

Strategies for Elevating Idle Fish in the Second-Hand E-commerce Market

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Abstract. The rapid development of digital technology and the Internet has also created favorable conditions for the rise of second-hand trading platforms. The popularity of the Internet has made it easier for people to find and trade unused items. In contrast, the popularity of smartphones and apps has further promoted the convenience of second-hand transactions. Idle Fish is a subsidiary of Alibaba and provides a second-hand goods trading platform and community. This article analyzes Idle Fish's operational strategy, including cooperation with Taobao and Alibaba, multi-functional services, platform page design and intelligent operations. A SWOT analysis was conducted on the platform's strengths, opportunities, weaknesses, and threats. Finally, development strategies are proposed, including strengthening transaction security, improving community operation quality, encouraging celebrity and influencer participation, improving service quality, optimizing mobile application experience, collecting and analyzing user data, exploring partnerships, and maintaining quality control processes. Through these strategies, Idle Fish can fully realize its potential in the second-hand e-commerce market and meet evolving consumer needs such as sustainability, affordability and unique shopping experiences.

Keywords: Second-hand trading platform, Operational innovation strategy, Idle Fish.

1. Introduction

The rise and development of the second-hand trading market are closely related to various factors [1, 2]. With the continuous development of modern society, people's consumption concepts and shopping habits have undergone significant changes. The traditional "use it and disappear" consumption method has gradually evolved into a more sustainable and environmentally friendly shopping model. More and more consumers are beginning to pay attention to the reuse of resources and pursue the longevity and use value of items. This trend provides huge opportunities for the second-hand market and has promoted the rise of second-hand trading platforms like Idle Fish [3-5].

In addition, the rapid development of digital technology and the Internet has also created favorable conditions for the rise of second-hand trading platforms. The popularity of the Internet has made it easier for people to find and trade unused items. In contrast, the popularity of smartphones and apps has further facilitated the convenience of second-hand transactions. The emergence of Idle Fish not only meets people's needs for second-hand items but also creates a unique community through its innovative trading and social functions, providing more value to users [6-10].

This article will delve into Idle Fish's operating strategy and position in the second-hand trading market. Use SWOT analysis to evaluate Idle Fish's strengths and opportunities and identify its existing challenges and threats. Finally, this study will propose development strategies to improve further Idle Fish's core competitiveness in the highly competitive second-hand trading market and meet evolving consumer needs.

2. Operational Strategies of Idle Fish

Idle Fish has implemented standout innovation strategies to enhance user community experiences and build user trust. These innovations encompass transaction processes, multifunctional services, platform page design, and intelligent operations.

2.1. Transaction Process of Idle Fish

Idle Fish has partnered with Taobao and Alibaba to enhance user trust in the platform. Taobao, one of China's most renowned and consumer-favored online retail platforms, boasts over 500 million registered users and over 800 million daily listings, making it a significant market player. Leveraging this robust background support, Idle Fish benefits from Taobao's extensive user base, credit protection, and security measures. Idle Fish shares Alibaba's algorithms, security controls, and big data systems, integrates Sesame Credit, Alibaba's real-name authentication, and introduces Alipay's escrow payment service. As a result, users prioritize Idle Fish when choosing a second-hand platform due to their trust in Taobao and Alibaba.

When browsing products, users interested in a particular item can comment below the product or private message the seller for detailed inquiries and to consider purchasing. Users can also save items to their favorites, with the platform automatically notifying them when prices drop. After buyers have reviewed product information and made a purchase, sellers do not immediately receive payment; they must wait until buyers confirm receipt. This approach addresses buyer concerns and ensures sellers adhere to Idle Fish's transaction system. After completing a transaction, buyers can provide feedback on the product, which affects the seller's reputation and the perceived quality of their items, aiding future buyers in their decision-making.

