

Research on Development Problems and Transformation Strategies of Platform-type Internet Enterprises Based on Porter's Five Forces and SWOT Model: A Case Study of 58. Com Human Resource Service Business Module

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Abstract. The platform Internet enterprises represented by 58. Com have occupied a large market share due to their early entry into the market. In the face of the rise of mobile Internet and the rise of many emerging industries, some enterprises are faced with problems such as uneven information quality, single profit model, and difficult to guarantee user privacy. They no longer have comparative advantages when competing for market share, and gradually lag behind the development of The Times. This paper uses Porter's Five Forces model analysis, SWOT analysis and other methods to explore the further development and transformation of the platform Internet enterprises taking 58. Com as an example. Due to the simple review process of mobile Internet platforms, complex Internet environment and the existence of information leakage, platform Internet companies should strengthen the review process, establish an enterprise ecosystem, strengthen technical supervision and improve user privacy protection policies, so as to obtain a new development peak in the market battle in the new era.

Keywords: 58. Com; city human resource service business; Porter's Five forces model analysis; SWOT analysis; Advantages and disadvantages.

1. Introduction

After the development of the Internet, a number of Internet companies have laid a foundation in the early stage and obtained sufficient development and popularity. However, when the mobile Internet gradually replaced the PC-Internet into people's lives, many Internet companies gradually began to struggle. By taking advantage of its early entry into the Internet market, 58. Com has obtained a large number of market foundations, but in the continuous development of recent years, 58. Com has never found a suitable transformation direction. This paper analyzes the Strengths, Weaknesses, Opportunities, Threats and other aspects of 58. Com recruitment sector through Porter's Five Forces model and SWOT (Strengths, Weaknesses, opportunities, Threats) analysis. Based on this, it analyzes the direction of the future strategic changes of the recruitment sector of 58 cities, and gives a proposal with high feasibility. This paper first discusses the level of competitiveness of 58. Com in the market, as well as its advantages and disadvantages, then analyzes the problems faced by 58. Com's transformation, and finally analyzes the changes needed for 58. Com's transformation.

2. 58 Development and current situation of the same city

58. Com development and entrepreneurial stage: in 2005, 58. Com was founded, listed in 2013, and acquired Ganji.com in 2015. In 2011, 58. Com hired Yang Mi to promote the brand image. The 58-city business then gained the favor of the market. With the slogan of "a magical website", the vision of "becoming a leading industrial life service group", the mission of "helping people live and work in peace and contentment", and the core value of "users first, simple and reliable, achievement of strivers", 58. Com classifies local communities and provides recruitment, rental and other services.



58. Com development acquisition phase: In 2015, 58. Com began to make some necessary mergers and acquisitions. On April 15, 2015, 58. Com and Ganji.com were about to merge. On May 8, 2015, it announced the acquisition of Chinahr.com.

Organizational structure: The following table 1 shows the organizational structure of the 58. Com, which retains the "front desk - middle desk - back office" structure, and the front desk business has been reorganized.

Table 1. 58 Intra-City organizational structure

front desk	Four business teams in local services, Real estate, Automotive and Human resources			
middle desk	Infrastructure, business centers, information security			
back office	Brand PR Department	Investment and mergers department	accounting department	ministry of audit
	ministry of law	administrative department	purchasing department	Government and Public Services

3. Competitive environment analysis of HR service business module based on Porter's Five Forces Model of 58. Com

3.1. Rivalry among Existing Competitors

At the time of the initial creation of 58. Com, it was in the critical period of national information technology transformation, and the related industries developed rapidly in this period, but at the same time, the platform-based enterprises that catch up with the development opportunities of this wave of human resources service business also do not account for a minority, so there are competitors of 58. Com with the strength of the human resources service business module [1]. In recent years, the competitive pattern of the Internet recruitment market is mainly 58 Tongcheng, MileagePlus, Wisdom Link Recruitment, 58 Tongcheng with its strong social influence and the level of scientific and technological development with the times and other advantages to build a highly efficient and reliable recruitment system, accounting for about one-third of the Internet recruitment market share, in a leading position; followed by professional recruitment platforms also by virtue of its successful construction of a recruitment ecosystem for different groups of people, the recruitment ecosystem is also a very important part of the Internet recruitment market. Followed by professional recruitment platforms have also accumulated more loyal users by virtue of the successful construction and improvement of the recruitment ecology for different groups of people, of which Wisdom Link Recruitment, which focuses more on the recruitment of high-end talents, and MileagePlus, which is more inclined to the recruitment of the general public, both account for about 20% of the share of the Internet recruitment market. However, due to these competitors and 58 Tongcheng in the founding time, capital investment and other factors are not very different, so 58 Tongcheng although in the market share is temporarily ahead of other platforms, but not enough to support its invincible position in the future market competition.

