

The Analysis of the Mode of Community E-commerce Platform about The Small Red Book

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Abstract. In recent years, with the rapid development of Internet data communication and network technology, big data technology has penetrated into all walks of life, and also has a crucial impact on the future development of new media, an emerging industry. The integration of new media into all aspects of people's life deeply affects people's behaviors and habits, and its development is closely related to the life of individuals and even the development of the country. Taking Small red book as an example, this paper uses 4Ps and SWOT analysis to analyze its brand positioning, APP marketing status and existing problems, and focuses on the development strategy of new media Small red book from the perspective of big data. The research results show that Small red book has its unique development advantages due to its unique and effective business model, making its strength remarkable in the same industry. This research has certain practical significance for developers of community e-commerce platforms.

Keywords: The Small Red Book, Marketing Strategy, SWOT, Chinese Social Media.

1. Introduction

1.1 Research Background and Motivation

Nowadays, the technology and mobile internet are developing with a high speed, and many social medias have broken the traditional running mode. These social media can set up cooperation with some brands depends on their big user population. The most common way of that is displaying advertisement in pages so that their user can mention the brand or product in order to help brands locate their potential customers and expand targeting customer population. In addition, some social media can firstly put some soft advertisement of brands or products and then built the commercial entrance directly so that their user can get the product by the social media straightway which can cause the social media maximum the benefits. The small red book is a classic case study about the second type of social media be described. As we know, the red book is a very successful social media and it is very popular among Chinese young people. For example, in June, 2018, the corporate valuation of the small red was more than 3,000 million dollars[1]. Incredibly, it took Small red book only 5 years to reach this level, and this article will explore the secrets and reasons of Small red book's success. The author will use triangle methods to investigate the Small red book including case study, SWOT and so on. In terms of Small red book's business and operating model, this article will focus on two aspects of research: how Small red book attracts users, and how to transfer users to consumers. The significance of the dissertation research is to provide useful and reference experiences and strategies for the development of another similar social media.

1.2 Literature Review

With the development of the theory of "community (social)", the concept of social has gradually developed into the field of e-commerce, forming a new thing: social e-commerce, which closely links social functions with e-commerce shopping, so I began to study its Platform design and business models. Leitner et al. attempted to build an integrated framework for social commerce that includes primary and secondary entities [2]. Wang et al. are also trying to build a framework for social e-commerce, which is mainly composed of participating subjects, participating objects, technical support and information, and also believes that in the development of social e-commerce, consumer

participation Subjects and consumption participation objects are key value consumption objects and play a major driving role [3]. Zhang took a social e-commerce as the research object, and explored the four elements of product innovation, infrastructure management, customer relationship management and finance required for a successful business model of social e-commerce [4]. Falch analyzed the business models of F social platform enterprises and found that there are many business models in social networks, one is advertising; the other is the sharing of applications and content developers; the third is virtual gifts and so on [5]. Sarkar A discusses the consumption motivation of consumers, pointing out that in addition to utilitarianism, there are hedonic needs, and hedonic needs are generated in the process of social e-commerce consumption [6]. Scholars Olbrich et al. explored the manifestations of social e-commerce, which are embodied in the aspects of interest, sharing, communication and interaction [7]. Zha0 et al. tried to classify social e-commerce, the first category: based on e-commerce, with social networking as the means; category two: based on social networking, with e-commerce as the goal [8]. Lai redefines social e-commerce, pointing out that it is the use of social networks to achieve the purpose of selling products and services in an online environment [9]. In CNKI, the author typed Community e-commerce and community e-commerce the small red book to search respectively, and the amounts of results are 89 and 30. According to the data, we can get that the research and analysis are limited in community e-commerce and the case study of it about the small red book. Anyway, most of the essays focus on 3 main concepts: Problems and countermeasures of the development of social e-commerce, Features of social e-commerce platforms and Influence factors of social e-commerce on users' purchase intention [1].

The research scholars mainly focus on the design of social e-commerce platforms and business models, and the relevant research content has laid the foundation for writing this paper. In terms of theoretical foundation and research ideas, it provides enlightening help to this study.

1.3 Literature Review

The essay based on the Perspective of research on community e-commerce platform, use triangle methods to expand investigation of the small red book by case study, SWOT method, literature collection and 4P concept. The structure of the essay is divided to 4 main parts, the first part is the introduction of the abstract concepts, and then the second part is the analyze of data that be collected, the third part display the result which based on data analyze and discuss the reason behind the result, in the end the conclusion of all analyzes would be shown.

2. Case Study

This article will use case study to spread system analyze and investigate the mode of the small red book, and the case is the small red book. This essay will investigate in 4Ps theory to analyze the small red book. The 4Ps are key factors that must be carefully considered and judiciously implemented in order to successfully market a product or service. The 4P concepts are often referred to as the marketing mix. hey encompass a range of factors to consider when marketing a product, including what is the demand for targeting customer, how the product or service meets or does not meet those demands, how the product or service is perceived by the world, and how it stands out from the competition, and how the company that produces it interacts with customers.

Meanwhile, this article will sue SWOT to investigate the strength, weakness, opportunities and treat to explore the true value of the small red book in order to probe into how the small red book attract users and customers.

2.1 4Ps Theory

The slogan of the small red book is that “the small red book, label my life”. And we can see that the main idea and function of the small red book is still association instead of an e-commerce platform. Additionally, the biggest value of the small red book is that it generates a common interest for more than 200 million young people and these young people have the biggest potential ability to costume

[10]. And the other key step of the small red book is that it can let its user cost in its e-commerce platform.

