

## Take "Shared Bicycle" as an Example to Explore Innovation and Profit Model of Business Management in China

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**Abstract:** Driven by the development of the Internet technology, the shared economy has enjoyed a relatively rapid development. The "sharing of bicycles" enterprises have subsequently developed and developed. However, in the process of development, the management of cycling enterprises is shared and new problems continue to emerge in profitability. The new problems facing the current phase are mainly the low market access threshold and the lack of core technologies. Based on this, the shared bicycle enterprises should actively innovate the operation and management mode, broaden the profit space, and build a new profit model to promote the sustainable development of the enterprise.

### 1. Introduction

The shared economy was first proposed in the United States in 1978. The Fifth Plenary Session of the 18th CPC Central Committee put forward the concept of "shared economy" for the first time. In 2015, Premier Li Keqiang put forward the idea of sharing and collaborating on innovation and entrepreneurship. Driven by the development of the Internet, Internet of Things, big data and the like, the share of cycling enterprises has been developing rapidly. As a result, bicycles have gradually become the common means of transport for people to travel. In fact, the shared bicycle is the product of sharing economic development. On the one hand, the shared bicycle realizes the separation of ownership and usufruct, and the bicycle sharing makes the economic benefits through transferring the ownership. The user only needs to pay a certain royalty. On the one hand, the sharing of bicycles has a very wide range of market needs, and the use of high turnover rate, can promote the scale of economic benefits. In order to promote the sustainable development of shared bicycle enterprises, enterprises should actively reform and innovate their management and profit models so as to further enhance their economic and social benefits.

### 2. The Two Major Problems that Shared Bicycle Enterprises Face at this Stage

At this stage, there are mainly two problems facing the large-scale development of the economic benefits of a bicycle: (1) when the bicycle is put on the market, the cost is high, the bicycle is easy to use and share, and the turnover rate used is very high. Bicycle running, so that the cost increases [1]. (2) The turnover rate of bicycles will decrease during idle time, that is, the hours of commuting to work and the peak hours of commuting after work hours. It is only possible for bicycles to share the urban transport connection of "the last 1km" [2]. Under the influence of these two major problems, it is difficult for the shared bicycle service system to be popularized nationwide.

### 3. The Proposals of Share Bicycles Business Management Innovation

Bicycles have a high market awareness and share the most important tasks of a cycling company during their training period. Even if users experience sharing bicycles, they can feel the convenience of them, so that the sharing bicycles can be rapidly recognized by the market. To achieve this, companies need to quickly invest a large number of bicycles in the market in a short period of time, using the car more convenient, so as to promote the positive user experience. Based on this, some new types of shared bicycle enterprises invested a large amount of bicycles into the

market through venture capital financing. In fact, such enterprises put their vehicles into operation as market-based marketing inputs, so that the problem of high delivery costs is to a certain extent have been solved [3]. This marketing logic is based on the following premise: First, the adjustment of corporate positioning, people often choose cars when traveling long distances, and the cost of using the cars is higher and the cost of the bicycles is lower in short trips, and more flexible, is an ideal tool for short-distance travel. In this regard, the sharing of bicycle companies to put on the bike, it should be clear short-distance travel crowd, such as students, office workers and so on. Second, changing the design of the product, whether sharing the bicycle can attract the attention of the user largely depends on the appearance, sharing the bicycle through striking colors, a unified appearance, can have a visual impact, causing people's Attention and curiosity. In general, under the Internet age, people are scared of their attention and share the idea of a cycling company. They need to attract people's attention through the change of design, and people can take the initiative to understand and experience. Third, pay attention to the technological trend of compliance. Shared bicycles belong to a kind of service goods, and their consumption takes place offline. Users can arouse the attention of other people and stimulate their "herd mentality" [4]. In addition, the shared bicycle belongs to one of the O2O products, looking for a car and unlocking equal to online occurrence. In order to promote awareness of the user, when a user looks for a car online, the enterprise can visually handle the specific conditions of nearby bicycles, Color tag

Shared bike companies can find a car, car, payment, parking 4 links, innovative design of the user experience, the appropriate car threshold will be reduced, so that users can increase the enthusiasm of the car. First of all, looking for a car, the company can conduct GPS positioning of the bicycle to find the car to provide users with accurate positioning, and based on market demand for the deployment of vehicles in all regions, allowing users to find the convenience of the car to enhance. Secondly, companies can upgrade the bicycle configuration, for example, replacing the pneumatic tire with a solid tire, avoiding gas and puncture during the use of the vehicle, and installing the adjustable seat so that the user can use the vehicle the comfort during the process is improved. In this regard, mobile payment is actively introduced to make payment more convenient so as to promote the improvement of idle vehicle turnover. Finally, most of the bicycles parked at this stage are parked without a pile, allowing users to customize their destinations so that their use needs can be expanded. In conclusion, through the above measures, the user can be allowed to share the bicycle, and the problem of low turnover rate at idle time can be solved.

#### **4. The Proposals of Innovative Profit Model of Sharing Cycling Companies**

After an innovative product successfully enters the market, it is necessary to solve the problems related to the profit model first. However, after the enterprise enters the growth period, the economic benefits are considerable. At this time, other enterprises will also enter the market to participate in the competition [5]. Bicycle companies in the sharing, Chinese two leading business leaders for ofo, mobike, to enhance market share, the two companies implemented a free ride, subsidies and other measures. However, for the new type of shared bicycle enterprises, the lack of core competitiveness is the main problem. Due to the low threshold of market access, a large number of cyclone enterprises are flooded into the market, resulting in the disorderly competition and the decrease of the competitiveness of the shared bicycle brands. In addition, from the user's point of view, although the cost of riding to a certain extent, to stimulate the choice of the brand, but if the price of multiple brands, users will no longer consider the brand [6]. Visible, for the sharing of bicycle companies, through the "price war" does not allow users to enhance brand loyalty, companies need another profit model.