3.2. Threat of New Entrants

With the increasing degree of network informationisation in today's era, human resources services are essentially based on mutual communication between people, or in the case of the current industry environment, between individuals and enterprises, so the market threshold for entry into the industry is relatively low, and it is relatively easy to enter the industry. Potential entrants may come from vertical recruitment websites, i.e. websites focusing on providing human resources services to specific groups of people, industries or geographical areas, such as Lashou.com, which focuses on recruitment in the Internet industry, and Medical Pulse, which focuses on recruitment in the medical field, etc. With the support of capital and technological innovation in the later stage, such platforms may expand their scope of operation and attract users, thus capturing the market share of 58 Tongcheng's human resources service module and posing a threat to its business. Potential entrants may also come from

Internet companies with strong capital, such as Meituan, Ctrip and other Internet companies with a large amount of user data and traffic resources, such potential entrants may enter the HR service market by expanding their scope of business and may quickly gain market share by virtue of their strong capital strength and brand influence.

3.3. Threat of Substitutes

In the field of human resource services, substitutes refer to other services or products that can perform human resource services or achieve similar or better functions. They are mainly divided into two categories. The first category is social media and online communities, which are characterized by a large user base, strong interactivity, and rapid information dissemination. On such platforms, companies can register official accounts and publicly post recruitment information. Job seekers can search for specific companies or job positions through relevant functions and engage in rich social interaction features such as online communication and career consulting. For example, Weibo and Maimai fall into this category. The second category is automated recruitment tools for recruiters. With the continuous development of science and technology, based on their low cost and high efficiency, enterprises can quickly screen out candidates who meet their needs by setting requirements in advance. Such automated recruitment tools are increasingly favored by enterprises. For instance, the integrated HR SaaS and talent management platform provided by iTalentX can help enterprises achieve comprehensive digital management from employee recruitment, entry, management to departure. In addition, AI recruitment tools such as AroundDeal, Fetcher, and Manatal can process massive non-standardized data through AI technology and provide functions such as candidate recommendation, intelligent search, and candidate information completion, enabling enterprises to enjoy the convenience of automated recruitment in human resource management.

3.4. Bargaining Power of Suppliers

The suppliers for the human resource service module of 58. Com encompass a diverse range of enterprise types, including recruitment websites (offering services such as job postings, resume collection, etc.), executive search firms (providing precise matching services for mid-to-high-end talents), and educational and training institutions (providing talent training and career development services).

These suppliers can be broadly classified into two categories. The first category consists of various general recruitment websites, which have a wide range of sources and a large number of participants. Given 58. Com's significant market share and favorable user reputation, the human resource service module of 58. Com enjoys considerable flexibility in selecting such suppliers, rendering the bargaining power of these suppliers relatively weak. The second category comprises executive search firms, which possess high-end talent pools and experts in specific industries. Due to their irreplaceability, these suppliers possess strong bargaining power with the human resource service module of 58. Com.

3.5. Bargaining Power of Buyers

For the human resource service module of 58. Com, the buyers are primarily enterprises and job seekers. Enterprise users primarily utilize the 58. Com platform to post recruitment information, search resumes, and communicate with job seekers to find suitable candidates. Job seekers, on the other hand, satisfy their needs on 58. Com for job information inquiries and browsing, resume submission, and communication with recruiters. Due to the popularity of the internet and advancements in information technology, both enterprises and individual users have increasingly easier access to information and quotations from different suppliers, with relatively low costs for data migration and reconfiguration. Consequently, enterprises and job seekers enjoy high autonomy in choosing human resource service platforms. They may select platforms based on factors such as service quality, user experience, and the quality of job postings, generally possessing strong bargaining power.

4. SWOT Analysis of the Development Status of the Human Resource Service Business Module of 58. Com

4.1. Internal Strengths

The internal strengths of 58. Com's human resource service business module are primarily reflected in its brand influence, resource integration capabilities, and technological innovation capabilities.

Regarding brand influence, 58. Com effectively utilized memorable advertising slogans combined with celebrity endorsements during its initial stages, creating a high level of brand recognition. In the mid-development phase, 58. Com focused on participating in social welfare projects, collaborating with the China Disabled Persons' Federation to launch the "Chuangyi Plan" and initiate employment projects for the disabled. By establishing dedicated recruitment sections and providing training for disabled job seekers, 58. Com significantly improved the employment environment and quality for the disabled, effectively enhancing its brand influence [2].

The human resource service business module of 58. Com also demonstrates strong resource integration capabilities. Its subsidiaries, including 58 Magic, Ganji Direct Recruitment, and ChinaHR.com, have become industry leaders. Through the "platformization + multi-APP + large users traffic" flooding effect, over 9 million enterprises have posted recruitment information on 58. Com, nearly achieving full coverage of the recruitment market, providing a solid foundation for its robust resource integration capabilities [3].

