

Research on Weibo Profit Model at the Age of Electronic Commerce

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Abstract—Because of the simple and convenient features and real-time communication, weibo has got more and more attention. It will become an important way of interactive marketing at the age of e-commerce, will be a flashpoint for future profit, and also be one of the important applications of the Internet. It has become the fight target of the major Internet companies. This paper analyzes the weibo development status and the influence on e-commerce, explores weibo profit model in many aspects.

Index Terms—Weibo, Electronic Commerce, interactive marketing, profit model

I. INTRODUCTION

In recent years, the Internet development policy is active and stable and new network technology accelerates the application, which promotes the continued growth of netizen. At the end of December 2011, the Chinese netizens had reached 513 million. Network media are becoming the mainstream. The advantages of Internet applications such as weibo are highlighting among Information dissemination, which attracts the participation of various types of groups in social communication and accelerates the penetration of the Internet to the community.

In today's global competition, because of the advantages of simple and convenient, anytime, anywhere, real-time communication, weibo has got more and more attention. As a prominent application of Web2.0, it has become a competitive target of the major Internet companies, will be a flashpoint for future profit, and will become the new battleground of e-commerce interactive marketing and a new means of competition for Small and medium-sized enterprises.

II. BRIEF REVIEW TO PREVIOUS RELATED RESEARCH

The weibo, domestic and foreign experts and scholars have related research. The foreign researchers are relatively mature, and the majority is quantitative research. In these studies, mainly focused on the study of weibo extension function. Such as Courtenay Honeycutt Puts forward that weibo group and project communication function needs to get attention, and refers to how twitter should improve to become a collaboration tool. Nicholas Diakopoulos proposes weibo and TV can be combined to provide a social video experience. The author Thomas Roach thinks that in the

future Twitter can monitore Tweets through on a predetermined trigger word, and in related areas (such as Tweets near you) designate advertising. As a result of weibo in western society 's application is very widespread and its diverse functions, its personal expression function and social function becomes the main research direction. Dejin Zhao and others thinks that weibo in content expression has the following characteristics: Frequent brief updates about personal life activities, real-time information transmission and People-based RSS feed, message brevity, access mobility and broadcast nature is the biggest advantage of weibo. Milan Stankovic and others propose status message is a very common expression of opinion, but because the status message is completely open to the public and user privacy conflict, making some state information is not suitable for publication and is applicable only to some people, therefore the authors propose the use of semantic tools to assist in the selection of state information receiver. Jana Herwig thinks, compared with other social media rich and multimedia-based experience, Twitter is very simple, the future innovation form should be from how to get people involved in the expression of focus.

Compared with foreign scholars, domestic scholars on weibo research is in the initial stage, a lot of theory is not mature. In this paper, under the environment of electronic commerce ,mainly from the domestic application to explore the application modes of weibo.

III. WEIBO DEVELOPMENT STATUS

Weibo, which also called micro-blog, is a platform based on user relations including information sharing, dissemination and access to. The users can set up individual communities through the Web, Wap and varieties of client-side components, update the information using 140 words and achieve real-time sharing.

The blogs and SNS, which very popular before, is shrinking into the bottleneck. Therefore, as its unique mode of transmission, weibo has become one of the most popular Internet and mobile applications. Its development has got many people 's supports and concerns. Taking the nation's largest weibo platform Sina weibo for example, in the August 2009, after it launched the service, the users first breakthroughed 50 million, and the total number of fans exceeded America 's largest micro-blog company Twitter in early July 2010. Among which, as the weibo queen, Chen Yao's fans have breaked 20 million in May 8, 2012. At the end of January 2011, the users, whose fans had ranked the top 100 of Sina weibo fan number, total fans amount had reached 198.2 million. The chain growth was 16%. At the user scale, weibo users are showing explosive growth.

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According to CNNIC report, at the end of December 2011, the number of weibo users in China had reached 250 million, and increased 296 % than the end of the last year. Internet user rate was 48.7%. Mobile weibo application had become a bright spot, mobile phone users using weibo proportion had rised to 34% from 15.5% in late 2010. The weibo market growth rapidly. At the end of 2011, the active account scale of the Chinese weibo Operators was to 254 million, increased 150.7% over 2010. The main domestic platforms, Sina, Tencent, Sohu, Netease etc., have been offering weibo products. Among which, Sina is the largest weibo platform.