2.2. Multifunctional Services and Platform Page Design on Idle Fish

Idle Fish's platform design reflects its diversity and strengthens its sense of community. The Recommended for You page on Idle Fish displays products that users may find interesting, with additional categories available by swiping right. Features like Show Your Goodies enhance Idle Fish's community aspect. Like Xiaohongshu, a social e-commerce platform primarily based on user-generated notes, users share their purchased products and personal evaluations. Users can also add their favorite channels, such as Celebrity Merchandise, Stamp Collecting, Mobile Phones, and Cosplay, allowing Idle Fish to provide more accurate product recommendations tailored to users' interests. Idle Fish has also introduced the Swap Your Treasures! Event (August 28, 2023 - September 5, 2023), where users can select their idle items post to find items they want to swap, further enhancing Idle Fish's social attributes and encouraging user communication.

Idle Fish's Seafood Market offers various functionalities:

Find Services: Users can seek services they need or offer services to others through the platform, such as Shenzhen On-site Cat Feeding, Advanced Math Tutoring, On-site Storage, and One-on-One Fitness Training.

Group Buy: For example, Double 11 Skincare Products Group Buy capitalizes on the Double 11 shopping festival, a major annual event on Taobao where most items are available at discounted prices.

In the Have Fun section of Idle Fish, users can post or browse posts on the Square, further emphasizing its social attributes. Users engage with the platform when they want to buy or sell items and as an ongoing social community.

Idle Fish's Idle Fish Authentication feature on the homepage allows users to verify the authenticity of their purchased items. Users need to post images and descriptions of their items, and Idle Fish collaborates with industry-recognized authentication experts to validate them. This service covers collectibles, trendy sneakers, fashion items, bags, watches, and cosmetics. Additionally, Idle Fish has intricately designed user profile pages. When users visit another user's profile, they can see the person's Sesame Credit score, ranging from Excellent Credit (700-950 points) to Poor Credit (350-550 points). In the upper-right corner of the profile, users can view the person's positive feedback rate, User Impressions, and the newly introduced Fish Shop level, complete with exclusive Fish Shop tags and descriptions. The Fish Shop tags effectively link individual Idle Fish profiles with the Have Fun section, allowing users to connect based on tags and shared interests. Clear user profile displays and various feedback mechanisms significantly increase trust among users.

2.3. Intelligent Operations on Idle Fish

Personalized recommendations on Idle Fish: They suggest relevant products to users based on their historical behavior and interests. In the Idle Fish e-commerce platform, the personalized recommendation system analyzes user's browsing history, search records, and purchase history to recommend products that match their interests. Regarding operational details, Idle Fish employs machine learning and big data techniques to mine and analyze user behavior data for making these recommendations. Additionally, to enhance the accuracy of recommendations, Idle Fish continually optimizes its personalized recommendation algorithms. For example, suppose a user has browsed through some luxury handbag items. In that case, Idle Fish can recommend more similar luxury handbag products based on the user's behavior data to meet their shopping needs.

Idle Fish has also introduced the Idle Fish Assistant, which includes features such as automatic shipping, cloud control for Idle Fish Assistant, and data management for Idle Fish Assistant. The Automatic Shipping feature enhances seller efficiency. In traditional Idle Fish selling, sellers manually list their items, which requires significant labor and often results in inconsistent quality. With the Idle Fish Assistant, everything can be done with a single click, greatly improving seller efficiency, reducing labor costs, and ensuring high-quality operation of Idle Fish stores. The Idle Fish Assistant Cloud Control feature, is essential for multiple store sellers to increase their profits. This feature allows sellers to manage multiple stores more effectively and ensures they don't miss any inquiries from potential buyers. Idle Fish Assistant Data Management provides sellers with various grouping functions, customizable product categories, scheduled item listings, chat aggregation for promoting products through group chats, automatic account maintenance to maintain a good seller reputation, and tag adding for improving search visibility.

Secondly, Idle Fish's Taobao One-Click Resell feature has attracted many Taobao users. Idle Fish offers the most convenient and fast way for users to list their Taobao items for sale directly. The platform automatically edits the text and product information for users, greatly increasing selling efficiency. The simple and user-friendly process encourages users to list more items for sale. Moreover, Taobao users interested in purchasing these items are more likely to check Idle Fish to see if they can find the same items at a lower price, potentially leading to purchases on the Idle Fish platform.

