

Profit Analysis of Taxi Industry Under the Sharing Economy Business Model - Take Didi Kuaidi as An Example

Meicheng Wang^{1,a,*}

¹*Queen Mary University of London*

a. wangmeicheng2018 @163.com

**corresponding author*

Abstract: The emergence of the sharing economy provides the value reconstruction of the scarcity of idle resources, provides an efficient business model for economic growth and transformation, and becomes an important driver of supply-side reform. Didi Kuaidi is a combination of transportation and the Internet, that is, a form of application that combines actual objects with the Internet. For people's travel, it can also better meet people's short-distance needs, and a new business model makes it have a larger commercial space. At present, Didi Kuaidi ranks in the forefront of domestic Didi Kuaidi operators and seems to be able to sit in Diaoyutai from the perspective of scale. However, Didi Kuaidi still faces many challenges. This paper analyzes the connotation and role of the sharing economy, expounds the operating mechanism and development status of the sharing economy business model, and then makes a case analysis of Didi Kuaidi's business model. It puts forward policy suggestions for the healthy and sustainable development of the sharing economy, including focusing on the construction of Didi Kuaidi, improving service management procedures, actively realizing automated system operation, rational business operation, transforming operating costs, and expanding Didi Kuaidi's promotion methods. It is of great significance to the development of Didi Kuaidi.

Keywords: Didi Kuaidi, sharing economy, business model

1. Introduction

As a hot topic in the sharing field in 2020, Didi Kuaidi has also achieved rapid development. The emergence of Didi Kuaidi can be described as having unique conditions. On the one hand, the application area of Didi Kuaidi is mainly in urban areas. Nowadays, with the continuous acceleration of urban modernization in China, the total size of the city has been extremely rapid expansion, and the public transportation system of the whole city is also constantly improving, basically covering the entire urban network to meet the travel needs of the masses. In the context of sharing economy, maximize the use of resources, so as to increase the utilization rate of resources, reduce resource waste, reduce the cost of use, etc., contribute to the development of green economy, and realize the diversification of people's consumption. The findings provide useful implications for governments, enterprises and the public to deal with the sharing economy. On the other hand, with the continuous

increase of wealth of Chinese residents and the continuous improvement of living standards, the broad masses of people pay more attention to the quality-of-life requirements. The emergence of Didi Kuaidi has satisfied people's willingness to travel healthily. At the same time, as a non-motor vehicle, drip drip fast zero emissions, zero pollution, can be described as low-carbon environmental protection, green travel. At the same time, we should also see some problems shown in its rapid development, and only through continuous improvement can we better play the advantages of Didi Kuaidi and help it achieve better and faster development.

The research on the development status of Didi Kuaidi has the following significance: First, as an emerging industry in China, Didi Kuaidi can achieve such rapid development experience for future entrepreneurs to learn, so analyzing its business model can help people find out the reasons for the success of Didi Kuaidi, and then provide entrepreneurs with entrepreneurial guidance; Second, Didi Kuaidi is a typical type of sharing economy. Studying Didi Kuaidi's business model can deepen people's understanding of sharing economy. Thirdly, research on the business model of Didi Kuaidi can help market followers learn from the successful experience of Didi Kuaidi and avoid the same mistakes, so as to better survive in the industry of Didi Kuaidi.

2. Relevant Overview and Theoretical Basis

2.1. Meaning of Sharing Economy

For the concept of the sharing economy, Nancy Koehn believes that the sharing economy is a system of direct exchange of goods or services between individuals. According to this concept, the sharing economy exists in the form of platforms that can transfer the right to use goods or services owned by individuals to others and realize the effective use of idle resources, which means not only idle goods, but also idle services. So far, it has covered finance, life services, transportation, production capacity, knowledge and skills, housing and other fields. It is no longer just a business that provides goods or services, but any organization or individual that may have idle resources. In his blog, Benita Matofska describes the sharing economy as a social and economic ecosystem built from the sharing of human, material and intellectual resources. This system includes the creation, production, distribution, trade, and consumption of products or services shared by different people or organizations.

