

# Analysis of the Business Model of The Internet Brand Beike

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## Abstract

For young people, the task of getting married, buying a house, working and renting a house is a big problem. How to accurately lock the house source through the Internet and how to save time and cost to find their favorite house has become the first appeal of users. Based on this appeal, Shell Company put forward the mission of creating a platform, which has developed rapidly and occupied half of the real estate agency market. In the Internet era, it provides fast and convenient renting and buying services for young people, greatly saving the fear of renting for young people. Its online video and VR panorama are in a leading position in the whole real estate agency. This paper analyzes the origin and development of shell brand, analyzes the reasons for its success and existing problems, and puts forward suggestions for the development of real estate agency industry based on my half-year work experience.

## Keywords

Internet brand; The development of shells; Brand endorsement; Brand marketing.

## 1. Analysis of the development process, pattern and characteristics of shell brand

### 1.1. Shell housing development process

The shell brand originated from Lianjia Real Estate. The background of its birth is the rapid development of the Internet, and the young people are more eager to develop in big cities. A large number of Beipiao and Shenpiaoyu Piao groups have emerged. However, this group of young people in Beijing, Shanghai, Guangzhou and Shenzhen do not have their own place to live. They urgently need a large enterprise to create a real estate agency platform on the Internet, so that they can find the most suitable house with the least cost.

Before the popularization of the Internet, the rent and purchase of house for migrant workers mainly depended on the local roadside advertisements and the way of asking local people. This method not only required a large amount of time to look at the house on the spot, but more importantly, his security was always questioned, and the problems of black agents and black house supply emerged in an endless series. A series of problems, such as whether the contract is protected by law, how to pay the rent, how to deal with house problems, whether the landlord can guarantee the property safety of the tenants and so on, make many young people in the problem of renting a house scared.

In people's voice, Shell platform was officially born in Beijing, and officially listed on the New York Stock Exchange on August 13, 2022. On the day of listing, its stock rose 87.2%. From September 25, 2022 to October 30, 2022, Shell housing with many housing enterprises quickly landed in Beijing, Shanghai, Guangzhou, Shen zhen, Hangzhou, Chongqing, Shenyang and other more than 60 cities across the country. As of December 31, 2021, Shell had more than 406,000 active brokers, more than 45,000 stores and 37.4 million mobile monthly active users. February 10, On February 10, 2022, the first youth apartment project invested and co-built by Shell Rental was officially launched in Shanghai [3] Xuhui District. In March 2022, Shell carried out a

new round of optimization, mainly involving second-hand and new house transaction service business groups, and the whole household business group and inclusive housing business group were basically unaffected.

At this point, the development of shell housing search platform has entered a mature stage, and it has become the leading enterprise of real estate agency in China, comparable with Anjuke, providing higher convenience for people to buy houses and rent houses.

## **1.2. Shell housing development model**

### **1.2.1. Secure housing**

Shell housing mode is different from the traditional second-hand housing east and one landlord rental mode, and real housing, which is also the core of real estate agents, shell housing search rules, all housing within 48 hours of access to the platform, must be verified such as housing ownership certificate and other information, to ensure that the platform for rental and sale of housing is complete and real, through this point, The platform has gained a large number of passengers, which is also the basis for the rapid development of the platform.

### **1.2.2. Establishment of training base and personnel screening**

In terms of personnel training, the company has established its own training base, employing senior brokers and military training instructors to train new employees. All new employees must go through seven days of training and three examinations before entering the company. And once a month to consolidate training, in order to ensure the professional skills of the practitioners. In terms of employee selection, first-tier cities require new employees to have a bachelor's degree or above, which on the one hand can ensure the educational level of employees and on the other hand can accelerate the progress of training. [5]

Through centralized training, the working cycle of new employees is shortened, and the collective consciousness and service consciousness of employees are cultivated, so that they can have a deeper understanding and experience of the company's business philosophy and integrate into the work and the company more quickly.

In addition, the company will carry out the old with the new model, all the new employees will have a formal staff for one-to-one help, not only to avoid the new employees like headless chickens around, but also to ensure the company's operating efficiency.

### **1.2.3. Resource integration**

In terms of resource integration, Shell Search has achieved the ultimate in the industry. Through a series of activities, such as visiting, calling, store service and free printing, it has greatly enriched the platform resources. In addition, through cooperation with local apartments and hotels, it has not only enriched its own platform resources, but also integrated the information of housing rental and sale, and helped local real estate enterprises to publicize. Rich resources can better meet people's demand for housing, but also further expand the influence of shell housing, in their own development at the same time, better promote the standardization of real estate enterprises.