This article discusses the special and effective mode of Small red book from the concept of 4P. At this time, Small red book can be regarded as an e-commerce platform and its social and communication functions are temporarily ignored. Factually, the small red book is not a brand or a producer, it just offers a platform for other brands. It leverages its massive user base to attract brands to it for sales, and it can itself make money in the process. First of all, this article analyzes the products in Small red book. The results show that the variety of commodities in small red book is very rich, including cosmetics, furniture and so on. The common feature of most products is that they are suitable for young people or popular among young people. In terms of price, Small red book's product prices cover a wide range, because the level of consumption power of small red book users varies greatly from the poor to the rich. Further, from the perspective of the main function of small red book, that is, social media, this is the natural advantage of small red book's promotion. It is easy to put soft advertisement of brands or products. Even though, the small red book can control the evaluation and comment of brands and products in its platform. The small red book not only can use the way as the best promotion but also can use its big potential customer population to make the best effort. The last one of 4P is the place, and in the fact, the place doesn't need consider too much since the small red book has set up the platform to sell and online shopping. And in the small red book, it can use its function as a social media that gather a lot of people who has the same or similar interests and hobbies which can make promotion more effective and decrease the difficulties to sell product successfully [10].

2.2 SWOT Analysis

After the investigation of 4P concepts, the SWOT method also be used. The essay has mentioned that the small red book has a special and effective for both attracting user and expanding consumers. And the essay will investigate the commercial code of the small red book deeper. The SWOT method means strength, weakness, opportunities and treat which is useful to ensure the advantages and drawback of the small red book. Primarily, the strength of the small red book is very obvious. The SWOT matrix analysis process is shown in Table 1.

Table.1. SWOT matrix analysis

	Strengths 1. Great public praise 2. Effective and new mode which 3. Many users believe the comment in the small red book. 4. Accumulated a mass of data about consume information 5. It has diverse sources	Weaknesses 1. Too much advertisement 2. The quality of information that users can look is difficult to be guaranteed 3. it is difficult to guarantee that if the product of third-party brand can reach the standard.
Opportunities 1. The demand people to shopping online increased 2. The policy is beneficial to the development of the small red book, 3. Epidemic situation caused that a lot of people rely on the online shopping much more and	Opportunity-Strength strategies 1. Use great public praise to transfer user to consumer 2. Effective code to attract users 3. Use beneficial policy to develop 4. can analyze the demand of the users who also are potential target customers and then push the context depends on the analyze of the interests and demand of the user with the helpless of the analyze tools.	Opportunity-Weaknesses strategies 1. Decrease false advertisement

people are willing spend more time in social media.	5. The information in the small red book is diversified including many concepts	
Threats 1. Social element may cause that some people may fabricate information in order to get others' attention. 2. The adhesiveness of user in the small red book is not enough and the mobility of the user is big.	Threat-Strength strategies 1. Attract million people and potentially cultivate consumer population depend on its big user population	Threat-Weakness strategies 1. Direct + indirect dual channels to achieve price reduction 2. Optimize user structure

As shown in Table 1, the SWOT matrix gives the internal environment faced by small red book during the development process, namely strengths and weaknesses, and the external environment, namely opportunities and threats. At the same time, Table 1 also gives the strategies that enterprises may adopt in different situations, namely Opportunity-Strength strategies, Opportunity-Weakness strategies, Threat-Strength strategies and Threat-Weakness strategies.

Since the initial platform location of the small red book was a service and communication platform, the user could post and share to other users their experience, the effort of product and others diversified information about shopping. The new mode helped the small red book simulate a big number of users and made it have a great public praise so that many users believe the comment in the small red book. As the result, now the small red book can get good promotion easily. And also because of its big user population, the small red book has accumulated a mass of data about consume information, so, now the small red book can analyze the demand of the users who also are potential target customers and then push the context depends on the analyze of the interests and demand of the user with the helpless of the analyze tools. Meanwhile, due to the big user population, the information in the small red book is diversified including many concepts such as food, playing and so on which made the small red book can attract million people and potentially cultivate consumer population.

As we know, each coin has two sides. Without any doubts that the small red book has obvious advantages, but its drawbacks are also can't be ignored. The function that people can share anything also can bring some disadvantages to the small red book. Its social element may cause that some people may fabricate information in order to get others' attention. As the result, the public praise of the small red book will be influence negatively and the platform to collect true and useful information will lost gradually. One more drawback of the small red book is that the quantity of the products that the small red book sell. Since as an e-commerce platform, it is difficult to guarantee that if the product of third-party brand can reach the standard.

The opportunities also deserve to be mentioned. The policy is beneficial to the development of the small red book, and because of epidemic situation, a lot of people rely on the online shopping much more and people are willing spend more time in social media. The treats of the small red book are also existed. The competition between e-commerce platform is becoming more and more intense. And the adhesiveness of user in the small red book is not enough and the mobility of the user is big.

3. Conclusion

The Small red book has simulated a big number of fans while its Word of mouth is going down since the advertisement in it is too much and have bad influence on the authenticity of information and the trust of the audience and the lack of service after selling. So in the authors' perspective the red small book can strengthen commodity control and resist counterfeit and shoddy goods and reduce the amount of advertisement. In terms of quality of its consent, the platform can encourage user create originative to increase real public praise. The background of the analysis in this paper is based on the rapid development of community e-commerce platforms. On one hand, the analyze about big success of the small red can offer experience to another platform which have similar functions, on the other

hand, but as opportunities come, so will challenges, so the essay did SWOT method in order to analyze treat which may bring possible risks. On the other hand, the methods be used are variable including SWOT method, 4P concept, literature collection and case study. In the end, the result showed that

The Small red book has its unique advantage for developing because its special and effective commercial mode which cause it obvious strength. But there are still some drawbacks that the small red book can justify can do well. In the authors' view, the analyze in the essay is useful and meaningful to developer of community e-commerce platform.

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