Therefore, there is no unified understanding of the concept of the sharing economy and its reach, but we can understand it from the following four perspectives:

First, in the sharing economy, the supplier of a product or service is no longer a business, but an individual. Enterprises in the sharing economy mainly exist in the form of third-party sharing economy platforms. Their main function is to consolidate idle resources without providing them. From this perspective, some of o2's platforms are also sharing economy, such as Airbnb, which offers residential services, and pp Car Rental, which offers rentals.

Second, in the sharing economy, the provision of products or services is mainly based on temporary transfer of use rights, but there are also permanent transfers of use rights. For example, Airbnb and China Car Rental temporarily offer resource rights transfers. But for some second-hand goods trading websites, such as used sunflower seeds, fish will permanently transfer the right to use second-hand goods, which is still regarded as a form of sharing economy.

Third, in the sharing economy, the transfer of the right to use idle resources is mainly issued by idle resource owners, but there are also some platforms that provide shared resources. Therefore, it is necessary to distinguish Airbnb from the Tujia business model. The publisher of Airbnb housing information is the owner of the residential community, while the Tujia rent the apartment or residential community, and the platform publishes the source information on its own. Similarly, Didi Kuaidi and Mobike, which offer bike-sharing services, share their own resources rather than private bike owners.

Finally, the sharing economy is more inclined to provide idle goods or services as a means of making a living, rather than as a means of earning additional income. However, there is still such a situation that the object of resource sharing is the main means of livelihood of this resource, and the future development trend may be more and more inclined to share in order to get faster, rather than get more. It's where all your money comes from. For example, in the case of taxi software, they integrate taxis as the main means of livelihood, while private car owners only want to earn extra income while traveling. While both of these conversions are forms of the sharing economy, there are still some differences.

2.2. Significance and Role of Sharing Economy

The significance and role of the sharing economy are mainly reflected in the following aspects:

(1) Reduce transaction costs: On the one hand, since the transaction cost of leasing is lower than the transaction cost of purchase, the sharing economy can promote the increase of leasing behavior. People meet the demand for goods or services through leasing, reduce the purchase behavior, and then reduce the transaction cost; On the other hand, in the Shari region in the national economy, people have more incentive to get what they need and use it as much as possible, and less incentive to buy and sell. The process of maximizing the interests of both parties reduces the process of obtaining information and bargaining, and reduces the transaction cost.

(2) Improve the efficiency of resource utilization: The essence of the sharing economy is to temporarily transfer the right to use, and then improve the efficiency of resource utilization. There are very limited resources that people can use at the same time. If a person has more resources, if the resources are not shared, then the more resources are not used at the same time, the less efficient the resource is used. In the era of overcapacity, the absolute quantity of many resources is already very large, but because there is no good circulation platform, the excess resources cannot match every person who needs these resources, and there are still many people who lack these resources. If they buy these resources, they will further increase the absolute amount of these resources and use the sharing economy to help. The circulation of surplus resources can improve the utilization efficiency of resources, reduce unnecessary purchasing behavior, and reduce people's living costs.

(3) Flexible working hours and places: The traditional 95 work day system restricts people from working at a fixed time and place, limiting humanity and reducing work efficiency. In the era of the sharing economy, people can use knowledge and skills as shared resources and decide whether to share these resources according to their own needs. Employment relationships are down, partnerships are up. People are not confined to one job. They can do more than one job at a time. The risk of unemployment is greatly reduced. People will decide when to work on their own time, free from the constraints of their work, and decide what to do when and according to their work hours. Besides, people can decide their jobs according to their hobbies, do what they like and make money. This will greatly improve people's work efficiency and creativity. Everyone will try their best to do what they like, and the number of free people will continue to increase.

(4) Further expansion of social circle: In the Internet era, people expand their social circle in different ways to meet the communication needs, establishing a buying and selling circle from e-commerce, a fan circle on Weibo and blog, and a resource-sharing and resource-providing circle on a shared economic platform.

3. Analysis of problems in the development of Didi Kuaidi

3.1 Development status of Didi Kuaidi

Didi Dache and Kuaidi Dache have been the biggest competitors since their emergence in the market, and there is a fierce game between them in all aspects before the strategic merger and acquisition. In terms of financing, Didi received a total of four rounds of investment, with a total financing amount of more than \$800 million, and Fast also carried out four rounds of financing of \$700 million. Before the merger, the market share was similar and the product line was similar. In 2014, the two sides in the "payment + red envelope war" subsidy competition, Didi subsidy scale exceeded 1.4 billion, fast nearly 1 billion.