3. SWOT Analysis

3.1. Strengths Analysis of the Idle Fish Second-hand Platform

Low Commission Fees: The Idle Fish platform charges lower commission fees than other e-commerce platforms. Until June 2023, Idle Fish did not charge any commission fees for users, including high-frequency and high-value sellers. Even after implementing a fee policy for certain high-frequency sellers in June 2023, Idle Fish only charges a 1% service fee on the actual transaction amount, significantly lower than the 5% or more commission fees charged by most other platforms. This low commission fee attracts many second-hand sellers to choose Idle Fish over other platforms.

Official Logistics Service: Idle Fish not only supports third-party logistics but also has its own official logistics service called Cainiao Guoguo, which simplifies the shipping process for sellers. This official logistics service is useful for selling electronic products and ensuring efficient and convenient transactions. In contrast, some second-hand platforms, like Zhuanzhuan, only support third-party logistics or local pickup.

Community Building: Idle Fish's strong community-building features set it apart from other platforms. Users can post on the Plaza, share their collections, and engage with like-minded individuals in various interest groups. Unlike other platforms primarily focusing on transactions, Idle Fish's social elements enhance user engagement and participation.

Partnership with Alibaba: Idle Fish's partnership with Alibaba and Taobao enhances its credibility and user trust. Users are more likely to trust Idle Fish as it benefits from the reputation and security

features of Alibaba's ecosystem. Idle Fish shares Alibaba's algorithms, security measures, and big data systems integrates Sesame Credit and Alipay real-name authentication and introduces Alipay's escrow services. This collaboration bolsters user trust in Idle Fish.

Diverse Seller Base: Idle Fish has gained immense popularity among both individual and professional sellers because the Idle Fish platform does not require income fees, making it accessible for sellers with lower entry barriers. Many sellers on the Idle Fish platform list personal handcrafted and original homemade products, and many scalpers sell tickets through the Idle Fish platform. Therefore, many items on Idle Fish are unavailable on platforms like Taobao, highlighting the uniqueness of the Idle Fish platform.

Furthermore, during the pandemic, many store owners and businesses faced the threat of closure, making inventory clearance a major challenge. Idle Fish provided the perfect platform for this purpose. Additionally, professional sellers have significantly enriched the product variety on Idle Fish, contributing to substantial GMV growth. In March 2020, Idle Fish announced the launch of the 1 billion RMB Cash Support for Huaqiangbei plan, aimed at assisting over 60,000 Huaqiangbei merchants. Idle Fish established a streamlined onboarding process for Huaqiangbei merchants to achieve this, providing precise traffic support worth billions of RMB. Alibaba's financial reports indicate that in the 2020 fiscal year, Idle Fish's GMV exceeded 200 billion RMB, a year-on-year increase of over 100% compared to 2019.

In the second half of 2021, Idle Fish also introduced a PC-based management tool, Idle Fish Manager, developed by third-party service providers. This tool is specifically designed to help professional sellers bridge the gap between Taobao and Idle Fish while managing multiple Idle Fish accounts. To some extent, Idle Fish has been proactively attracting professional sellers, and both parties complement each other and mutually benefit from their collaboration.

3.2. Opportunity Analysis for the Idle Fish Second-hand Platform

Consumerism and Impulse Shopping: Certainly, here's your text with Xianyu substituted with Idle Fish throughout:

Consumerism prevails, and today's consumerism has provided great opportunities for second-hand platforms. The second-hand market has traditionally been considered a low-value market with a challenging profit model. The C2C transaction model is decentralized, making conflicts and contradictions easy. Additionally, the problem of information asymmetry in second-hand platform transactions has been a difficult economic issue, which has deterred many from entering the second-hand trading market. However, with the development of e-commerce, consumerism has become increasingly popular, leading to a surge in impulsive shopping behavior. The massive buying behavior has resulted in a surplus of unused items, prompting consumers to seek compensation by selling these items. Alibaba launched the Idle Fish platform, an innovative model that combines community and e-commerce, empowering e-commerce through the community and empowering the community through trust. This has become an integral part of the sharing economy.

