

Analysis of Impact for Internet Companies on "Internet +Car"

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Abstract: With the development of Internet technology, the gradual enhancement of environmental awareness, the diversification and individualization of consumer demand, consumers no longer regard the car as a simple means of transport, but want to get a package of travel programs. This has brought new investment opportunities for many Internet companies into the automotive industry, and also changed the original business models and concepts of Internet companies. Based on the analysis of the status quo and prospects of "Internet + car", this paper summarizes the impact on Internet companies, and puts forward the corresponding development strategies.

1. INTRODUCTION

In March 2015, Premier Li Keqiang first proposed the "Internet +" Action Plan and "Made in China 2025" in the "Government Work Report". The intersection of the two major policy lines is the intelligent Internet car. This topic is most obvious in the automotive industry, so "Internet + car" has become one of the most popular issue in Automotive Circle, causing widespread concern in the media (Haiyun Wang,2015).

"Internet +" is the use of information and communication technology and the Internet platform, so that the Internet and traditional industries in-depth connection and integration, to create a new development model (Wenzhong Wang,2017). Internet companies are an industry that build sites, display their own image, publish product information and provide the corresponding services using the Internet as a platform. And they exchange information with their partners, dealers, suppliers, terminals or other business relationships using the internet to analysis of the market in-depth and react quickly to the market so as to obtain competitive advantage and economic interests of the enterprise. "Internet + car" is a kind of fusion of traditional car companies and internet, redefining traditional cars (Baohua Wang et al,2017). It is not just a car, but a ecology of .travel. The development of the industry will greatly improve the way people travel and use cars. Therefore, the Internet companies should seize the opportunity to seek entry point into the automotive market.

2. THE ANALYSIS ON MARKET STATUS AND PROSPECT OF "INTERNET + CAR"

2.1 The analysis on market status

2.1.1 Policy analysis

"Intelligent manufacturing pilot demonstration special action implementation plan in 2015" mentioned that we must start the implementation of intelligent manufacturing demonstration pilot in order to promote

industrial transformation and upgrading. "Intelligent Manufacturing Development Plan (2016-2020)" mentioned that accelerating the development of intelligent manufacturing is the only way to foster new momentum in China's economic growth. "Internet + car" is the most typical representative that manufacturing and the Internet fuse. In addition, the policies, regulations, standards and other aspects of the automobile are also adjusted according to the changes in demand. For example, there are no corresponding policies and regulations to regulate driverless cars. There will have a series of issues to be resolved caused by it.

2.1.2 Market size analysis

According to the automobile production and sales data of Automobile Industry Association announced show that from 2007 to 2016 this decade, the growth rate of automobile production and sales gradually flat, the auto industry is from high-speed growth to medium-speed growth, but also from the original "incremental era" slow slowly into the "stock era". According to data from analysis Yiguan, the number of motor vehicles in China reached 290 million by the end of December 2016, including 194 million cars. With the steady growth of car ownership, automotive aftermarket will become bigger.

2.1.3 Competitive pattern analysis

As China's large population base, exuberant travel demand caused widespread concern of investors. In recent years, people pay more and more attention to the quality of life, and worrying environmental problems have become a reason for Internet companies to enter the traditional car companies. They are designed to join the car manufacturing links and then change the car ecosystem. Faced with the huge market size and the continued support of relevant policies, Internet giants have sought opportunities to re-layout the automotive industry. According to incomplete statistics, in the "Internet + car" field has formed a preliminary pattern such as "Huawei + Changan + Dongfeng", "Ali + SAIC + Shenzhou car", "Tencent + Foxconn + harmonious car+drops", "Letv+BAIC+ Easy to Use Vehicle+ Zhongcheng".

2.2 Development prospect analysis

From the current situation, the "Internet + car" is in its infancy, whether traditional car companies or Internet companies are doing further demonstration and exploration. Of course, some companies still remain on the sidelines. With the development of the Internet, there are still many people who dare not accept the traditional automotive industry. There has been a dramatic change liking a mobile phone, household appliances and other industries. But this does not prevent the car to the electric, intelligent, network and lightweight. The prospect is very exciting.

In the electrification aspect, the new energy automobile is favored by the government and the enterprise. At present, both large and medium-sized cities, buses have begun to electrification. Then, the realization of other automotive electrification is also just around the corner. In the intelligent aspect, the automobile mainly realizes two functions that the vehicle networking and the unmanned driving. With the development of science and technology, the traditional car will be replaced by smart cars. In terms of networking, the application of vehicle networking technology will have a profound impact on the auto consumption market shape, and even on human life style and behavior(Wenke Wu,2017). Through the improvement of its technology, the overall level of urban traffic intelligence and social and economic development will be improved. In addition, Auto trader senior analyst Michel Krebs believes that the current oil prices fell, but the consumer is still value the weight of the fuel economy for the improvement of the vehicle. Lightweight is not just about relying on lightweight materials, and efficient design is also vital.

With the personalized and diversified changes in the demand for automobiles, as well as the overall increase in vehicle ownership, the post market service of auto will be developed rapidly. Especially the Internet companies have set foot in the automotive industry, trying to carry out the transformation of the Internet. In the future, the Internet will occur with the traditional car with the depth of integration, network functions of the vehicle will become the mainstream. The realization of this goal still takes time and requires the concerted efforts of all parties. Therefore, the Internet + car market is not only fast development, the prospects are very broad.

3. ANALYSIS OF IMPACT FOR INTERNET COMPANIES ON "INTERNET +CAR"

With the development of Internet technology, changes in consumer habits, the growing awareness of environmental protection, Yi Lun who is Botai Group founder believes that consumer demand for cars will no longer be a simple means of transport, but hope to get the full set of travel solutions. This has brought new investment opportunities for many Internet companies into the automotive industry, and also changed the existing business models and concepts of Internet companies.

