



# The Impact of E-commerce on B&B Booking Platforms—Take the Aike Homestay as an Example

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## Abstract

The research problem of the report is the booking platform of Aike B&B. First of all, from the analysis of the impact of e-commerce on traditional industries to an overview of e-commerce. Secondly, this article expounds on the main ideas of the Aike platform project from different perspectives, from eight models to the SWOT analysis method to demonstrate the implementation ability of the Aike project. Finally, through e-commerce map analysis, different consumers will use different software, web pages, etc. To search for B&B, and eventually, a competition between different homestay reservation platforms and search engines will be formed. The increase in the number and frequency of tourists will promote the development of the homestay industry, but the market share of the homestay industry is constantly expanding. However, there is little increase in the B&B booking platform. In fact, the B&B booking platform will improve the mixed mode of the current B&B market. There is a unified and standardized way for consumers to stay in homestays, rather than the original form. Through WeChat or phone bookings, the B&B booking platform makes the B&B market more unified and orderly.

## Keywords

E-business; Homestay industry; The B&B booking platform

## 1. Introduction

### 1.1 Describe e-business, what it is, why it is important for business today, and how it developed over time

E-commerce is to use of the Internet and long-distance communication technology, through electronic, digital, and networks to achieve the entire process of commodity trading. According to Meinel (2014), there was an issue with that people do not need to trade or buy commodities on face-to-face or direct documents. Instead, people buy and sell commodities through a lot of commodity information, a perfect logistics distribution system, and a secure capital trading system. Huseynov and Yıldırım (2016) showed that e-commerce also refers to worldwide commercial trade activities. Through the Internet, based on various browsers or application stores, the above-mentioned trade activities are carried out without meeting, to achieve online shopping for consumers or online transactions between merchants and A new business operation model of various business activities and related comprehensive service activities carried out in the form of electronic payment. E-commerce is mainly a business-to-business or business-to-consumer model. Wang and Liu (2016) that point out the business-to-business model means that both suppliers and buyers of e-commerce transactions are merchants. It refers to the exchange of products, services, and information between

enterprises and enterprises through the Internet. Wu and Chen indicated that the business-to-consumer model means that consumers shop and pay online via the Internet, thereby improving transaction efficiency.

Because e-commerce has changed the traditional way of life, Niranjnamurthy's (2013) research shows that convenient for people to shop, sell, and other businesses, and improves the efficiency of people in obtaining various products. Jagannath (2013) illustrated that e-commerce can also improve people's quality of life, while also enabling merchants to increase revenue. E-commerce is the integration and sharing of resources around the world, enabling consumers to purchase goods from all over the world, reducing many unnecessary links, so that consumers can purchase their favorite products at low cost, and can avoid more intermediate Business earns the difference. E-commerce is an important means to increase the gross national product, better improve the company's operating model, and diversified sales strategies encourage companies to obtain higher returns. In addition, e-commerce can effectively shorten the production cycle of products, eliminating unnecessary links in the traditional form and improving productivity.

It was the arrival of the era of e-commerce. At the end of the 1997 Asia-Pacific Informal Summit, US President Clinton proposed a joint development of e-commerce. Next is the stage of full-scale e-commerce, the emergence of the software service model has extended the e-commerce chain in the 20th century. After that, the 1920s was the smart stage of e-commerce. Cloud computing technology and the era of Internet information are becoming more mature. E-commerce is getting rid of the traditional Internet form and is more complete. It communicates with customers from multiple angles to meet consumer needs.

## **1.2 Impact of e-commerce on traditional markets**

For traditional markets, e-commerce is both a threat and an opportunity. On the surface, e-commerce is impacting the sales of physical stores. In fact, it has opened a new path for physical store sales. the different needs of consumers through multi-channel sales, thereby increasing the company's total revenue. Wiefel (2015) research shows that the dual-channel sales approach has a positive impact on the development of the enterprise. Rigby and Tager (2014) that point out the emergence of e-commerce is a new transformation for the traditional sales model. E-commerce has reduced business operating costs and diversified sales channels, rather than the traditional form of physical store sales. E-commerce has changed the organizational structure of the enterprise, reduced the middle management staff, and accelerated the company's response to market changes. In addition, e-commerce has had an impact on the commercial price system in the traditional market. Varoufakis's (2015) research shows that e-commerce created a good illusion in the early 20th century, but it soon became a bubble economy. When e-commerce enters a stable era, it occupies a stable position in many industries in the global economy. The main forms of e-commerce business are banking, insurance, and tourism, supplemented by other industries, such as television and publishing.

