduction

In recent years, with the continuous increase in the number of mobile Internet users in China, the proportion of mobile online shopping has increased rapidly, the competition intensity of e-commerce has intensified, and the market has also shown a clear "centralized" oligarchy, which has led to a rapid increase in the cost of drainage and significantly increased the operational pressure of traditional e-commerce. Electrical commerce is in urgent need of finding other more efficient and cost-effective methods of drainage[1]. In the era of mobile internet, the mobile social platform represented by WeChat and Weibo has become the most important traffic portal for mobile users; the social e-commerce model that integrates social and e-commerce provides an effective solution for e-commerce to reduce the cost of drainage and tap the value of online shopping inventory users[2,3].

By integrating the advantages of mobile Internet, social platform and e-commerce, social e-commerce has transformed traditional e-commerce search shopping into shared and word-of-mouth shopping, which makes the mobile social network the front desk of e-commerce transactions, and injects vitality into the traditional e-commerce that suffers from the bottleneck of drainage. The rapid development of social e-commerce has become a new growth pole for e-commerce in China. According to the forecast of China's Internet data platform, the scale of China's social e-commerce market will exceed 1 trillion yuan by 2020 [3,4]; therefore, the Internet giants represented by Tencent, Alibaba and Jingdong are actively deploying their own social e-commerce and innovating business models.

2. Social E-commerce Connotation

Social e-commerce is a derivative model of e-commerce. which integrates e-commerce and socialization, bases on the network of interpersonal relationships, with trust as the core, and uses social media (Weibo, WeChat, etc.) to help consumers make decisions and access products and services for e-commerce activities. Technically, it provides convenient access conditions for wireless terminals such as personal digital assistants, smart phones, and tablet computers[2,5]. On the channel, through social networking platforms, social elements such as attention, sharing, communication, discussion, and interaction are applied to E-commerce transaction processes such as purchase, service, information acquisition, and customization of e-commerce. Its structure is shown in Figure 1.

Compared with traditional e-commerce, social e-commerce has an interactive multi-dimensional industrial chain, which can generate efficient business models such as zero-storage distribution, precision marketing and C2B customization, and can improve the overall operational efficiency of the e-commerce industry[6]; On the other hand, the transaction of social e-commerce also presents the characteristics of

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"decentralization", which is conducive to the win-win situation of small and medium-sized merchants and promotes the innovative development of the entire e-commerce industry.
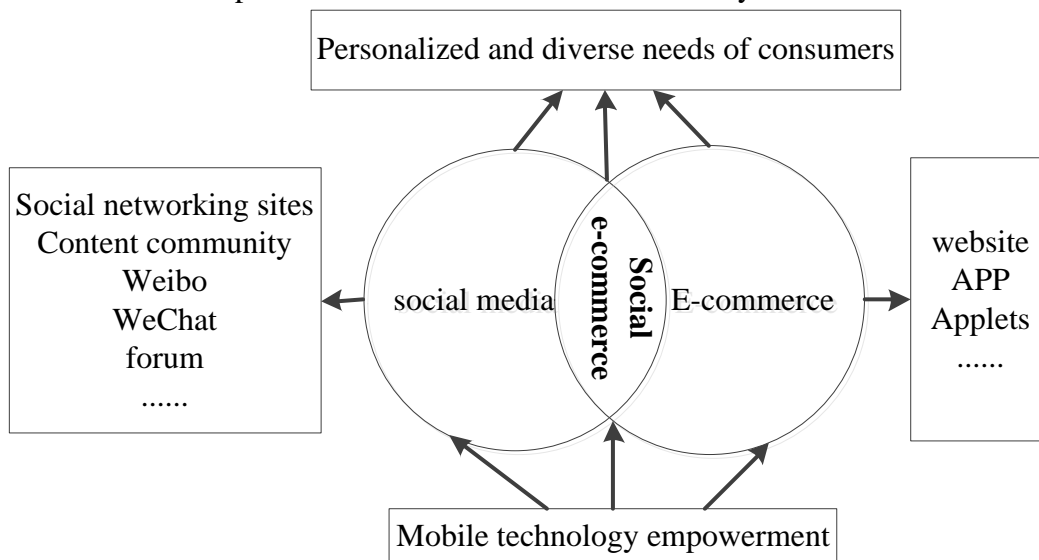
Fig. 1 Mobile social e-commerce structure

3. Social E-commerce Model Classification

Traffic is the basis for the survival and development of e-commerce. According to different traffic generation mechanisms, the social e-commerce model can be divided into micro-business, online red e-commerce, content social e-commerce, and group e-commerce[7]. Traffic is the basis for the survival and development of e-commerce. According to different traffic generation mechanisms, the social e-commerce model can be divided into micro-business, online red e-commerce, content social e-commerce, and group e-commerce[3,6]. The main difference between different modes is that the traffic sources are different. Specifically, the micro-business mainly relies on the huge traffic of social media such as WeChat and Weibo; the Net red e-commerce uses its own fans as the basis for natural traffic; the content social e-commerce attracts traffic with high-quality content; the group e-commerce attracts traffic through commodity sharing.

