

Based on the Perspective of Macro Managers to View the Problem of Community Group Buying: Strengthen Anti-monopoly and Prevent Disorderly Expansion of Capital

Yanpeng Xie

School of Finance, Jiangxi Normal University, Nanchang 330022, Jiangxi, China

Abstract: Community group-buying has experienced a small growth since 2016. Since last year, the COVID-19 epidemic has changed people's consumption habits. In the second half of 2020, all the famous Internet giants have run into the market layout of community group buying, have invested a lot of resources into the bureau of fresh community group buying, "community group buying" has become a hot topic in the Internet industry and the capital market. This paper looks at the problem of community group-buying from the perspective of macro managers. According to the analysis of market structure and corporate behavior theories learned in management economics, Internet giants enter community group-buying in order to monopolize the market and cultivate consumer habits in an attempt to monopolize People's Daily life. In fact, the prospect of community group buying is still very good, after all, it can solve the daily procurement needs of people's fast-paced life, but any capital cannot use the capital advantage and monopoly position to plunder the vulnerable groups!

Keywords: community group purchase; Internet enterprise; anti-monopoly; macro manager

1. Introduction

Before the popularity of group buying in the community in 2020, online shopping, taxi hailing and takeout are also popular and then affect people's consumption habits, which has now penetrated into People's Daily life. Internet giants in various fields of merger and acquisition, pressure, are thinking of more comprehensive penetration into People's Daily life. Last year's epidemic gave community group buying a good opportunity, so the Internet giants are excited, with a super low price to occupy the market, give community vendors never give the price.

After occupying the market with a low price in the current period, when all competitors are eliminated, there will be only three oligarchs left in the market, and monopoly will appear. Once the Internet giant to achieve the monopoly of the channel, the instinct of capital expansion will drive the giant upward and downstream encroachment. It is possible to monopolize and limit the

flow, kill the big data, use the monopoly advantage to squeeze suppliers, suppress innovation and other Internet platform chaos.

From the perspective of macro managers, this paper analyzes the problem of community group buying, and analyzes that once a leading enterprise completely becomes a monopolist, consumers will end up the same as suppliers -- forced to abide by the rules set by it. Internet giants have invested a lot of resources into fresh community group buying, head flow anxiety, in the face of fierce competition, these enterprises often take data kill cooked, low dumping, data monopoly and other measures, in order to quickly form their own competitive advantage. However, fair competition is the core of the market economy, and all kinds of behaviors based on monopoly status hinder the effective allocation of resources and the survival of the fittest, which may lead to a series of negative consequences such as the disorderly expansion of individual capital, the damage to the public interests of the industry, and the infringement of consumer rights and interests privacy.

2. Literature Review

Guo Lintao said that the community group buying is to facilitate with the people rather than compete with the people's interest [1]. Guo Jinlong says the real purpose of the giants is to build user relationships, cultivate user trust, occupy household users for a long time and become privatized assets that can be run sustainably [2]. Luo Keyan talked about the huge market space, become an important reason for Internet enterprises to choose to develop community group purchase [3]. Qi said group buying in the community may provide consumers with a continuous and excellent shopping experience [4]. Yan Ziwei and Yang Song believe that there is great uncertainty to burn out the market and scale in a short period of time, to run through the business model and finally to achieve profitability [5]. Chen Jia said, the development prospect of community group buying is very considerable, if the use of online and offline integration of the new consumption model can effectively and long-term preferential convenience of people's life [6].