### **1.2.4. Platform innovation**

In the Internet era, technology updates quickly. In order not to be eliminated by The Times, Shell search Room established its own APP and invested a lot of advertising expenses. While ensuring the real housing, it also launched AR viewing service, so that users can see the housing more directly and avoid the mismatch between pictures and real housing, further increasing the stickiness of users. In addition, real estate agents have an independent background, which can receive users' consultation information and reply in the first time to ensure the quality of service. [6]

In the service process, the broker will match all the housing resources required by the users and make route planning to ensure the fastest completion of the tour, so that the customers can choose the desired room. In the signing process, the price will be clearly marked throughout the process to eliminate the doubts of the users, and the online signing mode has been opened, which greatly facilitates the communication between the landlord and the customers. User portrait & Intelligent recommendation: Through the analysis of big data such as transaction data, viewing data, search and click data generated during the interaction between users and the website, Lianjia forms user portrait, estimates the type of houses users like, and intelligently recommends house sources that meet their needs, and brokers who are familiar with the community and have high rating to serve them.

In addition, Shell housing club has a professional team of lawyers to draw up contracts, in order to ensure the interests of customers and landlords, and free to provide customers with renewal services, to serve customers to the maximum extent. [4]

#### **1.2.5. Expand services**

In addition to the traditional housing rental and sales services, the company has set up a special new house department to inform customers in the first time and provide shuttle service in the new house business to save customers' costs and time. In addition, the company also adopts the commission-free way to serve customers and further enhance the influence of the commission platform.

In order to cope with the situation of short-term rental and limited funds of customers, we established the sharing platform "Free" to meet the needs of salaried people to save costs by working alone. While exempting commissions, we also mark the occupation and gender of customers to meet the special needs of customers.

In terms of resource integration, Shell has added services such as moving, cleaning and renewal on the APP to ensure one-stop service for customers to the greatest extent, which can increase customers' demands to a large extent, so that customers can devote themselves to work instead of worrying about the house.

#### **1.2.6. Lay out the service network**

Home in com has covered 42 cities such as Beijing, Shanghai, Guangzhou, Shen zhen, Tianjin, Chengdu, Qingdao, Chongqing and Dalian. Home link aims to provide users with safer, more convenient and more comfortable comprehensive real estate services by continuously improving service efficiency and service experience.

Home link spent nearly 400 million yuan to establish the country's largest real estate database, managing 60 million housing data in 30 cities, with a capacity of 1,000 tons. Based on the real estate database, Home link not only provides customers with transparent housing price, but also provides all the factors that help buyers make effective decisions, such as the historical transaction data of housing supply, price change range, room type map, etc. Through the Internet platform, Home link realizes the connection and intercommunication between buyers, sellers and brokers, and realizes the link between online and offline, forming the O2O closed loop of real estate. Greatly improve the efficiency of the real estate agent. At the same time, by developing a series of standardized service processes and broker service evaluation system, Lian jia will create a new broker platform with strong support, strong service and strong control. The Internet standardizes data management, realizes the undifferentiated sharing of information, changes the information opacity in the real estate industry, and improves the efficiency of both buyers and sellers.

### 1.3. Shell pattern analysis

A large number of offline stores are built into a service network, so that brokers can get the maximum play in their own area, so as to better serve customers. Especially for the elderly smart phone operation unfamiliar customers, is a very good convenience.

Independent APP platform, integrate resources, strive to achieve one-stop service in the real estate agency industry, improve user stickiness and dependence, and improve user reputation. Rely on the strong assets of Home link Real Estate to endorse the brand of Kauri Zhaobao, further improve the brand value, truly make users feel down-to-earth and improve their trust.

Set up sub-brands "freely" to find apartments, increase product chain, locate more accurate customers, and form a complete enterprise chain in the whole industry. [2]

From the point of view of the development history of shell Search, it makes use of the brand endorsement of Lian jia Real Estate to make the enterprise more well-known and brand value, and puts forward the slogan of creating a new platform and achieves success. In the whole industry to achieve the best service and the fastest innovation, greatly increasing the user stickiness. In addition, Shell covers almost all provincial capitals and prefecture-level cities, and has formed a complete industrial chain in store opening. Through cooperation with other real estate enterprises, Shell has made great contributions to China's real estate agency industry.

## 2. Analysis of the development trend of China's real estate agency industry

Although shell housing has taken a national step, but it should be clearly seen that the national and even internationalization of Chinese Internet brands and the pace of China's economic development, and the status of China's economic power is not in line with. If we want to develop rapidly and solve the problems in the process, we need to take targeted measures. Therefore, in the analysis of the development process of China's real estate agency, we must see its shortcomings and put forward constructive suggestions.

### 2.1. The real estate agency industry still exists the phenomenon of falsehood

Although Baker is the leader in the industry, it cannot and cannot cover all users. There are still some people who will not choose Baker to rent and sell houses. In other real estate agency industries, active real estate agents, such as Anjuke, Douban and Tieba, are still a large part, and they lack the constraints of companies and platforms. Using false picture information or direct rent by false landlords and other means to lure customers to look at houses, and using a series of means to force users to complete the transaction without ensuring the real housing resources, this behavior also directly leads to users' distrust of real estate agents.