The realization of these two major strengths is inseparable from 58. Com's technological innovation capabilities. Additionally, the human resource service business module of 58. Com leverages its robust technological innovation capabilities to empower human resource services with technology, mainly reflected in the accuracy and efficiency of matching. By deeply integrating big data, algorithms, AI, and recruitment scenarios, it utilizes artificial intelligence response systems, AI intelligent recommendations, and other technologies to achieve precise resume matching, significantly enhancing the accuracy of the recruitment system's matching capabilities. Furthermore, during the "2023 Super Job Season," 58. Com introduced the AI tool "AI Recruitment Superhero," utilizing "generative AI" to automate time-consuming, tedious, and repetitive tasks, significantly improving matching efficiency.

4.2. Internal Weaknesses

As a service platform centered on information exchange, the weaknesses of 58. Com's human resource service business module are primarily manifested in three aspects: the difficulty in ensuring user privacy and security, the uneven quality of platform information, and the single profit model.

In the era of highly developed network communication, similar to many other information aggregation platforms, user privacy and security is a top concern. However, in recent years, the disclosure of job seekers' privacy has allowed numerous illegal third parties to access and misuse private information such as phone numbers, leading to frequent occurrences of harassment and even financial fraud, causing adverse social impacts and affecting user loyalty to a certain extent [4].

Meanwhile, the registration and certification process for corporate users in this business module is overly lenient, requiring only a business license. Unlike platforms like Meituan that require users to fill out personal information and assign personnel to physically visit and photograph brick-and-mortar stores, this approach has led to the possible presence of false or misleading content in some recruitment information, compromising the quality of information and affecting user experience [4].

Regarding the sustainable development of the platform, 58. Com's human resource service business module has a relatively single profit model, mainly relying on advertising fees and user membership subscription revenues within the platform. Furthermore, there are cases where the actual benefits described during user registration and subscription do not match the purchased benefits [4].

4.3. External Opportunities

The current job market is experiencing rapid growth in demand with immense potential. From the perspective of the recent graduate market, the number of domestic graduates has been increasing year by year, and due to some uncontrollable factors, the number of overseas students returning to the job market is also rising. At the same time, with the development of technology, many enterprises are undergoing transformation, and the demand for mid-to-high-end talents has also increased. Both the supply and demand sides of the job market have expanded, providing vast market space for 58. Com's human resource service business module, which helps compensate for its shortage in recruiting mid-to-high-end talents and further expand its market share [5].

With the application of advanced technologies such as big data and artificial intelligence, 58. Com, as a leader in the field of human resource services, has effectively utilized its technological innovation capabilities and increased investment in technological upgrades. In the fierce competition in the human resource service market, it has taken the lead in providing users with more intelligent and personalized services, satisfying the urgent needs of enterprises for efficient human resource management while enhancing the matching efficiency and satisfaction of job seekers. This has become an indispensable opportunity for 58. Com's human resource service business module to usher in new development.

4.4. External Threats

In the increasingly fierce competition in the human resource service platform market, opportunities and challenges coexist, and the threat from competitors is undoubtedly the most significant and fatal part. While 58. Com competes with similar platforms that have already established a certain scale, other recruitment websites or platforms may continuously emerge. Some vertical recruitment websites specialized in regions or industries may also pose the potential to become substitutes for some segments of 58. Com's human resource service business. Collaborations and even mergers between these platforms could pose a threat to 58. Com's human resource service business module.

As user demands continue to grow, 58. Com's human resource service business module constantly improves its technology and introduces new features based on this. However, the risks arising from technology cannot be ignored. Technical risks such as network security and data breaches could potentially cause economic losses and loss of user trust for 58. Com's human resource service business module, affecting its normal operations.

5. The transformation mode of the HR service sector of 58. Com

Based on the above SWOT Analysis and the problems raised by Porter's Five Forces Model, and through the survey, in 2023, the online recruitment industry continued to pick up with the recovery of economic environment and recruitment demand, and the scale of active users reached the peak level of 56.2314 million in September, showing a year-on-year growth trend as a whole [6]. In order to effectively solve the disadvantages and threats of 58. Com, the following will be an in-depth analysis of its problems, combined with the current market environment and user needs, put forward practical solutions, and focus on solving the problem of uneven information quality of 58. Com to discuss, in order to help 58. Com improve recruitment efficiency, optimize user experience, and create greater value for job seekers and enterprises.

5.1. Strengthen the information review mechanism

Establish strict audit standards and procedures. Develop clear and specific audit standards to ensure that every piece of information meets the requirements and regulations of the platform. Establish a sound information review process, including information submission, preliminary review, detailed review, feedback and rectification, each link should have a clear responsibility and operational requirements.