Pure subsidy war is a perverse business practice, the market has been opened, returned to sanity, the two companies began to consider a merger. The process of the merger between Didi and Kuaidi was led by the management, from the contact in Shenzhen to the signature confirmation of all investors, and finally announced on Valentine's Day, the whole process took only 21 days. On February 14, 2021, the merger and acquisition parties also chose to conduct a 100% stock exchange strategic merger. After the merger, the company adopts the structure of the seven-member board of directors, and the management has great decision-making power. Aliabar and Tencent have become strategic investors, investing capital and providing management support to the company. After the merger, the new enterprise adds new options, and uses the option incentive to keep the executive talents in the enterprise, avoiding the external station into a civil war. In terms of brand, Didi Kuaidi Taxi transformed into Didi Chuxing, aiming to be a one-stop travel platform, and the APP interfaces of both sides were combined into the Didi travel APP. There are third-party interfaces in Alipay and wechat, and the choice of payment method is in the hands of passengers.

3.2. Profit Analysis of Didi Kuaidi

There are many indicators to reflect the profitability of enterprises, including net profit margin on sales, gross profit margin on sales, operating profit margin, cost and expense ratio, total asset turnover and return on equity.

3.2.1. Net Profit Margin on Sales

Sales net profit margin refers to the percentage of net profit and operating income, which is used to measure the ability of an enterprise to obtain operating income in a certain period of time.

Table 1 Net profit margin on sales (unit: %)

2018, 2019, 2020, 2021

Net profit margin on sales 7.32% 9.75% 12.43% 15.81%

Calculation formula: Net profit rate on sales = net profit/operating income *100%

This indicator is the ultimate profitability indicator of enterprise sales. The higher the ratio, the more profitable the company is. As can be seen from Table 1, from 2018 to 2020, Didi Kuaidi's net profit margin on sales is increasing year by year, and the increase is large, which can be seen that Didi Kuaidi's profitability is constantly improving.

3.2.2. Gross Profit Margin on Sales

The gross profit margin of sales is the difference between operating income and operating cost. If the gross profit margin of sales is very low, it indicates that the enterprise does not have enough gross profit, and the profit level after compensating the period expenses will not be high, and it may not be

able to make up the period expenses, resulting in a loss situation. This index can predict the profitability of the enterprise. The higher the index, the better the profitability of the enterprise; otherwise, the weaker it is.

Table 2 Sales Gross Interest Rate (unit: %)

2018, 2019, 2020, 2021

Gross profit margin on sales 25.89% 26.54% 25.86% 25.26%

Calculation formula: Gross profit margin on sales = $[(\text{operating income} - \text{operating cost}) / \text{operating income}] * 100\%$

This index reflects the initial profitability of an enterprise's product or commodity sales, and is the starting point of the enterprise's net profit, without a large enough gross profit margin, it cannot form a large profit. As can be seen from Table 3-7, the gross profit margin of Didi Kuaidi's sales from 2018 to 2020 has not changed much, and it can be inferred that the company's profit level is low in recent years.

3.2.3. Operating Profit Margin

Operating profit margin can better describe the contribution of the company's main business to the profit than the net profit on sales, because net profit is obtained on the basis of operating profit plus investment income, subsidy income and net non-operating expenses, and this income or loss is less sustainable, excluding these effects can better reflect the change of the company's profitability and the difference between different companies' profitability.

Table 3 Business profit rate (unit: %)

2018, 2019, 2020, 2021

Operating profit margin 8.41% 9.22% 9.50% 9.58%

Calculation formula: Operating margin = $\text{operating profit} / \text{net operating income} * 100\%$

The higher the operating profit rate, the more operating profit provided by the sales of goods, the stronger the profitability of the enterprise. On the contrary, the lower the indicator, the weaker the profitability of the enterprise. As can be seen from Table 3, the operating profit rate of Didi Kuaidi in the past four years has been rising steadily, which shows that the company's profitability is still strong, but the indicators have not changed much, and the company's profitability still needs to be improved.

3.2.4. Cost expense net interest rate

Cost expense net profit rate is the ratio of the net profit of the enterprise to the total cost expense. It reflects the relationship between the cost and the gain in the process of production experience.