IV. ANALYSIS ON THE INFLUENCE WEIBO TO THE ELECTRONIC COMMERCE

A. A network Communication Platform for Real Time Communication

Internet users express their views more and more conveniently. Generally, each weibo is limited to 140 words, which significantly reduces the time cost of network originality and the comment. Another thing is that it has met the needs of Internet users spending fragment time and try to use the mobile phone connecting 3G mobile networks. The participants can get much interaction and communication satisfaction. Through speeding up interpersonal relationship forward, we can learn famous people or concerned people's living and working situations. It is simple and convenient, anytime, anywhere, can achieve real-time exchange of communication with network. The intersection of e-commerce and weibo is the promotion or marketing. Weibo is the platform which majority of Internet users can attain real-time communication. Its features have decided that if using weibo to promote, in case of successful, the effect will be strong. If Introducing the effect of interpersonal communication and word of mouth marketing which brought by weibo to commercial applications, it can bring the Remarkable effect to enterprise network marketing.

B. Greatly Reduces the Cost for People to Participate in Social Network

Weibo, as a platform for constantly updated, record of life, emotional talk and information exchange, compared with other information exchange tools, obviously, has a significant cost advantage. Because computers, mobile phones and networks have already existed, they can be seen as a sunk cost. Then if you send a status when surfing the Internet, just need to pay a lower traffic charges, no other additional costs increase. At the same time, the sending state is very simple, without laborious brains to polish, and the time cost is also minimal. Second, through a small state form, it is also minimal for weibo to maximize the information space and the cost of the unit information contained. It means that the marginal cost brought by increasing the information approaches to zero. As a result, weibo users display information at almost zero cost. So, the popularity of weibo is actually a reflection to the high social interaction cost. In accordance with the idea of Evan Williams, the blog is too long speech and not conducive to the expression of people. Therefore, the weibo, each article

is limited into 140 words, shows dapper forms. The use of Web 2.0 networking technology, bound phone service functions, has formed almost zero cost. So the network can infinite extend. We can easily foresee that the micro-fair can cause winner-take-all result.

C. Advantageous to Weibo Website Innovate the Services and Promote the Value

The weibo has a larger significance in information services websites including e-commerce. On one hand, weibo is an innovation carrier for e-commerce website to provide business relationship resource services. On the other hand, the weibo service will further enhance the website service value, which has been directly reflected in social news and information service websites. So, the major platforms started to explore online shopping system based on weibo and continued to open API interface. More and more third-party developers began to grafte distinctive application on the weibo platform, which had resulted a very large commercial value. At the age of electronic commerce, enterprise marketing mode is in a period of change and innovation. The situation dominated by the traditional marketing methods will be instead by the network marketing mode. After the application of weibo, Intel、DELL、Lenovo and other IT companies fist put in resources to start word of mouth marketing. Many e-commerce websites such as Jingdong Mall、Dangdang and Vanel etc. have operated a better promotion effect through the various forms. A number of e-business applications enterprises started to create official weibo. The service companies guiding enterprises to weibo marketing also began to appear.

D. Help to Improve the Frequency of Internet users and Cultivate the Potential Consumers of Mobile E-commerce

Based on the phone, mobile e-commerce, as an important strategic, has appeared in eBay、Amazon and other foreign large-scale e-commerce website plans. The mobile phone user scale who habits network consumption is fewer, which is one of the key issues related to mobile e-commerce development in china. According to preliminary investigation, Sina micro-blog mobile phone subscribers have accounted to 46%, which has a positive significance for cultivating mobile e-commerce consumer groups.

E. Conducive to the Formation of the E-commerce Supervision Environment by Public Opinion

On one hand, based on the online transaction infringement and violations have occurred frequently, and safeguard the rights difficult. On the other hand, The large scale e-commerce businesses formed through free market competition will inevitably produce a certain degree of monopolistic behavior, and may even control the media. Weibo quick forwarding function has the advantage of forming e-commerce public opinion supervision environment. Let the Irregularities and illegal operators awful.

F. Have a Negative Impact on Corporate Image and the Growth of Non-standard and Unethical Business Hype

However, the weibo also has some negative effect on the development of electronic commerce. At present, the negative impact is relatively small, but still exists on the

possibility, which mainly concentrates in the following two aspects: First, defamation enterprise cost reduction. Weibo has @ function. In reference to others, the same time, you can add messages to forward. This debris will greatly enlarge the scope of the original information dissemination. Once the weibo application enterprises occur negative weibo contents, just delete the original weibo will not be able to prevent the spread of negative information disseminators. The comments that every user add to the messages will be no regular mesh transmission. The negative impacts on corporate images will stronger than the forum. The second is that because of the high number of active users, some unscrupulous traders are also using weibo to deal with illegal commercial applications. On one hand, following the blogs、forums and communities, the convenience and interactivity of the spread will make weibo becoming the network hype pusher battlefield. On the other hand, original, forwarding, comments debris information of weibo overflows, the costs for consumer to recognize the true and false business information increase significantly.