3.1 micro-business

Micro-business refers to a business activity in which a company or an individual conducts goods or provides services through an Internet social platform such as WeChat or Weibo based on a network of interpersonal relationships. According to the different aspects of the topic, micro -business can be roughly divided into the following three forms:

(1) Personal micro-business: It refers to the personal purchasing service based on social networks such as WeChat or Weibo.

(2) Brand micro-business: It means that brand owners use the social channels such as WeChat and Weibo to sell goods.

(3) Platform micro-business: It refers to providing complete sales solutions for brands and individuals to develop micro-business through standardized micro-business platform.

From the perspective of development history, the early stage of micro-merchants mainly focused on individual purchasing and hierarchical agency. Due to the low entry threshold, a large number of people flooded into the micro-merchants industry, which led to the rapid expansion of the scale of the micro-merchants industry, but the relevant laws and regulations were not promulgated in time, which led to the prominent problems in the micro-merchants industry; its main performances are: channel out of control, price confusion, uneven product quality, insured rights protection after-sales, brainwashing development downline, simple and crude marketing methods, etc.; Later, with the emergence of platform micro-business and the introduction of relevant laws and regulations on micro-business, the micro-business industry was

gradually standardized[8]. At present, platform micro-business is the mainstream mode of micro-business development. The well-known micro-business platforms include Cloud micro-store, Global Catcher, Chuchu, Darling, Beidian, Daren, Dejia, and Yunbao.

3.2 Net red e-commerce

Net red e-commerce refers to the network reds that introduce fan traffic into their online stores through their own charm, and drive the sales of store merchandise to make profits. Compared with the traditional e-commerce, the net red attribute of the network red e-commerce provides a low-cost, highly viscous traffic foundation, which makes its conversion rate outstanding[7,8]. From the perspective of the core competitiveness of the drainage, the net reds are mainly divided into two categories: strength group and appearance group.

(1) Strength Net Reds attract fans by producing high-quality content, which are generally opinion leaders or industry leaders in various vertical fields such as literature, games, food, animation, fashion, etc., and have a very high reputation in this field.

(2) Appearance Net Reds generally refer to the beauty that win by appearance, mainly active in webcasting and Taobao shops. For example, "Taobao's first net red" Zhang Dazhao is a typical representative of appearance Net Reds.

In addition, the entities involved in the Net red e-commerce include not only the seller's Net red, the fans as the buyer, the online social platform and e-commerce platform, but also the incubator that exists to improve the Net red's ability to obtain traffic, and the back-end companies in the supply chain that exist to improve the delivery capability of the Net red.

3.3 Content social e-commerce

Content social e-commerce is generally based on shopping-related content sharing communities such as shopping strategy and shopping guide, which rely on high-quality and professional content to attract initial customers. After customers form a certain size and trust them, they will launch e-commerce, and then form a complete business chain of "discovering goods" to "purchasing goods". Compared with the net red e-commerce, the content social e-commerce has a relatively low traffic viscosity, and the production and output capability of high-quality content is the key to its drainage. At present, there are mainly well-known content social e-commerce companies in China, such as Xiaohongshu, Beauty & Mushroom Street.

3.4 Group e-commerce

The main feature of the group e-commerce is that the user fights the price of the group. It uses the social force to sink the user, and through the low threshold promotion activities to cater to the user's greed, show off, excitement and other psychology, and help the product to lock the user, and Sell some cost-effective products to achieve the goal of sales fission.

This type of low-cost sales has increased the difficulty of quality control, so good quality control has become the key to its future development. The mechanism of social e-commerce such as micro-business, Net red e-commerce and Content social e-commerce is to use social media to conduct e-commerce activities, which is essentially the commercialization of social networks; The group e-commerce is to integrate social elements into traditional e-commerce, the use of social networks for shared shopping can greatly reduce the cost of diversion; at the same time, the scale advantage of group purchase makes it able to directly talk with the supply partner, which can save the intermediate links and increase the stickiness between consumers and brands., Its essence is the socialization of e-commerce. At present, the most well-known domestic Group e-commerce companies have PinDuoDuo, Taobao special edition, Jingdong purchase.

