

The Changing Model of Knowledge Monetization in China

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Abstract

In the age of web 2.0, knowledge and skills can be commercialized and generate value through knowledge sharing, using Internet platform to optimize the allocation of information resources, to expand the scope of knowledge services, to enhance the dissemination and to increase the service efficiency of knowledge. With the continuous expansion of mobile Internet technology and the rapid development of terminal forms, the spreading method and future picture of knowledge monetization are changing.

Keywords

Knowledge Monetization; Knowledge Sharing; Business Model; New Media.

1. Knowledge Sharing from US to China

Knowledge sharing assumes a two-way relation between at least two subjects, where one subject communicates knowledge either consciously or unconsciously, and the other should be able to receive knowledge expressions and make sense of them (Hendriks, 1999). Thus, knowledge sharing involves interpretation.

In general, online knowledge sharing platforms can be categorized into two main types of sites, one is free-based and another is fee-based. Sharing knowledge websites are originally generated in the US, for example, one of the earliest knowledge sharing sites is Wikipedia, the free encyclopedia base on the model of open editable content. And the most popular free knowledge question and answer sites in the US is Quora, where questions are asked, answered, edited, and organized by its community of users. Though the concept knowledge sharing was first developed and realized in the US, the existing American knowledge sharing platforms are mostly based on the business models of "open source" (the source code of a software product is not kept proprietary, but is freely accessible for anyone) and "pay what you want" (the actual usage of a service or product is metered and the customer pays on the basis of what he or she effectively consumes), so far almost all the websites are providing knowledge for free (Gassmann, Frankenberger, and Csik, 2015).

Actually, in the US, there were some tech giants try to apply knowledge payment through online question and answer sites, for instance, Google Answers, which launched as fee-based Google Answers service in 2002, but finally the operations failed and closed in 2006. This Q&A site owned a group of more than 800 experts who can answer a variety of questions submitted via the Google Answers, with fees ranging from \$2 to \$800 per service, and Google retained 50 cents per question. As result, the high labor cost and low efficiency are seen as the stumbling blocks to Google's quest for failure. Some industry insiders point out that users pay a fee for asking questions, and that \$10 to \$20 fee simply does not offset the labor costs of experts, but effectively prevents more users from becoming questioners.

Nevertheless, the online knowledge sharing platforms has risen in China market successfully compared with that in the US market. Though initially Chinese online knowledge sharing websites learned the knowledge management system and relevant business models from the US, the trend of monetization of knowledge sharing websites has real realized in China. Apart from the basic classification of knowledge sharing products, which according to offer the fee-based or free-based services online. In China, at present, there is no unified criteria for

classifying the types of paid knowledge sharing products, although the existing forms of knowledge sharing products are different.

From the macroscopic external level, knowledge payment is to appraise and judge knowledge content itself directly on monetary scale. This is the earliest form of knowledge payment, and the way of realization is more primitive and universal (Xu, 2017: 18):

(1) Reward system: Knowledge sharing in the conventional sense caters to the logic of a gift economy, at the same time, the well-developed micro-payment means and channels in mobile terminal create conditions for continuously reducing the "knowledge transaction costs" of the masses in China. The reward system is a form of realization that develops with the media, especially within WeChat (the most popular Chinese multipurpose messaging, social media and mobile payment app), of the cognitive surplus, somewhere between free and fee-paying, which is able to quickly monetizing the content of knowledge (text, pictures, audio and video). Rewarding also means that consumers of the knowledge content can make their own choices to the "supply side" of the knowledge and then pay for content through the "rewarding" way. This way of interaction between knowledge content and users affects the participation of knowledge consumption, the willingness of users to pay, and the recognition that knowledge can be realized more easily.

(2) Payment for copyright: On the basis of payment, access, download, use, read, watch and listen to the content of high-quality knowledge can all be regarded as different forms of copyright payment. The increasing number of Chinese citizens who are willing to pay copyright reflects Chinese audiences have begun to be aware of the importance of the scarcity of knowledge. On the one hand, copyright payment can promote the knowledge production and sharing power of the whole society, and encourage more high-quality content production; On the other hand, copyright payments save users a great deal of time for content filtering, giving them more trust in the "supply side" of the knowledge. The form of copyright payment such as subscription fee and membership fee is widely used and has relative durability, high frequency and stability.