In order to save rental costs, some customers will choose offline transaction, which is not restricted by the platform and laws. Ordinary users cannot judge whether the contract is valid, and may be cheated in the process of renting.

### 2.2. User information leakage and harassment still exist

The phenomenon of telephone bombardment still exists. In order to enrich the resources of the platform, real estate agents will conduct telephone consultation for residents in the community. Although there are strict rules in Shell that each person should not contact more than 30 clients per day, such old telephone consultation will bring a great burden to the landlord. Even when the real estate agent calls, the real estate agent's label is displayed. Since the rental and sale business has no fixed time, and because of the disclosure of user information, users may be harassed by several agencies and platforms at the same time, which will lead to users' dissatisfaction with the real estate agency industry and damage the development of the whole industry.

### **2.3. It is difficult for professional brokers to survive**

Take Shenzhen Lianjia Company as an example. During the internship, the company will guarantee the basic salary of 6000 yuan per month, which is enough for the broker to live in the city. However, the non-responsible basic salary will be cancelled after the regular employment, and brokers only have a minimum living guarantee of 2950 per month. It is important for the company to encourage brokers, but due to the uneven distribution of each store and resources, a large number of brokers come with the purpose of receiving three months 'guaranteed minimum salary, which leads to the vacancy of the company's training rotation to some extent. It takes a lot of human and material resources to cultivate people who can't stay.

## **3. Opportunities and countermeasures for the development of real estate agency industry**

For the real estate agent industry in our country, even if there are various problems and shortcomings, but dialectically, there are still great opportunities, this article uses PEST model to analyze, That is, to analyze the Political, Economic, Social and Technological environment of the development of the real estate agency industry [1]

### **3.1. Opportunity analysis of real estate agency industry**

Political factors from the political perspective, although the domestic real estate industry is not as strong as three years ago, national policies have been supporting its development, providing a series of convenience, such as lifting restrictions on purchase, reducing the down payment ratio, reducing mortgage payments, and so on, promoting the stability of the real estate industry. At the same time, the main tax source of local government is also the real estate industry. The urbanization process of our country is accelerating, a large number of rural people pour into cities, the demand for real estate is still existing.

Economic factors the epidemic will resume normal prevention and control on December 6, 2022, and the use of places and communication travel cards will be canceled. In the New Year, the economy will inevitably achieve new development. According to experts, after the end of the epidemic, the development of all walks of life will have a qualitative leap, there will be "retaliatory consumption". In addition, a large number of young people will enter the big cities to develop, in the case of unable to afford a house, more young people will choose to rent.[3]

Social factors since ancient times, there has been a family mentality in China, and Chinese people's obsession with houses is the deepest in the world. In terms of marriage, Chinese people believe that without a house, there is no home of their own, and they cannot get married. It is precisely this point that young people of the right age will choose to buy a house before getting married. In addition, in cities with extremely high housing prices, young people who want to develop need to rent a place to settle down, and the demand for real estate agents is still high

Technical factors the real estate agency platform has been conducting technology research and development. Through big data analysis and user portraits, it accurately locates target customers, and integrates resources on its APP to further meet the market demand. It can allow customers to choose a good house without going out, and arrange the place of accommodation before work, which greatly saves the time cost.

In a word, the development of real estate agency is still in a strong stage, which is an indispensable part of our life. Although there are many shortcomings, the overall situation is still good.

### 3.2. Suggestions and countermeasures for the development of real estate agency industry

Pass legislation to clean up the mess in the real estate agency industry, the problem of hacking agents still exists. The country can further regulate the real estate agency industry through legislation and other means, so that the local government can endorse enterprises, so as to further enhance the credibility and brand image of enterprises. It can also further promote the development of the real estate agency industry.

Enterprises should pay more attention to personnel training in the aspect of broker training, enterprises should achieve refined training, and retain talents as much as possible after employees finish learning, so as to ensure better development of enterprises. In addition, attention should be paid to the cultivation of staff service attitude and quality, so that customers feel friendly rather than disgusted, and further strengthen the image of the industry.

Accelerate integrated marketing each enterprise should uphold the principle of fair competition, deepen their own internal technology update, deepen the exchange and cooperation with local real estate enterprises, hold more exchange activities, and strive to achieve win-win cooperation, rather than unfair competition, arbitrarily destroy industry rules.

## 4. Summary

China's real estate development is still in the middle stage, and real estate agents are fully standardized, so there will be a chaotic situation. However, with the support of national policies and the reform of enterprises, China's real estate agency industry is improving step by step. I believe that in the near future, our real estate agency industry will be truly mature.

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