The power of platforms and apps-empowering and controlling the consumer

Hang Su

Room 1801, Unit 4, Building 3, Yueranzhencheng Community, 123 Tongxiang Street, Xiangfang District, Harbin, China
2448444390@qq.com

Abstract: This article discusses the new marketing model of e-commerce platforms in the Internet age. Merchants use e-commerce platforms as marketing methods to make profits. Customers, as Internet users, when they enjoy the benefits brought by e-commerce platforms, algorithms and data are controlling their thought and action. This article is mainly based on the academic foundation of three publications: the "platform capitalism" written by Nick in 2017, 'Appified -Culture in the Age of Apps' written by Jeremy Wade Morris and Sarah Murray in 2018, 'When Platform Capitalism Meets Petty Capitalism in China: Alibaba and an Integrated Approach to Platformization' written by LIN ZHANG in 2020, analyzes how the Chinese e-commerce platform, Taobao, influences the Internet consumers, and compares the Chinese e-commerce platforms and western e-commerce platforms.

1. Introduction

E-commerce platforms are the main part of China's platform economy. Taobao, as an e-commerce platform, has the majority of Chinese online shopping users. The online mode of cashless payment and the convenience of logistics give consumers the power to shop without leaving home. The comment and complaint function on the platform gives consumers the power to determine the reputation of the business. However, while users enjoy their rights, the platform collects user identity information and purchase information for free, and the platform uses consumer psychology to purchase goods that they do not need. For example, online businesses use various festivals and customs to create momentum and make gimmicks, carry out excessive advertising, and gradually let consumers form the habit of spending on festivals, thereby turning culturally valuable festivals into shopping festivals. And the e-commerce platform collects users' shopping information and pushes similar products to customers, thereby increasing the customer's probability of consumption. Another example is the dishonest behavior of merchants. They first raise the price of goods and then use coupons to pretend to discount, to satisfy consumers' psychology of taking advantage. These are the control of platforms. This essay will focus on user rights and platform control, and demonstrate that China's e-commerce platform, Taobao controls users more than it gives users power.

2. Literature Review

This literature review mainly summarizes the history and current situation of platforms and APPS, as well as the connection between platforms and APPS, and finally compares the different characteristics of Chinese and Western platforms. It mainly uses the "platform capitalism" written by Nick in 2017 to analyze the current situation of capitalism in the Internet era, the platform economy and the history, definition and characteristics of the platform. Jeremy Wade Morris and Sarah Murray, the book'appified -Culture in the Age of Apps' written in 2018, further found the connection between the platform and APPS, and analyzed APPS according to functional classification, so that readers can understand contemporary APPS Role in life. Finally, LIN ZHANG wrote in 2020,' when Platform Capitalism Meets Petty Capitalism in China: Alibaba and an Integrated Approach to Platformization', this article focuses on China's unique platform economy, taking Alibaba as an example to compare the operating methods of Chinese and Western platforms.

In the second chapter of Nick's "Platform Capitalism", the reasons for the emergence of platforms and the new situation of capitalism brought about by platforms are introduced. Computer technology in the Internet age has brought about changes in capitalism. Traditional industrial capital has been replaced by data capital. This means that labor has been transformed from manual labor to knowledge labor, and the new capitalist raw materials have become Data [1]. This has led to the creation of a platform for people's spiritual needs instead of products produced by labor. As Nick said, the data generated by the platform is like crude oil, representing wealth[1]. Second, this article compares the platform to a transit station. The platform is a hub of the Internet industry. The supply, processing, sales, and advertising investment of goods will be connected to each other through the platform[1]. The platform provides a search engine to collect user searches. Record and convert it into data, and use these data to determine the next step of merchandise sales[1].

In addition, this article summarizes the existing problems of the platform. First, the platform will form a monopoly, and the sign of monopoly is the number of platform users. The platform uses the real interpersonal relationship of users to lock the user's contacts on the same platform, and diverges outwards with each user as the central point, looking for the user's contacts as new users to join the platform, so that the user group continues to grow. Nick said that there are default platforms in social media, such as Facebook[1]. Once a consensus is reached in the relationship between work, friends, and family, other social media will be difficult to use. Second, the platform is not really "free" because the platform has more power than the user. The platform can formulate terms to ensure maximum benefits. In other words, the platform can write clearly how much user data is obtained in the terms[1]. As long as the user wants to use the platform, the user must agree to let the platform use their data[1]. This is more beneficial to capitalists to a certain extent, because they do not need any physical costs, nor do they need to produce any physical goods, and a large amount of benefits can be obtained only through the data generated by the virtual platform[1].