3. Case Introduction

Pinduoduo went public, bringing fire to the concept of "Pinduoduo". When it is combined with a community with its own social attributes and traffic sources, it becomes a new track that touches the capital nerve. Since the second half of 2018, community group purchase projects have obtained financing successively, among which the A round financing of Food Club and Angel round financing of Ten Hui Group have exceeded 100 million yuan, and the financing amount of Dailish has reached 10 million dollars. Capital wind direction has changed, previously for unmanned retail, convenience stores and other projects of attention, gradually turned to the community group purchase. Due to the outbreak of the epidemic in 2020, people will stay at home. Community group buying has changed people's consumption habits and ushered in an explosive growth. In the second half of 2020, all the famous Internet giants step into the community group buying one by one, as shown in Table 1:

Table 1. Part of the layout schedule of Internet giants

In June 2020	Didi's social group-buying brand "Orange Heart Preferred" was launched
In July 2020	Meituan Announces Establishment of "Preferred Business Division"
In August 2020	Pinduoduo's community group purchase project "Duoduo Buy Food" was launched
In September 2020	Ali set up Hema Preferred Business Unit
In October 2020	Suning Vegetable Market community group purchase platform launched in Beijing
In October 2020	Toutiao Online "Today Preferred"
In December 2020	JD.com announced that it will invest \$700 million in social group buying platform Xingsheng

Compared with the traditional vegetable market, the community group purchase saves the middle two or three dealers, the price can be relatively cheap, the actual operation is also relatively simple, as long as a WeChat group can be solved. When the number of dishes is enough, the "leader" in the group will go to the wholesale market, give everyone a unified "purchase", and then inform everyone to go to the designated area to collect. Generally speaking, the role of this kind of "head" is played by the owner of the convenience store or the treasure mother of the community. At present, community group buying is divided into two camps, as shown in Table 2:

Table 2. Two camps of group buying in the community

Internet giants	Startups
Didi, Meituan, Pinduoduo, Alibaba, Jingdong	Prosperous selection, Food enjoyment, Ten hui group, City life, The United States to buy food

From a momentum point of view, the Internet giants are better, after all, they have deeper funds to fight price wars, open subsidies model of billions. Judging by the number of consumers, the Internet giants do indeed outperform.

"Large tech companies take advantage of data monopolies to hinder fair competition and gain excess profits," Guo Shuqing, chairman of the China Banking and Insurance Regulatory Commission, said on Dec. 8.

On December 11th the central government declared that it would strengthen anti-monopoly and prevent the disorderly expansion of capital.

On the evening of Dec. 11, the People's Daily published an admonishment to Internet giants: 'Don't just worry about the flow of a few cabbages and a few jin of fruit. Don't be obsessed with quick success, not keen on short-term cash; We need to take on more responsibilities, pursue more goals, and do more in scientific and technological innovation. In fact, it is even more exciting to see the stars of technological innovation and the infinite possibilities of the future.'

On the afternoon of December 22nd, the State Administration of Market Regulation and the Ministry of Commerce organized an administrative guidance meeting to standardize the order of community group buying, which was attended by six Internet platform enterprises including Alibaba, Tencent, Jingdong. The meeting called for strengthening the regulation of community group-buying price behavior and anti-unfair competition in accordance with the law, regulating the order of community group-buying market, maintaining a fair competition market environment, and ensuring the effective protection and improvement of people's livelihood. The meeting stressed that Internet platform enterprises should strictly regulate the business behavior of community group buying, and strictly abide by the "nine shall not". Table 3:

Table 3. Nine No

1	The independent pricing power shall not be abused by means of dumping, price collusion, price gouging or price fraud.
2	It is not allowed to illegally enter into or implement any form of monopoly agreement, such as fixing prices, restricting the quantity of goods produced or sold, or dividing the market.
3	It shall not abuse the dominant market position by predatory pricing, refusing to trade or tie-in without justifiable reasons.
4	It is not allowed to illegally concentrate business operators to eliminate or restrict competition.
5	Unfair competition acts such as commercial confusion, false publicity and commercial slander shall not be carried out to endanger a fair market environment for competition.
6	No use of data advantages to "kill ripe", harm the legitimate rights and interests of consumers.
7	Technical means shall not be used to impair the order of competition or impede the normal operation of other market entities.
8	It is prohibited to illegally collect and use consumers' personal information, which may bring security risks to consumers.
9	Fake and shoddy commodities shall not be sold, endangering a safe and secure consumption environment.