V. WEIBO PROFIT MODEL

Based on the rapid growth, a huge user group and commercial value, we can try to get profit from the following aspects:

A. Build a Fan E-commerce Platform

In 2010, group-buying sites had become the standard for all platforms. Using their traffic, almost all platforms had been doing group buying. Based on this, these platforms can use the weibo strong stickiness, activation and high concerned feature to improve their traffic further, creating e-commerce platform. For example, Chen Yao's each weibo forward number is at least hundreds up to tens of thousands. Similarly, in Sina weibo, grassroots weibo each forwarding number is from a few hundred up to tens of thousands. Fans around 100,000, message forwarding number is from at least dozens up to thousands. So, weibo has hidden a huge business opportunities, especially for small and medium-sized enterprises. It is a platform for them to do good marketing.

B. Create a New Social Networking Platform

LBS and SNS, the current European and American popular Internet applications, together with the viscosity of the social networks, can bring weibo platform greater scalability. April 2011, Sina CEO Charles Chao mentioned in the Global Mobile Internet Conference: the development of future networks will toward a combination of social, local, mobile. weibo will be very similar to the real social relations

LBS, namely the loyalty of fans, like traditional social, need to maintain. Maintenance can through interactive activities, also can through a more direct interest to drive. Developing the similar foursquare sign application, and connecting sign service with the interact with users, through the sign, we can give fans correspond honor, at the same time, the honor can exchange the appropriate privileges, such as group buying to discount, receive a gift for free of charge periodically, special enjoy logo for high-degree members. Also we can copy the mode of SNS website such

as the happy net, develop ourselves plug-in in order to increase user stickiness.

If above applications are successful, based on the profitability of the platform users, we can collect the platform management fees or trading commissions to profitability.

C. Charges for Enterprises by Providing Monitoring Services

Through technical means, weibo can record and statistic the different brands and products consumer demand, and classify the records and statistics to form a monitoring service, providing a dynamic tool for enterprise understanding user needs and brand reputation real-time. It can make a profit through selling real value reports.

D. Associated Advertising Revenue

Compared with the traditional portal website, community of weibo will help the network platform to understand the users better, including user online behavior and characteristic, thereby helping advertisers to discovery the target customers better. A forecast according to authoritative organization: in 2013 China's weibo market will enter Mature period. Therefore, weibo with a huge user base and unique rapid transmission of information and share features, no doubt has created a vast new world scale for the enterprise's brand marketing. So, based on the Large platform, and more clicks brought by the users, weibo can attract brand advertising.

E. Real Time Search

Real-time information may be useful or spam for the user. However, the recommendations of friends or celebrities are often worthy of trust. We can use this way to implement search to identify useful information to users. This will produce a great profit potential. So, weibo can take advantage of its large user base to establish the tools similar to the search etc. to achieve real-time search.

F. Revenue Sharing with the APP Developers and Content Providers

This model is similar to Facebook and Tencent's open platform strategy. Open APIs can bring tens of thousands of third-party application developers to the network platform. Antil now, Sina platform has been more than 500 third-party applications, covering the client software and web games etc. With 3G's official business, mobile media will usher in a period of rapid development. Weibo is born with a complete and good integration features of the removable media, so that we can share the revenues with the third-party application developers and content providers such as mobile operators.

G. User Database Profit Model

In weibo, a large number of users disclose their privacy viewpoints. The user data and information are worthy of deep mining. In view of this, we can provide valuable data and information to the companies that want to use the weibo marketing. so that marketing can track these users batch.

H. Enterprise Marketing Revenue Sharing

Through the weibo marketing, e-commerce businesses not only can conduct product promotion and marketing, but also

can converse the word of mouth marketing to commercial interests directly. Weibo becomes an important platform for corporate and customer communication. The weibo with users highly affinity contact, can make the enterprise to understand the change of customer product demands, and timely improve the product, always grasp the tendency of the market. In addition, weibo is a good platform for enterprises to carry out public relations crisis, can be the first time on the market happened, given the official response, reducing the exaggerated spread of negative opinion. So, in marketing era, competition among enterprises will switch from the traditional cost and channel competition to the sensitivity of the information and consumer demand competition, which will also provide weibo companies to do weibo marketing with very good condition a good condition. So, Platform developers can share the marketing revenues with the marketing businesses.

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