However, this article only lists the characteristics of the platform as a new form of capital, such as the monopoly of the platform, the use of user information, etc., but it does not give a specific solution, nor does it mention the future development direction of the platform.

Through Nick and Morris and Murray's article, compare the relationship between the platform and APPS. In the context of the Internet, platforms, software, and APPs belong to each other. Software is the sub-category of the platform, and APPs is the sub-category of the software [2]. At the same time, Nick mentioned the term platform capitalism, which connects producers and consumers together, forming a circle[1].

He positioned the platform as an intermediary which brings together different customers, merchants, investors, manufacturers, and even sellers[1]. After the capital is accumulated to a

certain scale, new APPS can be produced based on the database of the platform. As Morris and Murray said, APPs are a kind of software that is easier to be understood by users and easier to understand users[2]. The data on the platform can predict the user's preferences, and the user's preferences also determine what APPS will be produced[1].

In Morris and Murray 's article, the main chapters introduce the roles and functions of various types of APPS in social life. With the popularity of mobile phones, APPS installed on mobile phones have become necessities of life. This has led to daily life being manipulated by commodities and computer technology, and this manipulation is 'unconscious' because the boundaries between daily life and software have been blurred-'Mundane Software' [2].

In addition, Morris and Murray introduced the development history of APPs sales store:

'In 1960, software was the earliest name for APPs. From the time the software could be installed on the computer, the software ceased to be a commodity and became a free streming serveice. In 2008, with the launch of the iOS store on Apple smartphones, Google launched Google play. Although no company can form a monopoly on a global scale (for example, China does not use Google play but Tencent MyApp), but a business model has been formed about the Apps store. The total revenue of global mobile app stores grew to US$86 billion in 2017 and may exceed US$101 billion by 2020.'[2]

It can be seen that Apps has become a global commodity, it is economically beneficial, and so far the revenue of Apps online stores is still rising, and this benefit is evenly distributed on a global scale, because there is no any Apps store is universal. In the author's passage, the sales model of Apps and software is different. The previous software was a one-time transaction, with one hand paid and delivered, but now the APPs rely on a steady stream of user data to obtain revenue. In order to maintain continuous data acquisition, Morris and Murray and Nick have a similar view, that is, compared with software, APPs have stronger control over users[1-2].The Apps store allows users to obey the software terms and collect their information by providing free software use rights, which will make users feel that there is a risk of information leakage. Morris and Murray pointed out that 'ios store does not allow users to modify code, customize devices, or run programs or applications of their choice'[2].

The difference between this document and the other two is that it analyzes different Apps according to chapters. Although the author writes Apps with similar functions in the same chapter, it lacks compare and contrast for them. Morris and Murray introduced the classification of software in the app store[2]. Users can easily find the goods they need, such as games, travel, etc. However, there is no further investigation and research on the huge problems of this convenient classification, such as App stores only consider commercial value, and the practice of including anti-terrorism software into application software will arouse users' disgust[2].

The difference between the third article and the first two is that the author mentioned the term of digital labor (ie small capitalist) [3]. This article uses the term 'platform' in Nick's article, Lin pointed out that Alibaba provides a platform for small capitalists and labor in China to extract the surplus value of small capitalists[3]. At the same time, this approach also integrates China's platform capitalism and small capitalism. Finally, the monopoly of platform capitalism is realized. The author puts forward several important factors for Alibaba's monopoly in China: First, the Taobo platform first occupied a dominant position in the Chinese market, and then further expanded the group of small capitalists and increased the company's scale [3]. Lin mentioned that the Alibaba platform is a platform that brings together small entrepreneurs[3]. This kind of entrepreneurial-labeled platform will continue to attract new small entrepreneurs to join the platform. Secondly, because of the big historical environment of the 2008 economic crisis, a large number of labors in traditional industries are facing unemployment pressure. Alibaba has provided new employment and entrepreneurial opportunities. These labors have been transformed into digital labor, and the

numbers are increasing[3]. Alibaba will reach a certain scale and have sustained and stable income. The economic status of this platform in the country will become more and more important. The author believes that the meaning of the platform is divided into two parts, one is a computer technology platform based on the Internet, and the other is business and policy platform [3], in the policy part of the platform will receive state support.