In March 2021, the State Administration for Market Supervision initiated an investigation into the alleged improper pricing of group buying platforms such as Chengxin, and finally imposed an administrative penalty

of RMB fine.

4. Case Study

4.1. Four Decisive Elements and Two Core Competencies of Giant Touch Users

When the dividend of online traffic gradually wanes, business giants represented by Alibaba shift their strategic focus to areas with insufficient digitalization, reach more users by digital means, attempt to create and explore a new user continent, continue to expand the business territory of online traffic, and make the community a new strategic highland.

From business circle economy hit community economy, giants through observation, the research advance and entrepreneurs methods, concluded that time really changed, community and business circle economy of business logic is not the same, from strategic to tactical cannot simply copy the copy, need to layout the competition elements, around the user's integrated operation is the core, because no net users is very few, but not through the network consumption crowd proportion is very high, the existing network trading mode cannot meet the needs of these users, need to make adjustments and changes.

4.2. The Giants Aim to Privatize Home Users

The giants cut into the community with fresh group purchase, heavy money layout of the digital offline and online integration service camp, not just to sell goods, their purpose is only one: long-term comprehensive possession of family users, into a completely own control of the market, completely belong to their own private assets!

Many enterprises want to privatize users, the main approach is to promote their own APP, ultimately basically failed, including many property enterprises. The emergence of small programs provides a more convenient technical means for privatizing users, provided that together with the efficient operation of the community.

First of all, through the community community this special hyperlinker, link to each family, high frequency, free, convenient, exclusive four labels are the symbol of the community community, is also the most efficient link of the community family. It is precisely because of these unique characteristics that communities can easily reach every community member, and the relationship between communities is relatively closed, strangers are difficult to integrate, and trust is difficult to establish and maintain. Therefore, communities have the basis of privatization, the user base for sustainable operation, and the natural niche market.

User privatization is not a one-time operation, and it requires continuous enterprise organization for maintenance and management. There are many indicators to measure the degree of privatization of a community. From the perspective of relationship, there are mainly two indicators: vertical relationship and horizontal relationship. Vertical relationship refers to the relationship between users and the platform, while horizontal relationship refers to the relationship between

users. Both of them are indispensable. Only when both of them are present can an organization be called valuable.

Generally speaking, there are three main categories of private ownership in a community. An organization is privatized as long as its organizers can provide the desired functional value over the long term. Every privatized organization is independently chosen by users, who become members of the organization, find their sense of belonging and value, and find organizations that truly meet their various needs. These three types of organizations are usually interest organizations, mutual aid organizations, and business organizations.

Interest organizations are the most common, the most common, and the highest in proportion. Their weakness is that the interest topics provided by organizations should be attractive enough, which is a big challenge. Mutual aid organizations are generally set up spontaneously by users. They are usually small in scale and slow in development at the beginning. However, they have good privacy and stability, and thus have great user stickiness. Management organization of class is rapid development in recent years, mainly for one or some sort of long-term provide solutions to the problems of user, community group is a typical representative, different from other group, community group in addition to trading function, there are a lot of social construction activity, which is developed by community group set up community community where the most valuable.

4.3. Privatized Users become the Most Core Assets of the Enterprise

In the words of community, everyone, no matter what they do or where they live, has a common identity: community owner. This kind of community identity is relatively deterministic and unique, with strong digital characteristics, but also has strong asset characteristics.

What happens when more than half of the owners of a community are in the same community, in the same community on a daily basis? There are three kinds of things that can be done: sharing life experiences, customizing life services, and making decisions about public affairs through consultation.