Table 4 Cost Expense Net Interest rate (unit: %)

2018, 2019, 2020, 2021

Cost expense net interest rate 7.95% 8.75% 9.08% 8.76%

Calculation formula: Net interest rate of cost and expense = $\text{net profit} / \text{total cost and expense} * 100\%$

The higher the index, the smaller the cost for the enterprise to obtain income, and the stronger the profitability of the enterprise. Therefore, this index can not only evaluate the profitability of enterprises, but also evaluate the cost control ability and management level of enterprises. As can be seen from Table 4 above, the net interest rate of Didi Kuaidi's cost expense in 2018-2020 is constantly rising, and it will decrease in 2021. It can be seen that Didi Kuaidi's profitability was continuously improved in the first three years, but it will decrease slightly in 2021, which indicates that the company's cost expense management ability needs to be improved.

3.2.5. Total asset turnover ratio

The total assets turnover ratio is an important index to examine the operation efficiency of enterprise assets, which reflects the turnover speed of all assets from input to output during the operation period of an enterprise, and reflects the management quality and utilization efficiency of all assets of an enterprise. Through the comparative analysis of this index, it can reflect the operating efficiency and changes of the total assets of the enterprise in the current year and the previous year, find the gap between the enterprise and similar enterprises in the utilization of assets, and promote the enterprise to tap potential, actively generate income, improve product market share and improve asset utilization efficiency.

Table 5 Total assets turnover (unit: %)

2018, 2019, 2020, 2021

Total asset turnover rate 104.90% 102.17% 98.36% 106.33%

Formula: Total assets turnover = sales revenue/total assets

The higher the index, the stronger the sales ability, indicating the higher the utilization efficiency of assets, indicating the stronger the profitability of all assets of the enterprise, and achieving good results in increasing income and reducing expenditure and saving the use of funds. On the contrary, it means that the ability of enterprises to use all assets is weaker. As can be seen from Table 5, the overall turnover of Didi Kuaidi's total assets has not changed much, especially in 2019 and 2020, and the decline rate is large in 2020, which indicates that Didi Kuaidi's sales ability needs to be improved.

Return on equity

Return on equity is the percentage of net profit to average net assets, also known as return on net worth or return on equity. This index is one of the most commonly used analytical indicators in DuPont Analysis.

Table 6 Return on equity (unit: %)

2018, 2019, 2020, 2021

Roe 16.98% 23.83% 33.18% 43.65%

Calculation formula: ROE = after-tax profit/owner's equity *100%

The higher the index, the higher the return on the capital invested by the investor. As can be seen from Table 6, the return on equity of Didi Kuaidi shows an upward trend, and the rise is large, indicating that Didi Kuaidi has a high return on capital in the past four years.

3.3 Causes of Business Model Dilemma

3.3.1. Uncertainty of Bicycles

Because of the randomness and fluidity of Didi Kuaidi, everyone's riding requirements cannot be met immediately. In particular, the uncertainty of the return journey has become a worry for 41.4 percent of bicycle users. Secondly, the uncertainty of finding a car is also a big problem. Didi Kuaidi shared bike APP terminal does not have GPS positioning. Users are having trouble searching for cars. Although Mobike's APP terminal provides GPS positioning services, and the positioning range is not accurate, the problem of finding a car is still very big.

3.3.2. High Loss Rate

While Didi Kuaidi is heating up, there have been some problems, such as being taken over, illegally parked and having its locks repeatedly destroyed. An industry source close to Didi Kuaidi revealed that Didi Kuaidi's human damage rate is about 5 percentage points, close to the company's threshold of 6 percentage points, but Internet analyst Tang Xin survey showed that Didi Kuaidi's bicycle

damage rate may be as high as 20-30 percentage points. Stopping the cost will be Didi Kuaidi's most difficult problem. According to Mobike's statistics in Guangzhou, the man-made damage rate of Mobike bicycles in Guangzhou reached 10 percent, and at least 2,000 of 20,000 bicycles were damaged to varying degrees.