The drawback of the third article lies in the lack of comparison between the Chinese capitalist platform and the Western capitalist platform.

3. The rights of e-commerce platform consumers

3.1 Empowering the consumers

In traditional industries, customers and producers push the industry forward, but on the e-commerce platform Taobao, it belongs to the C2C (Consumer-to-consumer) e-commerce type [2], and the customers are netizens. The producer is the platform[4], and the customer and the platform promote the development of the industry. Commodities and platforms are linked together, and platforms are also part of commodities. The quality of platform services and the service quality of related platforms will affect consumers' evaluation of commodities. Therefore, the consumer's feelings will be valued by the platform, and consumers will prefer online shopping. This is due to a variety of reasons. First, according to the survey of Huseynov and Yıldırım[5], the design of the webpage and the consumption data are positively correlated, and the page design of the online store will be bring visual enjoyment for consumers, and the music in the page brings auditory enjoyment，an exquisite web page is similar to a work of art, which will promote consumption psychologically. The shopping cart option on the web allows consumers to freely add and plan the products they want without paying money, avoiding the reduction in sales of non-essential products due to direct payment[5]. This has resulted in merchants providing services in accordance with the preferences of consumer groups, forming a consumer-driven online trading platform.

3.2 Creating a good environment and improving the information quality

E-commerce platforms take the initiative to create a good environment for customers and improve the information quality of the website. The quality of the website will affect the user's presence and loyalty. Gao and Li mentioned the word 'presence'[6]. The e-commerce platform provides pictures, texts and other information about the appearance of the product on the product sales page. Help buyers to make intuitive judgments about products so that they can make shopping choices, which will make customers feel respected and increase their love of the platform[6].

3.3 Cooperation with the live streaming industry

The biggest point of China's e-commerce platform is its cooperation with the live streaming industry. As China's economy shifts from relying on low-cost manufacturing industries to developing high-tech innovative industries, two prominent platforms have emerged in China, e-commerce platforms and livestreaming platforms. These two platforms are currently sharing the dividends of e-commerce with the trend of cooperation[7]. As a streaming media platform, there are many paying users on the live broadcast platform. These users spend on the platform through likes and virtual gifts, and pay to the live broadcast host, hoping to get the content they want to watch, and the live broadcast host with a large number of viewers People will gain a certain degree of popularity. This is the "Internet celebrity" on the Chinese Internet[7]. The small entrepreneurs on the e-commerce platform have these multiple identities. They also play the role of live broadcast

hosts and sell their products on the streaming media platform, or the small entrepreneurs will directly hire 'Internet celebrities' to sell products[7]. The live broadcast platform provides users with a social opportunity. Gao and Li proposed that social networking is positively correlated with purchase intentions[6]. In this way, after a live broadcast, the merchant not only sold the goods, but also received payment from the users of the live broadcast platform. Users are very supportive of the cooperation between the two platforms, because users have the right to decide the host of the live broadcast and the products of the live broadcast, and during the live broadcast, users will get coupons of varying amounts[7], this is also an aspect of the user being empowered.

4. Marketing strategy of e-commerce platform

Indeed, e-commerce platforms and software have brought benefits to today's consumers, but in essence, platform capitalism such as Taobao still uses various methods to control users.

First, the e-commerce platform uses marketing methods to control customers, so that customers can purchase products to the maximum extent. Since there is no physical store, merchants on the platform can only use Taobao refinement tools to obtain clickstream information, which is the customer's shopping and browsing history footprint[8]. In addition, it will also collect and analyze users' shopping lists and lists of products that are not paid for but collection, analyze the product types, prices, etc. in the list, and locate the user's age, income level and other information based on these data[8]. This information will first be used in marketing strategies. For example, Taobao will set price range options based on these data[8]. For the same type of goods, users can freely choose the price from low to high. This setting provides consumption options for people at various consumption levels. Choose to maximize potential users of Taobao platform into real users[8]. The customer's purchase possibility is maximized by Taobao. At the same time, users' consumption habits have also been changed. The platform is used to compare prices instead of themselves, becoming dependent on shopping Apps, thus giving up patronizing physical stores[9]. After Taobao has mastered the customer's data, it will continuously guide users to purchase the products that users may need through advertisements or navigation in Apps, and arrange the products that users may need in the front of the page design of Apps [9]. Taobao's collection of customer data has caused customers' concerns. For example, they are worried about data leaks on the website, whether the quality of the product is safe, and worrying about the long-term transportation of online shopping that will waste time. However, compared with offline consumption, customers still more willing to choose online services. According to Han and Kim's research, the degree of customer worries about Taobao is inversely proportional to the customer's willingness to spend. Asian customers are more sensitive to the risks of online shopping and increase customer trust by setting up relevant insurance. Sense is conducive to controlling customer loyalty[9]. Han and Kim pointed out that e-commerce platforms will use the ranking order of products appearing on Taobao, which will affect customers' choices. The top-ranked products are more likely to be selected than those at the bottom[9].