Share life experience is the community community are doing things, is also the viscosity of community groups, mainly living information, knowledge and skills of communication, practicality is the core content, mainly through the contents on the business value for the user to grow grass, promotion of goods and services, can be seen as the content of the community edition operating services, such as the little red book, etc.; Customized life services are planned consumption behaviors such as group buying and group joining, which can be regarded as the community version of Pinduoduo.

The public affairs decided by the community members through consultation can be said to be a blue ocean with huge space for imagination. For example, the community self-governing organization manages the community, and the configuration and supporting facilities of commercial services around the community can be reconstructed through consultation, including community retail,

community education and community medical treatment, etc.

5. Conclusions and Suggestions

Community of group-buying is the trend of the era, and the prospects are very broad, because each of us is the need of life, life is very important daily necessities and food are often need to purchase, for young people now life rhythm is faster, simply can't afford the time to do these basic living supplies procurement, community group is very good solve this problem. Because community group-buying can meet the living needs of ordinary people, the development of community group-buying is the trend of The Times.

5.1. Suggestions for Internet Enterprises

At present, low price dumping of group buying in communities and the resulting squeeze of employment are prominent problems. Internet platform enterprises should take the initiative to undertake greater social responsibility, and show more actions and responsibilities in creating new drivers of economic development, promoting scientific and technological innovation, safeguarding public interests, and safeguarding and improving people's livelihood.

The Internet giants must first correct a misconception: low price is not king, price is. Attention should be paid to product quality, cost performance, service system, customer stickiness and other aspects, so as to cultivate a community group buying enterprise trusted by consumers in the competition.

Most Internet platform enterprises ignore the supply chain problem while seizing the market, which is also a particularly important link in the community group purchase. If the community group buying wants to rely on cost-effective and service advantages to break out, but also rely on a strong supply chain, perfect after-sales system and terminal distribution advantages. Only a full range of services to consumers, create value for consumers, good quality, in order to achieve sustainable and healthy development.

5.2. Suggestions for Regulatory Authorities

At the national and local levels, the market supervision departments coordinate to start governance, which is

helpful to improve the supervision rules of community group-buying, guide or force Internet enterprises to enhance self-discipline awareness, rule awareness, standardize business behavior, and help maintain the healthy development of community group-buying market, and also help safeguard the legitimate rights and interests of consumers. However, the regulation of community group buying can not stop at administrative notification, administrative guidance, administrative interview, exhortation, warning, and prohibition, but must be backed up and guaranteed by core regulatory measures. Market regulators should give the community a bulk of red line connected to "high voltage regulation, in the future to find price dumping, predatory pricing, restrict competition, such as false advertising, commercial defamation touch" may not be "nine red line violation behavior, namely, in accordance with the dynamic real, serious shall be investigated for legal responsibility, make companies pay for wayward behavior. In this way, the relevant notification, guidance, interview action or ban can produce the power of the rule of law, in order to get the fear of enterprises. If the "red line" has no power or insufficient voltage, and the core regulatory measures are not in place, the effect of many regulatory voices will be limited, and some enterprises may even turn a deaf ear to it.

References

- [1] Guo, L.T.; Zhu, S.L. Community group-buying: to facilitate with the people instead of fighting for their interests. *Decision Exploration* (1), 2021 (02): 12-13.
- [2] Guo, J.L. The tycoons flocked to the community war fresh group purchase, sword point to where? *Housing and Real Estate*, 2020 (31): 8-11.
- [3] Luo, K.Y. Community group buying in the vision of Internet giants. *China Quality Miles Travel*, 2021 (01): 73-74.
- [4] Qi, C.L. Community Group Purchase: "Pursuing Profits" or "Giving Profits"? *J city*, 2020 (12): 74-75.
- [5] Yan, Z.W.; Yang, Song. The devil details of community group buying. *21st Century Business Review*, 2020 (12): 8-11.
- [6] Chen, J. Analysis on the development status of community group buying in the "post-epidemic era". *Market Modernization*, 2020 (18): 6-8.