3.3.3. Mobike Is Expensive and Didi Kuaidi Is Expensive

As a Didi Kuaidi company, the cost structure is mainly composed of two parts, that is, bicycles and operations; The income is mainly the amount of bicycles rented per hour. Analysys analyst Zhang Xu believes that the two companies in the larger market have shorter operating hours. The heavier assets of the Ma Dam will increase the production cost of bicycles to reduce operating costs. But as the bike gets heavier, the user experience decreases and the profit cycle gets longer. While Didi Kuaidi has lighter assets, it has higher operating costs and no GPS. Reduce the effective radius of vehicles and the use of bicycles.

If the vehicle has been damaged, resulting in subsequent failure to achieve profitability, the quality of the product is very important. In other words, Mobike has already used explosion-proof tires, automatic power generation and other means in the product design stage, which can make the bicycle stronger, and also hopes to improve the technical content of the bicycle and reduce the cost of maintenance. Mobike integrates trap chips, GPS and other systems according to the body lock, and can also monitor the specific position of the bike on the road. Vehicle delivery costs remain high. However, Mobike relevant people said that because the scale continues to deepen, the cost of bicycles is gradually reduced.

4. Suggestions on Ways to Improve the Profitability of Didi Kuaidi

4.1. National Level

4.1.1. Add Government Subsidies

The birth of dockless Didi Kuaidi caused the government's initial use of Didi Kuaidi to suddenly decline. If we increase government-enterprise cooperation and integrate Didi Kuaidi and smart door locks, the joint operation of the government and enterprises will limited the cost of bicycle delivery and operation, and the strong support and subsidies of the government have established obstacles in the competition, and achieved a win-win phenomenon between the government and enterprises.

4.1.2. Strengthen Efforts to Maintain Market Order and Reduce the Loss Rate

(1) Improve and improve the traffic environment

Nowadays, the development of cities is not limited to the construction of non-motor vehicles, the need for transportation for short time and not very long distance travel, especially for people living in urban centers, which can be well solved by using the Mobike system. In the floors of the living units, there is also the establishment of small roads, and the establishment of green travel Mobike system between major road points or stops, which can greatly solve and improve the pressure of urban traffic.

(2) Strengthen supervision and improve management

For the government, it can take many measures to carry out corresponding management, improve all aspects, solve problems in a timely manner, and make improvements on the basis of identifying problems, so as to ensure that citizens can have a near perfect experience when traveling. PBS belongs to the government to provide new public services. This refers to a series of concepts about the role of

public administration in a citizen-centered governance system. It puts citizens at the center of the entire system of governance. There is also a need to emphasize the shift in the role of governance as a service rather than a navigator, and to promote the spirit of public service. It aims to enhance the dignity and value of public services, emphasize the awareness of civil society, and value the dialogue and cooperation between government and communities and citizens.

4.2. Enterprise Level

4.2.1. Bicycle Design Is Upgraded to Reduce Costs

The hardware design of the bike not only affects the customer experience, but also plays a crucial role during the bike's maintenance cycle and later recycling. Mobike has the characteristics of high cost, network, geographical location, intelligent function and low waste rate. However, how to reduce the initial investment and shorten the profit cycle has become an urgent problem for Mobik. The bicycles of Didi Kuaidi have low cost and can be obtained through the recycling of second-hand bicycles. How to reduce losses, extend service life and improve the technical content of bicycles has become the key issues of Didi Kuaidi. The cost of manufacturing, loss, maintenance and scheduling costs, etc., are all rising and falling, how to make the optimal plan, it needs to start from their own situation among industries and carry out effective budget determination.

4.2.2. Innovate the Bicycle Operation Mode

(1) Optimize the process service of Didi Kuaidi

At the level of operating companies, operators must comply with the relevant regulations of urban public transport, follow market rules, assume management responsibilities, especially do a good job in offline services, abide by the principle of integrity, and improve service levels. After obtaining the investment of Ant Financial, Yongan Line took the lead in launching car-free leasing according to the binding Sesame credit. This method of introducing a credit information system not only solves users' doubts about the storage of shared bicycles, lowers the threshold for the use of shared bicycles, but also controls the destruction rate of Didi Kuaidi to a large extent, which is worth continuous promotion in the industry. Then, enterprises should be good at management, in the context of the information age, according to the early user behavior, reasonable arrangements for the amount of bicycles, effective planning of parking areas, improve user efficiency. Finally, we should actively explore new ways to make profits, for example, hourly billing expansion to monthly charges, which not only allows users to get certain concessions, improve user viscosity, but also conducive to the continued operation of the enterprise. Not only that, it can also consider unlocking built-in ads on the APP, and achieve accurate advertising push through a large amount of data.