Environmental Awareness: Promoting green and environmentally friendly practices has gained momentum with the development of society and the economy. As most people's ethical standards continue to rise, more and more individuals are beginning to prioritize environmental awareness. Many second-hand buyers can now find their favorite products at more affordable prices through platforms like Idle Fish, and they are actively practicing the practice of thrift and opposing waste green and environmentally friendly concepts. Reporters from the Zhoushan Daily interviewed four or five young mothers, among whom two or three had experience selling used diapers on the Idle Fish platform. They mentioned that children grow up quickly, and many prepared items are only used briefly. Trading on platforms like Idle Fish saves money and promotes environmental sustainability. Of course, it's not just baby and maternity products; the Idle Fish platform also offers a wide range of unused items such as clothes, pants, books, and more. This further advances the green and environmentally friendly concept and has attracted many users.

Large Internet User Base: With the vast number of Internet users in China, as of August 28, 2023, the China Internet Network Information Center (CNNIC) released its 25th Statistical Report on Internet Development in China. According to the data, China's internet user base has reached 1.079 billion people, showing an increase of 11.09 million compared to December 2022, and the internet penetration rate is as high as 76.4%. Therefore, with such a significant growth in internet users, the Idle Fish second-hand platform has a large pool of potential users, providing an opportunity to develop the platform further.

3.3. Weakness Analysis for the Idle Fish Second-hand Platform

The authenticity of products on the platform is difficult to guarantee: The sources of second-hand products on Idle Fish, excluding those simply reselling items, are extremely diverse. The information tracing for these products' initial purchase and subsequent resale is often lacking, making it challenging to ensure users can purchase assured-quality items. While Idle Fish has introduced the Idle Fish Authentication feature, it's important to note that only the first authentication is free, and subsequent ones require payment. Consequently, only some users choose to opt for authentication.

Determining the value of products on the platform is challenging because Idle Fish not only features used second-hand goods but also hosts many unique handmade items. Since these are personal, handcrafted creations, many products may be unique or unavailable on other platforms. As a result, buyers need help to easily compare prices to gauge the true value of these items. Some unscrupulous creators of handmade goods may use subpar materials to create items and sell them at exorbitant prices, and with the ability to compare prices with similar products, buyers or other handmade creators can establish accurate pricing. Therefore, product prices on the platform may tend to be either excessively high or unrealistically low.

Security risks in transactions exist, even though Idle Fish provides a secure trading environment. When users engage in private chats, if a buyer is persuaded to deviate from the official Idle Fish transaction process, the transaction then relies on the ethical standards of both parties involved. In such cases, resolving transaction fund disputes becomes challenging, and tracing the transaction may become unclear or impossible.

3.4. Threat Analysis for the Idle Fish Second-hand Platform

Competition from Similar Platforms: Second-hand platforms like Zhuanzhuan offer marketplace and private chat communication features. Idle Fish must continue to innovate in community-building and transaction security to differentiate itself from competitors and retain users.

Limited Impact of Live Streaming: Live streaming is a growing trend in e-commerce, allowing sellers to showcase products interactively and build trust with customers. However, many Idle Fish sellers must be more experienced in live streaming, potentially limiting its impact as a sales channel.

In summary, Idle Fish has several strengths, including low commission fees, an official logistics service, strong community-building features, partnerships with Alibaba, and a diverse seller base. It benefits from opportunities such as consumerism, environmental awareness, and a large internet user base. However, it faces product authenticity, pricing transparency, and transaction security challenges. Additionally, competition from similar platforms and the limited impact of live streaming are potential threats that Idle Fish must address to maintain its position in the market.

4. Suggested Development Strategies for Idle Fish

Strengthen transaction security on the platform: Create a Personal Reputation Page on users' profiles to showcase dispute, complaint, and violation records, providing more dimensions for buyers and sellers to assess each other's credibility. Additionally, implements blockchain technology to track and update real-time information about traded items. Every step in the production and distribution process can be recorded by relevant organizations or individuals, ensuring transaction authenticity and product quality information due to blockchain's immutable nature.