4. Comparative Analysis of Typical Cases

This paper selects Cloud micro-store, Zhang Dayi, Beautiful United Group and PinDuoDuo to make a comparative analysis of the typical cases of micro-business, Net red e-commerce, content social e-commerce, and group e-commerce. The main analysis data were obtained from the official website of the company, the representative website of the Internet industry analysis, the authoritative data analysis center, relevant case study papers and related reports of the authoritative Internet.

As a representative of the initial stage of social e-commerce, Cloud micro-store is China's largest micro-business distribution platform. As a net red, Zhang Dayi has 3.77 million Sina Weibo fans. The private clothes and beauty recommendations are popular among fans on Weibo. The monthly sales of Taobao stores are stable at one million. As a representative of content social e-commerce, Beauty United Group is the largest women's fashion consumption discussion community in China, which focuses on serving women and covers many areas of women's fashion consumption.As the most potential representative of the e-commerce group, PinDuoDuo had established in September 2015, which has developed into the third largest e-commerce platform and the largest social e-commerce platform in China.

Table 1 Target customers of case companies

Company	User age	Female customer ratio (%)	User traffic	User characteristics
Cloud micro-store	26-45	76	Middle	Highly educated, married woman
Zhang dayi	18-29	97	Small	College student, office worker
Beautiful group	18-25	95	Middle	Young white-collar female, College student
Pinduoduo	25-40	72.3	Large	Middle-aged women, group buying enthusiasts

Table 2 Products and services of case companies

Company	Core products and services	Traffic generation and operation mechanism
Cloud micro-store	Mainstream brand products, platform standardization and service personalization	The store owner sells merchandise information through social networks to generate traffic and earn commissions; the platform is responsible for logistics and after-sales.
Zhang dayi	Net red explosion brand, opinion leader information service	Through weibo for content sharing and product evaluation, using personal influence to attract fans into taobao stores to facilitate order placement,
Beautiful group	Women's fashion consumption and women's fashion information services	By generating daily fashion consumption information to aggregate traffic, users actively share content to activate traffic and guide consumption.
Pinduoduo	High-quality low-priced goods and group buying model	Users actively share product information through wechat or weibo to generate traffic, and users develop users.

Table 3 Customer value realization of case enterprises

Company	Core value	Value realization methods and ways
Cloud micro- store	Self-use + shared sales model or one-stop platform service, "sinking interests" allows shop owners to make money, let users enjoy quality life at low prices	Promote online experience; collaborative supply chain, selective procurement, platform support, fragmented distribution; trust-based recommendation system
Zhang dayi	Using personal advantages and influence to recommend personalized products for fans	Promote online experience; the front end is responsible for the introduction and control of traffic, and the back end provides supply chain operation support for traffic conversion
Beautiful group	Give full play to the power of science and technology to provide the ultimate experience for serving women	Promote the online experience, form an ecological closed loop of the female consumer goods supply chain, and a product matrix with absolute advantages and complementarities.
Pinduoduo	Fight the group low price mode, let users enjoy more	Promote online experience, socialize shopping; c-side taps social traffic to improve efficiency; b-end helps manufacturers, dealers clear inventory, expand sales channels

5. Conclusion

In general, social e-commerce as an emerging e-commerce model is still in its infancy; in the process of development, it also faces many difficulties and challenges, such as uneven product quality, lack of supervision, lack of guarantee of after-sales service, simplification of profit mode and flow import, and imperfect credit system. Most companies are also unclear how to bring social traffic to the e-commerce segment in a healthy, scientific and effective way, and truly combine social and e-commerce. Moreover, compared with foreign countries, China's mobile social e-commerce enterprises are mostly not mature in supply chain management. Its lack of supply chain platform makes it difficult for enterprises to find suitable long-term partners, and it is difficult to form a supply chain and an industrial cluster between enterprises and enterprises.

Behind the huge social network, there is tremendous value and market potential. With the development of high-tech such as mobile Internet, artificial intelligence, big data, and cloud computing, Consumption upgrades promote the personalization and diversification of user needs. Mobile social e-commerce should fully integrate huge social traffic and rich e-commerce resources to provide consumers with a more comprehensive service and differentiated experience.

6. Acknowledgment

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