(2) Exploration and innovation mode

The unclear business model and the single profit model are the main problems in the development of the industry. In the case of difficult to make profits, Didi Kuaidi and Mobike have their own advantages and challenges. Operating costs, network density and scale have become important factors restricting profitability. For Didi Kuaidi, how to reduce the attrition rate, operating costs and maintenance costs, and improve the technical content and service life of bicycles are the main problems that Didi Kuaidi urgently needs to solve. As far as Mobike is concerned, although the order volume is far ahead of the domestic market, how to reduce the early input cost and shorten the profit cycle is a major challenge for Mobike cyclists. Therefore, Didi Kuaidi's platform should learn from each other, avoid shortcomings, and grow in competition. Actively explore a new model of development from simple C2C to B2C + C2C, and place the center of first-tier and second-tier cities in third-tier and fourth-tier cities. It is a good strategic choice to cultivate new profit points, improve

core competitiveness, and rationally distribute and improve the utilization efficiency of shared bicycles.

(3) Free deposit + credit business model

Many of Didi Kuaidi's problems are closely related to the quality of its users. For example, people's opportunism can easily lead to small and low-cost psychology, weak civic consciousness, and easy to form the tragedy of the Commons. That is to say, first, the government and operating companies need to guide and regulate user behavior through communication, publicity and other means, enhance civilized awareness, and abide by social ethics. Second, governments and operating companies use rewards and punishments to guide and regulate user behavior, such as: illegal users are put on an integrity blacklist, they are rewarded with free ride time, and users are incentivised to push others indiscriminately into designated areas. The most important thing is that users effectively improve their self-cultivation and form social customs for the cultivation of a civilized society.

4.3. Didi Kuaidi's Future Profit Model

4.3.1. Advertising Revenue

At present, due to the fierce competition within the industry of Didi Kuaidi, enterprises tend to focus on increasing vehicle delivery and competing for market share, and attract potential customers and enhance consumers' brand awareness by intensively advertising in crowded areas such as subways, bus kiosks, building elevators, and urban CBD. However, the awareness of profiting from advertising is still not strong. However, due to the large volume and high mobility of Didi Kuaidi, it can be used as a natural mobile billboard, and its value cannot be underestimated. In addition, through the rental APP built-in pop-up page, it can also help Didi Kuaidi enterprises to obtain rich profits.

4.3.2. Establish A New Sharing Model and Make Profits through Fees

At present, Didi Kuaidi is still in the form of "pseudo-sharing", and rents in the name of sharing. On the basis of the existing operating model, several reform steps can truly transform bike rental into bike sharing.

Change the way you charge. If it is subleased, the renter must use the car and return the car according to the lessor's requirements; If it is resale, the platform can give a guide price according to the condition of the vehicle, and the two sides can negotiate according to the reference price to determine the resale price.

Building a used car market. Didi Kuaidi enterprises can build bicycle recycling stations in various places, under the premise of good car condition, recover vehicles according to the guiding price, repair them and put them back on the market, the price is more favorable, and you can also earn the difference.

The profits of Didi Kuaidi enterprises mainly come from the transaction fees of the platform. Since all transactions (car purchase and rent) can only be completed on the platform, when users finally need to withdraw cash on the platform, the platform will charge a certain commission. If the user does not withdraw, the platform can invest the money, such as buying robust wealth management products. More importantly, when people have contacts and connections online, countless profit models can be created.

There are pros and cons to this approach. The disadvantage is that the user's car has become inconvenient, it can park anywhere, stop and go, and now the restrictions on travel will increase, and if the platform's capital pool is not large enough, the profit from the fee is limited. The advantage is that due to clear property rights, bicycle damage will be greatly reduced, and business operating costs will be greatly reduced.

At the same time, because the bicycle is private, the user manages it by himself, which helps to solve the problem of disorderly parking of the current Didi Kuaidi.

