

Research on Public Resource Management under the Background of Sharing Economy—— Taking Shared Bicycle as an Example

Xuhao Huang

Vanke Meisha Academy, China

Abstract

Since 2016, a new business model of sharing economy has been popular in China. With the help of "Internet +", it has rapidly penetrated into various fields of society. This paper studies the meaning and characteristics of sharing economy, and takes sharing bicycle as an example to analyze the relationship between sharing economy and public resource management, as well as the existing problems, including fierce competition in the industry, resource waste and high maintenance cost. Therefore, relevant countermeasures and suggestions are put forward in his paper, including increasing enterprise income, strengthening the maintenance and construction system, appropriate investment, relevant rules and regulations issued by government to.

Keywords

Sharing economy, shared bicycle, public resource management, ofo.

1. The Meaning of Sharing Economy

Theoretically, sharing economy means that people can rent their possessed resources to others for a fee, so that the idle goods can be used more effectively. As a system of direct exchange of goods and services between individuals, its core is to utilize the surplus social resources, thus, it brings many conveniences to the society. Traditional economy is the traditional business relationship, that is to say, an economy in which buyers buy goods from sellers. The biggest difference between the sharing economy and the traditional economy is that the sharing economy has broken the traditional relationship between buyers and sellers, that is, consumers can buy on demand. However, in fact, as a newly arisen economic model, the sharing economy will also result in many problems, for example, in order to expand the market, profit-making companies put a large number of "sharing" objects, which bring about a lot of problems.

2. The Development of Shared Bicycle and Public Resource Management

2.1. The Germination and Development of Shared Bicycle

As a venture company to develop world's earliest pile-less shared bicycle and the first shared bicycle company in China, ofo was founded in 2014 by the post-90s generation of Peking University. Starting from the shared bicycle project on campus, it has gradually entered the society, striving to solve urban people's travel problem. Ofo is committed to meet people's travel requirements by connecting bicycles and unlocking bicycles.

Since its launch in June 2015, ofo has connected 8 million shared bicycles to provide more than 3 billion trip services to 170 cities and hundreds of millions of users worldwide. In 2016, the company received \$700 million in financing. At the end of 2017, ofo "Small Yellow bicycle" plans to launch 20 million bicycles into 20 countries and regions, serving 200 cities worldwide. In March, 2018, ofo announced that they have completed the E2-1 financing with 866 million dollars. In June, ofo cancelled all free bicycle travel activities of sesame credit. But at the end of 2018 and the beginning of 2019, there were some difficulties in ofo capital chain, as a result, it

shut down its overseas business, and even could not repay the deposit of users, which caused the whole company to be in difficulty.

2.2. The Relationship between Shared Bicycles and Public Resource

The shared bicycles has changed the way people travel and thin, for instance, people buy less and less bicycles because, which was mainly because that the appearance of shared bicycles make people consume less on bicycles. People don't need to invest too much in the use of bicycles, in addition, the easy use mode of shared bicycles that it can be parked and used at any time and any place is favoured by citizens. However, it also has negative effect of shared bicycles, for example, the easy use mode of a large number of shared bicycles may lead to destruction and encroachment of public resources, therefore, it is of great importance to the study the public resource management under the background of shared economy.

Public resources refer to naturally produced or natural resources, which can provide human with survival and development conditions. All members of society have the right to use public resources, so public resources also have a competitive but non-exclusive nature. Competitive nature means that when someone uses a given number of goods, others will not be able to use them. Exclusiveness means that when a person purchases and gets one item, he or she can exclude other consumers from the benefits of the product. For example, if there is a free park in the city, where people want to relax after work, free charge means that the park is not exclusive and anyone can come to the park, but the capacity of a park is fixed, so there is competition. But the emergence of shared bicycles makes public resources more tense, because the policy of shared bicycles with easy packing mode make many citizens put them randomly, which also has a strong impact on the originally tense public resources. Taking shared bicycles and parks as an example, the capacity of the park is limited, because there are not enough places for people to use, but many citizens ride the bicycle and park them in the park for the sake of convenience, which has a very serious impact on the park with inadequate capacity. The competition of public resources becomes stronger because the parking of shared bicycles occupies public space. Therefore, how to deal with the impact of shared bicycles on public resources has become a challenge that the government should face. It is worth thinking that how to solve the occupancy of public resources by shared bicycles on the premise that people can normally use shared bicycles.

3. Shared Bicycles in Trouble

3.1. Spending Money on Subsidies and Fierce Competition

Once upon a time, ofo appears in people's lives more frequently than other brands, however, there were more bad news, among which there may be some malicious competition. It can been obviously seen on the other hand that ofo did not pay much attention to public relations. Especially in the Internet age, public opinion is very beneficial to brand promotion. In addition, in order to compete with rivals such as Mobike and Hellobike, the ofo often launches a large number of 0-yuan cards for users to use the bicycles free, with a large amount of money invested in this respect.