## **1.3 Success and failure factors of e-business implementation**

The factors that affect the success of e-commerce are mainly divided into the following points: First of all, the use and operating costs of Internet technology directly affect the popularity and promotion of global e-commerce. Secondly, the electronic delivery system is safe, and electronic payment can guarantee the safety of consumers' personal information and property. Thirdly, the logistics system is perfect to ensure that a mature logistics system will affect the successful implementation of e-commerce. Finally, the company's product quality and brand, a complete supply chain management system, and product after-sales service will affect the success of e-commerce implementation.

The factors that affect the failure of e-commerce are mainly divided into the following points: Firstly, there are problems in the design of shopping websites, and the website operating costs are too high. Secondly, there is a problem of wrong deductions in the electronic payment system, and consumer bank information is not protected. Thirdly, there is a lack of copy design that meets consumers' psychological needs and a lack of professional e-commerce operation and management models. There is no strict selection of suppliers, the quality of the products is not good enough and the logistics speed is slow.

## **2. Business Idea**

### **2.1 A description of the business**

Aike is a comprehensive hotel and B&B platform, an online booking platform that provides short-term or long-term accommodation services to consumers with different needs. Consumers could book hotels or B&Bs around the world by mobile phones or computers.

## 2.2 Services or products to provide

Aike has some similarities with the well-known Airbnb B&B platform. From the consumer's point of view, the Aike platform is mainly an electronic trading platform that provides tourists or consumers with the right to use the homestay to purchase. After that these consumers could choose their favorite hotels. From the perspective of the operator, this platform is also regarded as an intermediary. The operators of different homestays put themselves B&B on the platform of Aike, so as to sell the use rights of their homestays, usually daily rent or short-term rental, so as to obtain their benefits. Aike can get the price from the operator's room 20% of the commission is drawn.

Lai and Huang (2013) that point out more and more tourists choose to stay in a B&B rather than a hotel when traveling. In recent years, B&B has become one of the most popular forms of living.

## 2.3 Branding logos and slogans

Aike's brand logo is mainly designed by merging the first letters of the Chinese name of the brand name, that is, the logo that combines the letters A and K. Write A as a circle and K in the middle of the circle. Aike's slogan is to love guests and protect their families. In other words, treat the homestay consumer not only as a customer but also treat the consumer as a family member and protect the customer.

## 3. Marketplace Analysis

### 3.1 Business model

#### 3.1.1 Value proposition

According to the consumer's browsing history, the search price range provides consumers with cost-effective products. Provide consumers with some personalized services, according to consumer preferences to provide suitable housing for consumers.

#### 3.1.2 Revenue model

Aike platform can provide some advertising pages for takeaway merchants and travel agencies to obtain advertising revenue. Secondly, it can provide consumers with membership benefits such as purchasing a membership card for the platform, and discounts for staying in homestays, such as Amazon membership. In addition, some commission fees can be charged proportionally according to the order volume of the hotel business.

#### 3.1.3 Market opportunity

The platform is mainly aimed at the entire China and provides a middleman platform for all B&B merchants in China. Different percentages of commissions are drawn from merchants and consumers as part of the revenue. Potential financial opportunities include advertising, maintenance, and management costs of homestay reviews, etc.

#### 3.1.4 Competitive environment

The biggest challenge of the Aike platform is the Airbnb platform, it is the most successful platform made by Internet B & B. Secondly, the Aike platform has to face other homestay platforms in China, such as Tujia.com, which is mainly a reservation platform for high-end and high-quality service apartments. In addition, there is Haoguo B & B under Meituan which is a very strong competitor.

#### 3.1.5 Competitive advantage

Aike's competitive advantages are mainly the following: high cost-effective homestay products, and early discount coupon cash activities. At the same time, the Aike platform will provide pick-up service for the homestay, which is divided into two situations: pick-up by the business of the homestay and the unified pick-up service of the platform. In addition, consumers check in independently, with smart door locks, a home-style vacation experience. Consumers could use laundry and cook meals at the B&B, which saves consumers a lot of catering costs during travel, which is very beneficial for poor travelers. The personalized butler service can also provide tourists with related travel services, join tour groups, etc. This takes voluntary consumption.