4.3.3. Make full use of big data resources and transform comprehensive service providers

Behind Didi Kuaidi's rapid development is not that its business model is well understood, but because it adds excitement that all parties need to understand in the capital's cold winter. In the future, big data resources may become an important source of value for shared bicycles after the accumulation of a large number of users. Didi Kuaidi's existence as a "last few kilometers" pain point for users may evolve into a "data collector" and more accurately obtain the amount of data directly related to users. The development of e-commerce websites, represented by Taobao and Tmall, provides a model for the future development of shared bicycles. Now such e-commerce platforms are no longer simple e-commerce shopping websites, but one data collection center after another. Using the data collected, they can provide users with more intimate and convenient services. In the process of service, they will find new profit models and profit growth points.

5. Conclusions

The management of Didi Kuaidi is not only a challenge, but also an opportunity. As the manager of the city, the government needs to strengthen the management and the construction of basic facilities. Operating enterprises should improve the service level of the Didi Kuaidi industry, which can effectively help citizens travel the last kilometer. Users also need to improve civic awareness, cherish public resources, and use Didi Kuaidi in accordance with the law, law-abiding and civilized quality. Here, we believe that the policy department, the use of enterprises and users in the joint efforts, can make Didi Kuaidi achieve orderly development.

References

- [1] LI Ying. *Didi Kuaidi's private car service standards have been questioned* [J]. *China Quality Travel*, 2021, (04): 66-67.
- [2] Lu Bei. *How does Kuaidi survive under the New Deal?* [J]. *Journal of Commerce*, 2021, (10): 9-10.
- [3] *Who better embodies the future of the sharing economy, Uber or Didi Kuaidi?* [J]. *Internet Weekly*, 2021, (10): 22-23.
- [4] *Didi Kuaidi cooperated with BAIC Group in four areas* [J]. *Automotive & Parts*, 2021, (24): 22.
- [5] Luo Jinli. *Didi Kuaidi will be compatible with Alipay and wechat Pay* [J]. *Financial Technology Era*, 2021, (07): 18.
- [6] *Didi Kuaidi is trying to beat Uber* [J]. *World Telecom*, 2021, (07): 13.
- [7] *"Didi Kuaidi" hand in hand with the Shanghai Transportation Commission, is it a regular or be incorporated?* [J]. *Communications World*, 2021, (15): 5.
- [8] SONG Yanhong. *Didi Kuaidi's Fast and Whip bus becomes the next battlefield* [J]. *IT Times*, 2021, (08): 35-36.
- [9] ZHANG Yan. *Yutong Bus and Didi Kuaidi to build Internet buses* [J]. *Automotive*, 2021, (10): 121.
- [10] *Didi Kuaidi announces completion of \$3 billion financing* [J]. *Computer and Networks*, 2021, 41(17): 11.
- [11] Li Likai. *Under the sky: Didi Kuaidi's "big data" blueprint* [J]. *Shanghai Information Technology*, 2021, (09): 60-62.
- [12] PEI Xin. *Shanghai Didi Kuaidi won the first private car operating license* [J]. *Media Review*, 2021, (10): 4.
- [13] *Didi Kuaidi won the first private car license in China* [J]. *China Strategic Emerging Industries*, 2021, (21): 45.
- [14] *The competition between Uber China and Didi Kuaidi is fierce* [J]. *International Talent Exchange*, 2020, (01): 71.

- [15] Xia Shan-shan, Wang Ming-yu. *Analysis on profit model and prospect of domestic Taxi-hailing software [J]. E-commerce*,2020,(02):24-25.
- [16] Xie Xiao. *Reasons for the merger of Didi and Kuaidi based on Bertrand Model [J]. Knowledge Economy*,2020,(10):67.
- [17] Jiang Huashan,CFP. *Didi Kuaidi and Meituan Review: Douye Capital and Heye Capital [J]. Business Observer*,2020,(08):51-53.
- [18] Niu Weina, Ma Qian Yao. *Discussion on profit model of taxi software in China [J]. Cooperative Economy and Science and Technology*,2020,(19):110-111.
- [19] Zheng Yujiao. *Case study of Didi Kuaidi's strategic M&A [J]. Western Leather*, 2019,38(24):74-75.
- [20] Zhu Lin, Shi Yuan. *Survival Choice of Internet enterprises under competition: A case study based on Didi Kuaidi Merger [J]. Chinese Market*,2017,(13):232-233.