Enhance the quality of platform community operations: Identify and promote high-quality posts with the most views, comments, favorites, and likes in various user groups each month by adding premium tags to these posts for wider visibility. Introduce the ability to comment on posts with images to facilitate more comprehensive community interactions.

Encourage celebrities and influencers to participate more in forming user communities. Create sections dedicated to informative content, including fraud prevention discussions, quick-selling strategies, and product recommendations. This approach ensures the practicality of content and serves a wider user base. Sellers can share tips on selling quickly, while buyers can offer advice on buying second-hand items. Discussions about fraud prevention will also raise users' awareness of transaction safety.

Introduce a note-taking feature to quickly jot down characteristics of chat partners, helping users recognize previously interacted buyers and sellers for informed transaction decisions.

Revamps live streaming content: Since most Idle Fish sellers are ordinary buyers without prior live streaming experience, utilize the Fish Ponds feature to allow Pond Leaders to lead live streams as KOLs. Individual sellers can connect with Pond Leaders to showcase their products during live broadcasts. Additionally, provide live streaming tutorials to interested users to nurture their live streaming potential.

Improve service quality: While Idle Fish has the Small Court feature, where certified Idle Fish users make judgments, it relies on their personal qualities, biases, and preferences, making results less objectively reliable. Idle Fish can raise the threshold for becoming an Idle Fish Judge. After a judgment, if users are still dissatisfied, they can appeal, and Idle Fish can appoint professional arbitrators to assess the fairness of the final result.

5. Conclusion

Idle Fish is well-positioned to harness the significant market potential of the second-hand e-commerce industry. As consumerism trends evolve towards sustainability, budget-consciousness, and a growing appreciation for unique and vintage items, the platform can further strengthen its core competitiveness and navigate potential challenges with innovative strategies.

One crucial avenue for Idle Fish's expansion lies in diversifying its product categories. While it has already made a name for itself in clothing and electronics, broadening its offerings to include categories such as home decor, collectibles, and automotive parts can attract a more diverse user base. To complement this expansion, Idle Fish should continue refining its search algorithms and recommendation systems to ensure users can easily discover items of interest across these various categories.

Idle Fish could explore partnerships with regional thrift shops and small businesses to tap into localized markets. Promoting community-based selling and buying can enhance trust among users, especially in regions where a sense of community is essential. By fostering these connections, the platform can establish a more grassroots presence and boost its inventory of unique, locally sourced items.

In the face of growing environmental concerns, Idle Fish can position itself as a leader in sustainable consumption. Educating users about the positive environmental impact of buying second-hand items and advocating responsible disposal practices for unwanted belongings can align the platform with the global sustainability movement. Partnerships with organizations committed to eco-friendly practices can further solidify Idle Fish's position as a socially responsible platform.

Safety is paramount in online transactions, and Idle Fish should educate users on safe buying and selling practices. Features like verified seller badges, secure payment options, and efficient dispute resolution mechanisms can enhance trust and security, making users feel more confident about their interactions on the platform.

Given the increasing reliance on mobile devices for online shopping, Idle Fish should continue improving its mobile app's user experience. Prioritizing user-friendly interfaces, intuitive navigation, and quick loading times ensures a seamless shopping experience for users on the go.

The collection and analysis of user data should also be a priority. Idle Fish can offer personalized product recommendations and targeted advertising by leveraging data analytics and AI algorithms. Understanding user preferences and behavior allows the platform to tailor its offerings, enhancing user engagement and driving sales.

Idle Fish can explore collaborations and partnerships with brands, influencers, or other e-commerce platforms. Such collaborations can introduce the platform to new customer segments, drive traffic, and enhance its appeal.

Finally, maintaining a stringent quality control process ensures that products listed on the platform meet certain standards. This enhances user trust and contributes to the overall positive reputation of Idle Fish as a reliable and trustworthy second-hand marketplace.

By embracing these strategies and continuously adapting to the evolving landscape of second-hand e-commerce, Idle Fish can maximize its market potential and thrive in a consumer-driven world increasingly focused on sustainability, affordability, and unique shopping experiences.

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