2. Development of Knowledge Sharing in China

The concept of knowledge sharing isn't new, but how we communicate information is. One of the earliest known knowledge sharing took the form of cave drawing in 15,000 BC. And knowledge sharing had incredible rapid changes in 1990s, started with real-time radio broadcasting, and then culminated with the invention of the Internet in 1980s. In the era of mobile Internet, information transmission is faster than before and the "knowledge depreciation rate" is higher, meanwhile, individuals have stronger eager to have personalized knowledge services. Online knowledge sharing experienced, has experienced and is experiencing three stages. And during the processes, knowledge payment platforms transcends traditional knowledge acquisition forms, such as search engine, knowledge encyclopedia, and knowledge sharing community, providing a new way for Internet Users to acquire information, to exchange experience, to share skills, and to increase knowledge.

2.1. Knowledge Sharing 1.0 – Phase of Free

Wikipedia, launched in 2001, is the typical representation of knowledge sharing 1.0, relying on mode of UGC (User Generated Content) to link different group of people to collaborate. As the pioneer of knowledge sharing, Wikipedia has gradually become a multilingual free editable online encyclopedia in the globe. Anyone can add and paraphrase any entry, and also can edit existing entries in Wikipedia. Thus, Wikipedia is the collaborative product of online users. The Chinese version of Wikipedia, known as Baidu baike or Baidupedia. This static knowledge sharing platform in the early stage has characteristic of emphasizing commonness, so the way that knowledge demanders get information is relatively simple, inefficient but not credible.

Therefore, free knowledge published on the Internet has been difficult to meet the increasing individual demand of high-quality knowledge.

2.2. Knowledge Sharing 2.0 – Phase of a Small Scope Payment

From 2009 to 2015, it is the embryonic stage of knowledge monetization development. In 2009, Quora, the interactive online knowledge sharing community was established in the United States, and then this model was copied by Zhihu, the Chinese version of the online interactive knowledge sharing community, which launched in 2011. The emergence of this model of knowledge sharing declared the age of knowledge sharing 2.0 was coming. Along with the continuous subdivision of knowledge sharing field, the trend of decentralization of knowledge sharing platform became more and more obvious. In this context, the identities of key opinion leaders were no longer monopolized by the authorities of knowledge, such as well-known professors and experts. Instead, a skilled person from all walks of life had a place in the interactive online question-and-answer community, where small-scale subscription fees and rewards for knowledge began to appear. However, due to the characteristics of decentralization and the large number of participants in knowledge discussion, overloaded and useless information are unavoidable problems for such platforms. Many times, when people is looking for answers online, they may feel confused if come up with mix-quality answers.

2.3. Knowledge Sharing 3.0 – Phase of Booming Economy

Compared with the performance of knowledge sharing markets worldwide, China has best result in knowledge sharing economy. In China, the pace of development of the knowledge monetization platforms accelerated fast in 2016. With the respective knowledge monetization innovations of paid integrated audio sharing platform “Himalaya FM”, paid subscription product “iGet”, pay-per-view audio app “Fenda” (now named as Zaihangyidian) and so on, knowledge sharing 3.0 is coming. For now, knowledge monetization has evolved from the individual random behavior to a business behavior, and moved to the “two-sided knowledge market”.

3. Chinese Typical Knowledge Monetization Models

According to the < 2021 TOP 30 Knowledge Payment Platforms in China >, the earliest big four of knowledge monetization platforms are still listed. Though the arrival of 5G brought new competitors into the market, Himalaya FM, Zhihu, iGet, Fenda represent the typical four business models of knowledge as before.

3.1. Platform: Integrated Audio Sharing Platform – “Himalaya FM”

Taking Himalaya FM as the example, this service model of knowledge sharing platform managed based on free sharing, and also providing some premium special services to consume, requiring customers to pay for it. Most of the paid content is systematic and coherent, with emphasis on “accompanying” scenario learning experience. As long as the form of its knowledge monetization is to participate in online listening knowledge programs.