Shared bicycles have been able to form a large-scale economic model, mainly by people's extensive demand for bicycles, bicycles using high turnover. However, the utilization rate of bicycles is controlled by the separation of ownership and use rights. Anyone can use the bicycle as long as the corresponding fee is paid. This business model is actually similar to the restaurant business model. For the new shared bicycle enterprises, such a business model is difficult to achieve large-scale development. Therefore, the shared bicycle enterprises can actively introduce the

experience mode of mediaization, and provide value-added services to users through the We-Chat job number, enterprise APP and other dissemination of information to plan travel plans so that bicycle trips can be truly integrated into the daily life of users. For example, the spring city of Kunming has four seasons such as spring and four seasons with flowers. The sharing bicycles enterprises can plan the corresponding flower viewing routes according to different flowering periods and design travel plans to include attractions, food, entertainment and other items for people to ride for convenience. In addition, after a bicycle enters a certain city, it is necessary to design an independent user communication channel based on local travel needs and design independent public numbers such as "worship Guangzhou" to facilitate the travel of locals.

Sharing the success of bicycle After the media-based management, users may share their cycling company's planning has a certain "path dependence", which will be for the sharing of bicycles advertising and media operations this period provides a basic support. Therefore, the sharing of cycling in the transformation and development should focus on the development of advertising business, to further expand the profit space. On the one hand, the target consumers who share bicycles and advertisers are almost all coincide; on the other hand, the advertising cooperation business of the shared bicycle enterprises should be beneficial to people's travel so as to promote the realization of good marketing effects, advertisements are valuable to the user experience, You can reduce the advertising business impact on the user experience. Specifically, there are many reasons why a bicycle is advertised for sharing, mainly as follows: First, the shared bicycle has a large user group size and the user frequently uses the shared bicycle, which determines that the advertisement can reach more users. At the same time, sharing bicycles with more potential users, through the marketing conversion, can make it an advertising cooperative enterprise consumer. Second, the shared bicycle companies have their own channels of user communication. After the successful sharing of the bicycle companies' successful media-based operations, users will take the initiative to use the planned channels. This provides customer resources for the follow-up marketing [8]. Third, travel marketing has a more extensive application scenario, that is, sharing bicycle marketing planning a larger space. Fourth, if you have a creative degree of sharing bike travel marketing, you may get media attention, to increase its impact.

In general, the sharing of bicycles from the following aspects of advertising cooperation opportunities to start looking for:

(1) car test drive service. Car manufacturers to promote the new car, in addition to the need to advertise through a variety of channels, but also need to provide test drive services to enable users to directly experience the car, so that new car sales can be improved. If a shared bicycle company can work with a car manufacturer to provide free test drive service, the shared bicycle user base is converted to a car consumer. At the same time, users who share a bicycle test the new car. After analyzing the driving and riding experience through the social media, the users who share the bicycle will be able to reduce the cost of marketing and communication for the automobile manufacturer when they share the information in the cycling user group.

(2) Promote the city's tourism resources. Travel and travel are closely linked, travel promotion and sharing bicycle consumption groups have a high degree of coincidence. Therefore, when sharing bicycle enterprises to find advertising cooperation, they can include urban tourism resources such as scenic spots and special tourism projects. In addition to sharing the bicycle companies to conduct marketing activities in specific festivals and events, the travel medical examination to provide. During a festival-specific tourism promotion, during the Thai Songkran Festival, Uber, a shared bicycle company, launched "a reserved water-saving car" activity. Users in Thailand can directly apply APP to the nearest water storage facility after searching the car, clicking the button of "reserving the water truck", the user can get the waterproof case, the raincoat and other items provided by Uber, and can timely get on the water truck and participate in the Songkran festival. In this creative marketing campaign, Songkran has more people involved. In this regard, our country can also learn from this marketing plan to attract users to experience the local tourism resources by sharing the front area of the bicycle. In this way, not only the promotion and introduction of urban tourism resources can be carried out, but also the development of the local tourism industry can be

played certainly lead role.

(3) Travel surprise holiday manufacturing. In the holidays, most people will carry out recreational activities, at this time, people have a higher degree of acceptance of marketing planning, and can actively participate. Based on this, if shared bicycles can collaborate with cooperative enterprises to make the corresponding surprise during their holidays, people can readily accept the two enterprises. For example, when planning activities related to Valentine's Day, shared bicycle companies may cooperate with Rose Brands to launch the "One-Click Rose" campaign, which enables users to purchase roses through APP. Such holiday experiences not only have topics Sex, but also more fresh, to the user's initiative to buy behavior to stimulate, make it feel more pleasant holiday experience. In addition, some of the users participating in this event may share this "new play" on social media to make other users attractive. From a marketing point of view, shared bike companies continue to provide users with surprises at the festival, the user will look forward to the next holiday enterprises may create surprises, this mentality allows people to share cycling company marketing to be more acceptable. In the meantime, if the sharing bicycle enterprises have newsworthy value for the user-generated surprises, they will be able to be watched and reported by the media so as to enhance the visibility of the enterprises.

## 5. Conclusion

In short, driven by the shared economy, the shared bicycle industry has enjoyed rapid growth with increased competitiveness among enterprises. In this regard, companies should continue to analyze the status quo of their own management, identify the problems, and actively experience and management, profit model innovation in order to further promote the profit space, so that the sustainable development of enterprises can be achieved.

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