5. China's Taobao Double Eleven and the UK's Black Friday

China Taobao's Double Eleven Shopping Festival has many similarities with the British offline Black Friday for comparison. Both Taobao's Double Eleven event and the UK's Black Friday event reflect the merchant's control over consumers. It is a violent sales using consumers' competitive psychology and jealousy, which embodies a kind of bad shopping behavior and shopping psychology, and is a kind of merchant-led consumption control over consumers. First of all, this is a potential psychological control. Thomas Raymen and Oliver Smith define shopping as a form of leisure, a social activity，they believe that consumers will be satisfied when they create their own

shopping list, because of this creativity It is different and can reflect the taste of consumers，and consumers believe that consumption is part of social life[10]. At the same time, consumers have a psychology of comparison. They believe that the amount of money they spend on shopping festivals reflects their money status[10]. Black Friday has become a ritual symbol and a synonym for retailers' money-making activities. On Christmas or Valentine's Day, people will convey their love through gifts，if retailers improve their merchandise during these holidays Price, consumers will not be able to refuse to buy[11]. In China, similar to Black Friday, Taobao's Double Eleven shopping festival also has irrational consumer behavior under the control of merchants. First, the consumer's psychology of taking advantage is used. Taobao platform will issue a large number of coupons on November 11 each year, and the greater the amount consumers buy, the greater the discount. This is usually one of the most common but most effective means, because as a commodity transaction Buyers all hope that they can exchange for the best quality goods with the lowest value, and can enjoy high-quality and inexpensive products and services ，and friends on the Taobao platform can also send coupons in the form of red envelopes to each other, forming a kind of online social interaction and integrating the shopping festival into people's lives[12]. In shopping festivals, users have formed the habit of seeing discount information from merchants before the festival, making purchases on the day of the festival, and the festival is over[13]. Through the warm-up activity of Red Envelopes, Double Eleven makes consumption a topic of discussion and sharing, making Double Eleven no longer a simple shopping, but also a sharing activity[12].In addition, Taobao allows consumers to proactively purchase products by arousing emotional resonance from consumers. November 11th is a bachelor's festival in China ，the interests and cultural preferences of these young bachelors will release new market demands，they have the ability to consume, have the freedom to consume, advocate consumption, and the loneliness of bachelors encourages them to buy Goods fill the emotional gap, consumption can transfer emotional pain, frustration, and loneliness, so that "bachelors" can enjoy shopping and discounts[13].Finally, Taobao will use celebrity benefits for psychological marketing. Using the influence of well-known bloggers on Weibo and other major platforms to carry out side marketing and expand the scope of product promotion, this has caused many customers to have a herd mentality of "They say it is cost-effective and easy to use, I also want to buy"[14]. A strong holiday atmosphere was then created, and under the influence of Taobao Mall's original loyal consumers, many consumers developed a herd mentality, which has won Taobao Mall more consumer groups and increased the mall's sales[14].This celebrity effect is also another form of advertising. Other advertising marketing includes hard advertising and soft advertising[15]. "Double Eleven" is a large-scale advertisement for more than one month in the form of TV, network, print, outdoor, station special display, Weibo promotion, TV advertisement, bus booth advertisement, application for inclusion in major shopping navigation websites, etc. Launch, as well as online advertising. Before playing videos in some online videos or popular audio-visual software, implant Taobao "Double Eleven" advertisements. The marketing efforts are unprecedented, so that customers can feel the "Double Eleven" without going out. The festive atmosphere of the online shopping festival [16]. As early as half a month ago, Taobao's "hard advertisements" appeared on big websites, and the temptation of soft advertisements such as the "Double Eleven" shopping guide and the "Double Eleven" shopping list, I am afraid that no one can resist, and it affects consumption subtly. The psychology of the reader [15].