3.1 Industry trends bring investment opportunities

Automotive products are moving toward automation, intelligence, networking and lightweight, then the Internet companies to use their advantages in the operating system, large data, communications, navigation, cloud computing, entertainment, security and hardware investment, and ultimately to achieve the purpose of car transformation(Hua Wang,2014).

"Internet + car" has many innovations, service and business transformation, are based on data analysis (Yongwei Zhang,2015). Through large data, you can understand the user's habits, which can enhance the user experience. In addition, with the gradual increase in consumer demand for automotive entertainment, the car entertainment product is also an entry point. According to foreign research institutions reported that hackers have achieved at least 3 ways to invade the smart car. Although this approach has not been large-scale, but at least show that the car networking industry has a huge security risk. Internet companies repairer, usually first defined by the concept, and then develop the operating system according to demand, and finally add the foundry hardware. So, the hardware is still the shortcomings of the Internet car team repairer. In addition, the operating system, communications, navigation, cloud computing and so on affects the development of the automotive industry in different ways. Internet companies should identify opportunities, bold investment.

3.2 Diversification of business model

In recent years, using the car through Internet has been favored by the vast number of consumers. With the taxi software such as Didi Chuxing booming, Internet companies can use their advantages in the Internet platform to show their skills. The main problem is that the service provider and the user's information asymmetry, leading to the peak of the taxi is difficult, the taxi is often empty driving, while some private cars most of the time are idle at home, resulting in a waste of resources to a certain extent. Internet companies can identify a breakthrough using the Internet to share to provide more business models for the automotive industry. Such as Internet parking, car sharing and other services appear is to gradually meet the people car and travel personalized and diversified needs.

3.3 Business philosophy is more perfect

The Fifth Plenary Session of the Eighteenth Central Committee put forward the five development ideas of "innovation, coordination, green, open and sharing" for the first time. These five key words are just the key words to promote the development of Internet + car, and add new content for the Internet business philosophy. Internet companies should also insist on innovation, harmony, green, open, shared business philosophy, in order to achieve "the basic popular network infrastructure, independent innovation capability significantly enhanced, the comprehensive development of information economy, network security and strong" network power target. "Internet + Car" will get more rapid development.

4. DEVELOPMENT COUNTERMEASURES FOR INTERNET COMPANIES ON “INTERNET +CAR”

4.1 Cooperate actively with traditional car enterprises

The Internet has broken the barriers between industries, more and more traditional enterprises use the Internet to carry out technological transformation, to enhance its competitiveness; use of information technology to enhance the level of internal management and customer experience, strengthen the upstream and downstream industry chain collaboration. Therefore, the traditional car companies to embrace the Internet is already looking for a represent the general trend, the high prestige of the powerful partner, can cause public attention and increase their psychological identity, which is "near the red" effect.

As the current technology and network development is too rapid, a unified standard can not formulate at the moment. If you can go with the mainstream enterprises, not only can improve their reputation and position, but also minimize the risk. A wide range of alliances and cooperation has become a trend, which is the need for resource integration, but also the need for brand integration. Moreover, in front of the “Internet + car” such a large and complex market, the Internet companies can not be alone. It will not only take more detours, but also increase the risk to their own business. Traditional car enterprises have relatively mature expertise, their cooperation to jointly promote the development of “Internet + car” industry. They will explore a better profit model at the same time as the collision produces more sparks. In addition, Internet companies and traditional automobile enterprises cooperation, both in product and other technical means of research and development or in the choice of sales model, should achieve a real integration, not just stay at the concept level to PPT in the form of attracting consumers attention.

4.2 Grasp consumer demand accurately

In the rapidly changing "Internet +" era, the Internet plays an increasingly important role in people's lives, and greatly changes the structure of the main consumer and the characteristics of the consumer. In the Internet era, it has led to the structure of the main consumer gradually younger, knowledge and personalized transfer, followed by changes in consumer demand. When Internet companies in cross-border cooperation with traditional car enterprise, the target should be clear, first of all, researching to understand consumer demand through market is very important.

At present, the global automotive industry is moving from traditional manufacturing to electric, intelligent, networked and lightweight transformation; the main consumer with younger, new product renewal speed gradually accelerated, car driven market characteristics; Post-90s consumers become the largest potential consumer of the main and potential customers. in the following three lines and city. As consumers continue to grow, the demand for customer experience, including the way they buy it, is getting higher and higher. However,

in the real industry chain, the diversification of consumer demand has not been well met, and Internet companies should be based on consumer demand to make the appropriate response strategy. At the same time, we should pay more attention to software and services, and then establish a new ecosystem, while making appropriate changes in the way of hardware based management.

4.3 Increase the intensity of the core technology research

In the past, the car was only a means of transport, and the core technology is probably the engine, gearbox and chassis and other parts. After years of research, the traditional car enterprise have a deep foundation in these areas, even in order to improve performance, but also only on this basis to make slight improvements. With the automotive industry to the electric, intelligent, network and lightweight transformation, the core technology is also undergoing earth-shaking changes. Both from the structure, or function, gave the Internet business has brought great challenges. Whether from the hardware and software, or cloud computing and large data, the Internet companies can form a competitive advantage.

5. CONCLUSIONS

On the basis of brief introduction of the background and definition of "Internet + car", this paper analyzes the current situation of Internet + car from three aspects: policy, market size and competitive pattern, and predicts the prospect; and then analysis the impact for Internet companies on “Internet + car” from three aspects: the industry trends to bring investment opportunities, diversification of business model, business philosophy is more perfect; finally put forward the development countermeasure for internet companies.

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