

Original Paper

Success Factors of Business Models for the Internet Platform Enterprises

Wangang Cai^{1*} & Jiang-guo Zheng¹

¹ Donghua University, 1882 Yan'an Road West, 200051 P.R., China

* Wangang Cai, Donghua University, 1882 Yan'an Road West, 200051 P.R., China

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Abstract

Based on the exiting research of business models, this paper further taps out five core success factors (Value Proposition, Core resources and capabilities, Key activities, Pricing and service, Profit model) and the corresponding secondary indicators of business models for the Internet platform enterprises to create a win-win and mutually beneficial Internet ecosystem.

Keywords

platform, enterprise business model, success factors

1. Introduction

Peter Drucker, the father of modern management, said: "The competition among enterprises today is the competition between business models, rather than the competition between products". With the popularization and application of the Internet and mobile Internet, more and more enterprises are quickly becoming the darlings of the new era with innovative business models such as Tencent, Alibaba and Xiaomi. Similarly, for Internet platform enterprises, which have the characteristics of a bilateral market, the organizational form of enterprises, the real competition in the market plays a decisive role is not business, not a product, but should be a business model. The use of business model innovation to optimize resource allocation, restructuring of the industry structure, which for realizing the Internet +, and promoting the innovation and development of enterprises has a positive and practical significance. Based on the existing business model and the research of commercial chamber innovation, this paper further excavated the core elements of business model success, deepened the research on business model and business model innovation.

2. Platform of Business Model

Because of the business model itself has the characteristics of integrity, systematicness and complexity, and the researcher has a comprehensive understanding of the research methods and business models are different, so it's hard to get them a comprehensive understanding of business models.

Amit and Zott think of the business model as a systematic design of the content and structure of the transaction, creating value and gaining value through business opportunities or problems. On this basis, enterprises need to make strategic thinking on “for whom to create value, create what kind of value, how to create this kind of value and how to realize this kind of value”. Osterwalder scholars further deepen the notion of a business model as a conceptual tool, which based on a variety of components and their relationships that illustrate the business logic of a particular business and describe how the business creates value. The basic principle of gaining value.

It can be used to illustrate how an organization can develop its market, deliver value, create relational capital, generate profits and maintain cash flow by creating customer value, building internal structures, and forming network relationships with partners. The Internet platform is the use of the Internet to provide buyers and sellers information flow of the organizational structure. Rochet and other scholars pointed out that the network platform is two or more types of platform users use the network platform to provide services to trade or interact with the use of the platform of a class of users get the utility depends on the use of the platform of another type of user Size and quality.

To sum up, the business model of platform enterprises is composed of different elements that companies use the Internet to interrelate, interdependence and complement each other in their operations. It is exactly the logic unit that enterprises form and create, transmit and realize value.

3. Business Model “Modular” Innovation Path

Modularizing the components of a business model is a dynamic process that decomposes and integrates the complex systems of a business model. It is a way to decompose these elements into better manageability. Many scholars at home and abroad have started Try modular business model. Osterwalder analyzes the modules of business model from the perspective of specific business operations. He believes that the business model should be divided into nine categories: value proposition, target customer, distribution channel, customer relationship, value structure, core competence, partner network, cost structure, revenue model Module. While Lei Lei, a domestic scholar, proposed a 3-4-8 system of business models. Among them: “3” represents the contact interface, including customer value, partner value, enterprise value; “4” on behalf of the constituent units, including value proposition, value network, value maintenance, value realization; “8” on behalf of the composition of factors, including target customers, Value content, network form, business orientation, partnership, isolation mechanism, revenue model, cost management. The system is more profound and comprehensive covers the components of the value creation of business model, making the study of business model be more specific, clear and practical.

Due to the wide range of business activities involved, the content of the production and business activities of almost all related enterprises can be incorporated into the business model. Theoretically, the different business models are different because of the different components extracted. In order to have a unified understanding of the business models followed by enterprises, it is necessary to make further research on the commonalities of the components of business models.

4. Successful Elements of Platform Business Model

Based on the research of all the scholars, this paper uses NVivo 8.0 to study the rooted theories of Taobao, Amazon and Shanda Literature, and puts forward five common core elements and 13 corresponding evaluation indexes, such as 1 shown.

Table 1. The Five Core Elements of Successful Business Model and Evaluation Indicators

Key element	Evaluation index
Value proposition	clear positioning
	trigger user resonance (attraction)
	operation team
	technical support
Core resources and capabilities	brand advantage
	financial support
	industrial chain integration capability
Key business	core competencies of key businesses
	pricing and service diversity
Pricing and	pricing and service

services	differentiation
	pricing and service rationality
	sources of revenue statement
Profit model	
	source of innovation revenue

4.1 Value Proposition

Value propositions are used to describe what value an organization creates for its customers by providing goods or services, and how important that value is to the customer. In other words, the value that businesses can offer to consumers through their products and services, and what it means to consumers.

A clear value proposition requires the ability to have both a clear positioning and a user's resonance (attraction). The value proposition of the platform enterprise should define the specific market position of the platform, determine the platform in which field, and what kind of customer needs and what kind of demand to carry on the value creation, and ensure that the positioning can resonate with the needs of the platform users.

4.2 Core Resources and Capabilities

The identification and training of core resources and capabilities are the key issues in the strategic planning of enterprises. In the commercial competition, it is generally necessary to give full play to the advantages of enterprises to ensure that enterprises in the market position. In order to do this, companies should fully understand and apply their core resources and further strengthen their capabilities in this area. Strong core resources and capabilities are also necessary for enterprises to create value. By giving full play to their core resources and capabilities, enterprises can better create value for customers and gain access to industries and enterprises income. In general, the core resources and capabilities of enterprises are mainly divided into operation team, technical support, brand advantage and financial support.

4.3 The Key Business

Just as core resources and capabilities, critical business is also the foundation for creating and delivering value propositions, market access, customer relationships and revenue. Although the key businesses of different enterprises are different due to different business models, they all reflect the company's industrial chain integration capability and the core business competitiveness of key businesses.

The key business of the platform enterprise is not to provide products or services directly to the users, but to provide a better trading environment for the users at both ends through the platform construction,

technical maintenance and upgrade and innovation.

4.4 Pricing and Services

How a company fights pricing and what kind of service it offers is a key element in deciding how an enterprise should deliver value. Pricing and service diversity, pricing and service differentiation, and pricing and service justification are all that must be considered in a successful business model. Different end-users of platform enterprises need careful planning of pricing and service solutions to fully meet the needs of different target groups and thus gain more market share. For platform companies, market share is a measure of the popularity of the business, and through reasonable pricing and services, companies can increase their popularity enough to more easily spread their value proposition and generate more value.

4.5 Profit Model

The realization of the value of the enterprise profit model, any business must pay attention to the profit model, because the profit model is the source of business survival. Without the right profit model, the business may fall into the awkward position of applause.

Profit model in this new area of business development in particular need to be concerned about. The credibility of the source of profitability and profitability of the sustainability of the business should be the focus of attention. The source of profit should ensure the operation and development of the enterprise, and should not be a profit-making solution that can only sustain short-term profits. Sustained and reliable profit model is the key to business survival.

5. Conclusion

To sum up, due to the particularity and complexity of Internet platform enterprises, many scholars focus on the different elements and categories of their business models. Therefore, it is necessary to study the commonalities of their business models. Internet platform enterprises can formulate and adjust their business models according to the five elements and corresponding indicators proposed in this article, and innovate their business models on the basis of this to create a multi-win-win and mutually beneficial ecosystem.

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