6. Conclusion

As the largest e-commerce platform in China, Taobao has changed the way Chinese people consume. Customers in physical stores have become e-commerce users who stay at home, which

brings convenience to consumers. The customer reviews and display areas on the Taobao platform give consumers more rights to evaluate products, allowing retailers to listen more to customer needs. As an e-commerce platform, Taobao brings together a large number of online retailers and allows them to form a competitive relationship, which prevents excessive prices due to monopoly and protects the interests of users. However, the platform controls users more than the rights granted to users by the platform. In China, with the emergence of e-commerce platforms such as Pinduoduo, JD.com, and Vipshop, although the number of Taobao users has declined, Double Eleven sales in TaoBao may continue to rise in the future. The platform collects users' private data and the platform uses the user's psychology to formulate sales strategies. These methods with ethical problems are all controlling users. In the era when the Internet and mobile terminals are popular, the consumption mode led by e-commerce platforms will continue to expand. Only when the government formulates policies, enterprises take responsibility, and users raise their safety awareness, can such platforms form a good economic environment.

References

[1] Srnicek, N. (2017) Platform capitalism. Cambridge: Polity.

[2] Morris, J. W., Murray, S. (eds) (2018) Appified: culture in the age of apps. Ann Arbor: University of Michigan Press.

[3] Zhang, L. (2020) When Platform Capitalism Meets Petty Capitalism in China: Alibaba and an Integrated Approach to Platformization, p. 21.

[4] Li, F., Frederick, S., Gereffi, G. (2019) E-Commerce and Industrial Upgrading in the Chinese Apparel Value Chain, Journal of Contemporary Asia, 49(1), pp. 24–53. doi: 10.1080/00472336.2018.1481220.

[5] Huseynov, F., Yıldırım, S. Ö. (2015) Behavioral Issues in B2C E-commerce, Information Development, p. 1343-1358.

[6] Gao, W., Li, X. (2019) Building presence in an online shopping website: the role of website quality, Behaviour & Information Technology, 38(1), pp. 28–41. doi: 10.1080/0144929X.2018.1509127.

[7] Cunningham, S., Craig, D., Lv, J. (2019) China's livestreaming industry: platforms, politics, and precarity, International Journal of Cultural Studies, 22(6), pp. 719–736. doi: 10.1177/1367877919834942.

[8] Guan, L. (2016) Comparative Research on the Business Strategies of Amazon Shopping Network and Taobao. Postgraduate thesis. HeiLongJiang Universuty.

[9] Han, M. C., Kim, Y. (2017) Why Consumers Hesitate to Shop Online: Perceived Risk and Product Involvement on Taobao.com, Journal of Promotion Management, 23(1), pp. 24–44. doi: 10.1080/10496491.2016.1251530.

[10] Raymen, T., Smith, O. (2016) What's Deviance Got to Do With It? Black Friday Sales, Violence and Hyper-conformity, British Journal of Criminology, 56(2), pp. 389–405. doi: 10.1093/bjc/azv051.

[11] Rosati, C. & Mitchell, D. (2009) "Live Monster": Black Friday and the All-Consuming City. Bowling Green State University and Syracuse University.

[12] Cheng, J. (2014) Taobao "Double Eleven Carnival" Marketing Research. Postgraduate thesis. LiaoNing University.

[13] Tang, Y. (2015) Research on Internet Festival Marketing from the Perspective of Communication Ceremony——Taking Taobao Double Eleven Shopping Carnival as an Example. Postgraduat thesis. Northwest University.

[14] Hui, S. (2015) Looking at Taobao from the Perspective of Communication "Double Eleven" phenomenon. MODERN AUDIO-VIDEO ARTS . 1 (37-1330/G4（2015）1-070-4), 70-73.

[15] Ruan, Y. (2018) An Economic Analysis of Taobao's "Double Eleven" Online Shopping Phenomenon. economic management. (1001-828X(2018)036-0117-01), 117.

[16] Ni, H. (2011) An Analysis of the Planning and Operation of Network Event Marketing-Yitao Bao Double Eleven as an example. Exam Weekly. 78236-237.