3.2. Difficult Profitability and Waste of Resources

Shared economy brings us obvious benefits, which not only facilitates the lives of citizens, but also reduces their expenditure. However, after the craze of shared economy in recent years, many problems have been exposed. Zhang Guofeng and Yue Yanan mentioned three problems of shared economy: 1. Creating idle false demand with "sharing" coat; 2. Business model is just "looking beautiful"; 3. Savage growth leads to the increase in the cost of social management. Shared economy is supposed to share idle goods, that is, the platform becomes a supplier of products, leasing products to individuals, in which shared bicycles are an example. The first

problem is that many shared products follow the logic of shared bicycles, such as shared power bank and umbrellas, but these products also have the problem of "overcapacity". The second problem of sharing economy is that enterprises can't make profits. Recently, the hottest shared bicycles companies including Mobike and ofo in China have been competing with each other for more than a year. But in fact, enterprises have not made money because continuous subsidies make it difficult for these enterprises to make money. Hu Weiwei, CEO of Mobike, once said, "If we fail, we have to regard it as a public benefit", which also shows that it is very difficult for sharing economy to make profits."

3.3. High Damage Rate and High Maintenance Cost

Although the easy parking-and-use mode of shared bicycles really make it convenient for people to travel, it resulted in a lot of burden to the society. The government needs to clean up the shared bicycles on the roads and sidewalks, which requires additional labour costs. In today's society, only shared bicycles faces many problems, such as illegal parking of bicycles, which has greatly affected people's lives, for example, hundreds of shared bicycles are parked at the exit of Metro stations, and the disorderly arrangement blocks many pedestrian roads, which has caused many inconveniences to citizens. Therefore, the government needs to take appropriate measures to solve a series of problems caused by shared bicycles. For example, in Guangzhou, users will see the grey area in the mobile App that restrict parking. If you park in the grey areas for three times or more than three times, you will be fined and credit score will be deducted. In Beijing, shared bicycle electronic fences has been set up. Citizens need to park shared bicycles in designated areas, otherwise fees will continue to be deducted. Although the government and enterprises have taken various measures to prevent illegal parking, the illegal parking behaviour can still be seen in our reality. How to further prevent this phenomenon needs to be further considered. Besides the problem of illegal parking of shared bicycles, high breakage rate is also one of the problems. Exorbitant breakage rate will lead to a variety of damaged or unusable shared bicycles piled up on the road. Because broken shared bicycles cannot be used, more and more shared bicycles will be blocked in the vicinity of metro stations and so on. Although shared bicycle companies will recycle and reuse these damaged shared bicycles, there are still many damaged shared bicycles abandoned on the sidewalk, occupying public land due to the large number of damaged bicycles. It is still a problem needed to be considered that how to deal with these large number of damaged shared bicycles.

4. Countermeasures and Suggestions

4.1. Increasing Enterprise Income

In order to raise funds to live through the current crisis, ofo can use its user scale and accumulated capital over the years to raise funds and cooperate with big companies like Alabama and Tencent to solve financial problems. Besides, it can also increase advertising revenue, and gain revenue by printing advertisements on bicycles or inserting advertisements into app. In October 2017, ofo announced daily subscriptions. Ofo announced more than 32 million orders a day, which reflects its huge user base and daily traffic of ofo. Therefore, ofo can continue to improve the user experience, retain old users and expand new users to get more advertising revenue.

4.2. Strengthening Maintenance and Construction System

For further development, shared bicycles must change the confusion of management. Maintenance and construction department is suggested to be established in every city to collect user feedbacks according to the location of vehicles, to repair bicycles by realizing the specific situation of bicycles, to carry out maintenance and repair and to reduce bicycles losses and costs.

4.3. Appropriate Release

Facing the situation that shared bicycles are forbidden in many big cities, shared bicycles must solve the problem of over-release. According to the location of ofo bicycles, it can be found that which areas the bicycles are used too frequently or too infrequently in a city. According to these data, a value can be determined and if the value exceeds, some bicycles can be increased, and vice versa, so as to achieve a proper amount of release.

4.4. Relevant Rules and Regulations Established by Government

Local government departments should formulate relevant policies and regulations, divide shared bicycle parking areas, and require shared companies to uniformly place parked vehicles by assigned personnel, so as to eliminate the phenomenon of random parking.

5. Conclusion

Shared bicycle is regarded as one of the four new inventions in China, which has broad market and bright development prospects. However, as a new economic model, its development process cannot be smooth. For example, it only took several months for the ofo shared bicycles which was recently in crisis, dropped from starry to dusty. However, it should be noticed that the founder of ofo, Dai Wei, a post-90s, represents the shared economy. It is not a problem encountering this crisis. We are young and there is unlimited possibility for the future.

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