Strengthen pre-audit. When submitting information, users need to provide relevant supporting documents and materials, such as ID cards, business licenses and so on, to verify its authenticity and legality. During the preliminary audit, verify the authenticity of the user's identity and submitted information, and exclude false information; In the detailed audit, the specific content of the information is comprehensively and deeply reviewed to ensure the authenticity, accuracy and legality of the information.

Implementation of post-regulation. Track and monitor the published information, find problems in time and take appropriate measures, such as deletion, removal... Establish a reporting mechanism to encourage users to actively report false information and deal with reported information in a timely manner.

Introducing Technical Support. The use of artificial intelligence, big data analysis and other technical means to assist the information audit work, improve the audit efficiency and accuracy. Establish an intelligent recognition system to automatically identify and filter sensitive words and false information in information.

Strengthen training and guidance. Conduct regular training and guidance for auditors, make them understand the latest audit standards and requirements, and master the correct audit methods. Establish an assessment mechanism for auditors, commend and reward those with excellent performance, and conduct criticism education and training for those with poor performance.

Through the implementation of the above measures, it can effectively strengthen the information audit mechanism of 58. Com, in addition to establishing a user credit system, strengthening technical prevention and user education, improving information quality, reducing the existence of false information, and improving user experience and trust.

5.2. Solve the problem of single profit

Value-added service development. Provide customized recruitment services such as advanced talent search, background checks, talent evaluation. These services can be charged for large enterprises or high-end recruitment needs. Set up recruitment training courses or workshops to provide enterprises or individuals with training in recruitment skills and processes and collect training fees. In terms of service, 58. Com more emphasis on fine management. 58. Com has a strategy, "From Sales to Service", is hoping to turn a large number of sales staff into service personnel, to more in-depth understanding of the industry, understand the pain points of customers.

Data analysis and reporting Services. Use rich recruitment data in 58. Com to provide enterprises with industry talent trend analysis, competitor talent flow and other reports to help enterprises develop more effective recruitment strategies. Launch customized data analysis services to provide in-depth talent data analysis and insight according to the specific needs of enterprises.

Establishment of recruitment ecosystem. Establish cooperation with human resource software, talent search, recruitment consulting and other agencies to jointly build a recruitment ecosystem and provide users with one-stop recruitment solutions. Revenue streams can be increased through sharing or commission models with these partners.

Open API and Data cooperation. Open recruitment data API, allowing third-party developers to access, through data calls, data analysis and other ways to obtain income. Collaborate with other data platforms or research institutions to share data resources for joint research or product development.

5.3. Solve the pain points of user privacy protection

Strengthen platform supervision. 58. Com shall strictly review all published recruitment information, ensure the authenticity and legitimacy of recruitment information, prevent the publication of false recruitment information, and protect the privacy and security of users. The platform shall also regularly inspect and clean up illegal information, including information involving user privacy disclosure, and delete or block it in a timely manner.

Improve user privacy protection policy. In the "58. Com Business version Personal Information Protection Policy", it should be clear that the scope, purpose and method of the platform to collect user information, to ensure that the collected information is reasonable and necessary. Enhance user rights management, allowing users to independently manage personal information, such as query, correction, deletion, withdrawal of authorization. To improve users' control over personal information.

Improving technical protection Capabilities. The collected user information is encrypted to ensure security during transmission and storage. The introduction of advanced security technologies, such as the use of biometric technology such as face recognition and fingerprint recognition, to enhance the security of user accounts and prevent user information from being stolen.

Strengthen legal constraints and crackdown. The government should further improve relevant laws and regulations, clarify the legal responsibilities of online platforms, and intensify efforts to crack down on violations of user privacy. Law enforcement departments should strengthen the supervision and law enforcement of online platforms, and seriously deal with illegal acts involving user privacy disclosure.

6. Conclusions

58. Com, as the largest recruitment platform in China, has been operating for nearly 20 years, although it has high visibility and brand awareness, a huge user base, and developed new recruitment technologies and platforms, it still has shortcomings such as false information, single profit model, and difficult to guarantee user privacy. In the future, it will also encounter more risks, opportunities and challenges. It needs to grasp the general direction of the market, overcome existing problems, keep up with the development trend of science and technology, combine the platform with social reality, actively explore new profit models, protect user privacy, in order to achieve sustainable and steady development.

Although this paper has carried on a comprehensive analysis of the development status of 58. Com, it is not deep enough to determine the user's operation convenience and the main target user group. In addition, there is also a lack of diversity in data collection, so it needs a dig deep into data sources and channels. Also, it's better to read more references, and improve the professionalism and timeliness of research.

In addition, it is also hoped that more readers can conduct more in-depth research on 58. Com through this article and put forward more feasible suggestions in a targeted way to promote the continuous improvement of 58. Com and promote the development of the recruitment platform.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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