Specifically, the Himalaya FM mainly consists of UGC (User Generated Content) + PGC (Professional Generated Content). For instance, the paid “Teach to Talk” program in Himalaya FM, which created by a team led by Ma Dong, a well-known Chinese host, is based on the PGC model. As the first pay-per-view audio program on the Himalaya FM, it the program <How to Talk> sold 25, 731 times in the launching day, with sales exceeding 5 million yuan (\$7264) for the day and 10 million yuan (\$14530) for 10 days (198 yuan, around \$30 for per view).

3.2. Community: Integrated Knowledge Sharing Community – “Zhihu”

Alike Quora, Zhihu is one of the earliest knowledge sharing community in China. Zhihu is committed to building a rigorous online knowledge sharing community, where users can post

questions, others can express their views on this issue and give answers. At the same time, the person who ask the question can also act as the respondent under other questions from others. All the questions and answers will be saved in the "library", users can search keywords to find the precious relevant information. In fact, Zhihu is a successful practitioner of the knowledge sharing community in China, with a large number of loyalty users, and a group of good quality answers. Most of all, in Zhihu, questions and answers have always been completely free until 2016, when it launched its new mobile platform, Zhihu Live, starting to carry knowledge monetization.

Precisely, Zhihu Live is a Pay-per-view audio platform, where most of the sharers are the original users of Zhihu, and they are specialized in his or her fields. Zhihu Live using real-time and closed online sharing, to create a profound and efficient discussion environment. Sharers post information online in advance and sell admission tickets for viewers, who want to join a 60 minutes closed online audio sharing and discussion. This one-to-many knowledge sharing model is actually a form of paid questions and answer since the presenter will ask and answer within the group of listeners in the live course.

3.3. Self-support: Paid Subscription Product – "iGet"

"iGet" is a paid subscription product created by the Logical Thinking Team that uses fragmentation time for "deep knowledge reading", which provides Internet users with a valuable content through subscription columns, paid audio, e-books, and so on every day. "iGet" team has a particular knowledge content planning team, to build up the program system of knowledge IP, which not only ensures the quality of the knowledge course, but also makes it competitive.

Most of the paid subscription platforms are in the form of Self-support column subscriptions. Knowledge content are produced and published by elites in various industries, and the real-time subscription approach provides users a completely exclusive and continuously updated high-quality content services. The key form of payment mechanism is a combination of audio and manuscript, questioners ask queries in words, and the respondent set the amount of fee to answer it, if someone wants to reuse the content, then pay for it.

3.4. Self-service: Pay-per-view Audio App – "Fenda"

Pay-per-view audio platform uses interactive audio question-and-answer in the form of PGC to share knowledge, to communicate experience and to build social relationships. This mode of knowledge payment was inspired by the AMA (Ask Me Anything), which introduced by Reddit, this new form of online question-and-answer interactive interviews became popular soon on social network across the world. And pay-per-view audio is an upgraded product that has developed from AMA. Compared with the original mode, the new interactive audio mode is more prompt and professional.

4. New Trend of Knowledge Monetization

Increasing Internet coverage and expanding smart phone users provide a positive environment for knowledge payment industry. Based on the <Research Report of 2021 Knowledge Payment Industry>, the scale of knowledge payment market keeps a steady growth trend. In 2020, the Chinese knowledge monetization has reached 39.2 billion yuan, and is expected to reach 67.5 billion yuan in 2021 (figure 1). Meanwhile, the number of knowledge paying users has also kept growing, expanding to 418 million in 2020 (figure 2). This shows that the scale of users is expected to further expand because of the high acceptance and recognition of knowledge monetization.