#### 3.1.6 Market strategy

First of all, Aike will do some advertising through China's hottest live video application, which is TikTok. Secondly, Aike will choose some high-quality and cost-effective B & B merchants to meet the needs of most consumers who

want to purchase the best goods and low prices. Thirdly, Aike can launch a low-cost membership card campaign, as well as some new user registration activities to send coupons. Finally, when choosing a homestay business, the platform chooses some characteristic homestays and high-quality merchants to attract consumers' attention.

### **3.1.7 Organizational development**

Aike mainly learns about the operation and management models of Airbnb and Tujia to manage the platform. At the same time, it also makes some innovations and improvements in platform operation. Aike has a technical department, background maintenance department, online order management department, and pick-up service department. Collect and collect feedback and evaluation of the Aike platform from online operations and consumers' online check-in. From the initial unified management to the continuous improvement and improvement of various functional departments in the later period, the successful operation of the Aike platform is promoted.

### **3.1.8 Management team**

A strong management team must have a business model that can operate reasonably. Secondly, gives external investors a certain share or reputation, and at the same time, managers have professional e-commerce and market-related knowledge. In addition, managers will find some practitioners with relevant management experience.

## **3.2 SWOT analysis of the business**

**Strengths**—The technological level is developed; the design of the application is relatively simple. Many unnecessary intermediate links have been reduced, and many manpower costs have been reduced. The cost of software development is low, the potential of user needs is huge, and transactions are faster and simpler. It will be of great help to consumers and homestay operators and is a good bond. Consumers can book their favorite homestay in advance more conveniently, and the check-in process is also simplified. Unlike traditional forms, which can only be booked by phone, the room type cannot be seen. B & B operators rent out their houses more efficiently, shortening the period of unused houses. In addition, it allows landlords to rent a house from the listing to the agent, to use the e-commerce platform.

**Weaknesses**—Due to the development of a new product platform, consumers' trust in the platform is not high enough, the search function is not perfect, and there may be some problems with security. Secondly, the cost of publicity is relatively high, and there may be system mismatches in the software development process. Aike applications may have problems such as flashback or card machines, which may lead customers to choose other bed and breakfast platforms. The lack of talent in e-commerce has a relatively high percentage of commission.

**Opportunities**—New products have new opportunities. When the platform is launched, try as many times as possible and improve the application in time. In addition, the platform provides customers with free usage opportunities and offers customers some coupons. At the same time, the Aike platform selects some high-credit homestay operators and high-quality service and designs homestay room types as much as possible. In the end, let Aike deeply consume in the heart, so that Aike's e-commerce platform can also obtain huge profits.

**Threats**—For any new product development, its opportunities and threats coexist. Airbnb platform is a great threat to Airbnb platform because Airbnb is a well-known platform for people and one of the very successful e-commerce platforms for homestays.

## **4. Design E-commerce Web Presence**

### **4.1 Design (a concept of a design presented with good design standards taken into account)**

The platform is an e-commerce platform, when a new user registers to use the app, there will be a column for selecting the language. At the same time, these consumers could be chosen according to room type, location, and price. Finally, the app will help to find out good B&B for consumers.

## **5. Market Research/Feasibility**

### **5.1 Design a survey—a very short survey to test your idea on your target audience**

The questionnaire is mainly designed by reference to the Chinese questionnaire star App. It is mainly divided into three parts, the first part is mainly the market segmentation of consumers who choose to stay in bed and breakfast,

divided according to gender, age, etc. The second part is mainly the analysis of factors for tourists to choose a homestay, such as the price of the homestay, and the related issues such as the homestay booked through which applications. The last part mainly focuses on the analysis of the reasons why consumers choose the Aike B & B platform and the suggestions made by consumers to the platform. This will help the later improvement and development of the Aike B & B platform. All in all, it is based on market segmentation and the reasons why consumers choose other bed and breakfast booking platforms to analyze consumers' preference for buying bed and breakfast products on different platforms.

## 6. Conclusion

In conclusion, Aike B & B booking platform is a more feasible project. According to Airbnb and other platforms to learn from each other's strengths and weaknesses and learn from the aspects of these platforms doing a better job, in addition, the homestay is still very popular in the Chinese market. Therefore, the homestay platform should also have some improvements and increases. This will bring some benefits to the entire Chinese B&B business and tourists, and promote the market share of Chinese B&B.

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