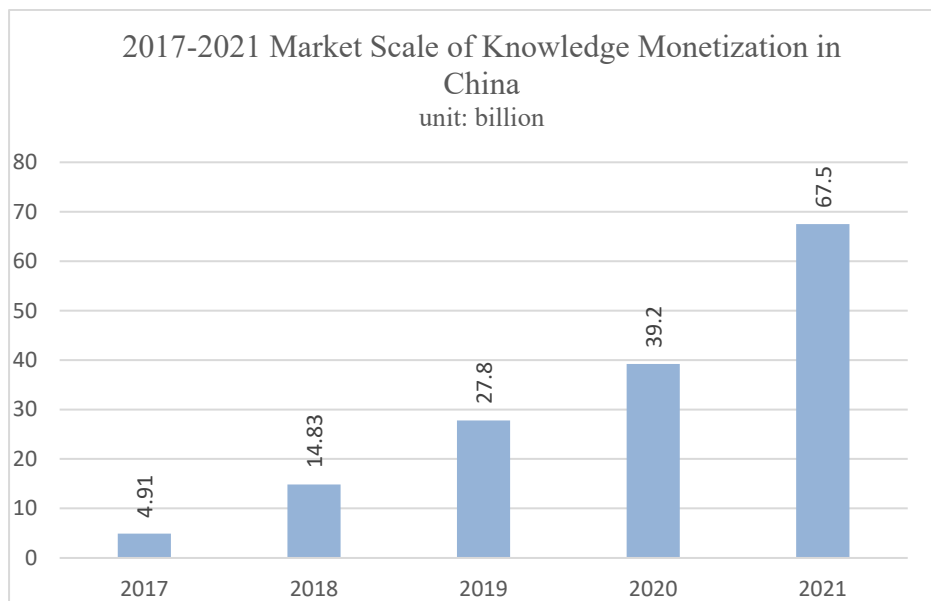


Figure 1. 2017-2021 market scale of knowledge monetization in China

Source: QLChat

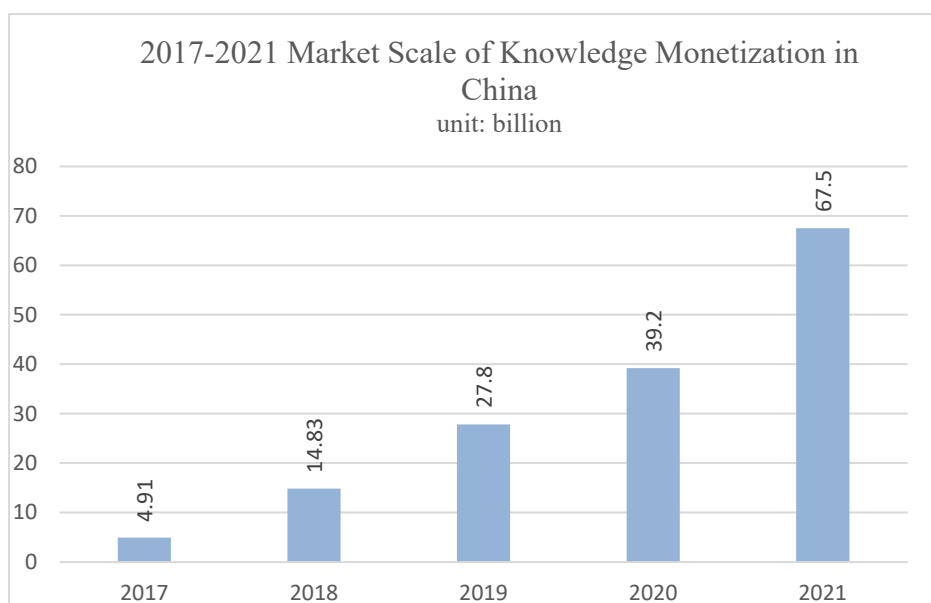


Figure 2. 2017-2021 user scale of knowledge monetization in China

Source: QLChat

For a long time, the forms of knowledge monetization have remained largely fixed. However, the sudden outbreak of coronavirus brings short mobile video as a new way for young people to learn, and impacts the traditional knowledge payment institutions. Thus, the model of knowledge payment must be changed and creates a more innovative business form to fit in with the needs of the market.

5. Conclusion

Although the models of knowledge payment have been changing with social needs and technological development, the high content quality is what the users require at heart. Precisely, the value of knowledge monetization is to provide users with useful information. Thus, content

producers should never stop in self-examination, self-correction and self-discipline in content production, and earnestly assume their social responsibilities to provide high-quality and valuable content for the society.

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