

SH CLOUD BUSINESS

Qingming Wang¹, Chairit Thongrawd²

^{1,2}Graduate School, Southeast Asia University, Bangkok, Thailand

E-mail: ChairitT@sau.ac.th

ABSTRACT

The rigid demand is forced to be online, and the manual operation is turned to unmanned and intelligent, bringing the dividends of consumer Internet and industrial Internet. According to Accenture's statistics, the "online" resumption of work has led to an explosion of remote office demand, and the number of new users has reached more than seven times that of the previous one. The outbreak of the pandemic has catalysed the outbreak of the online office market, and the number of users has continued to rise. Alibaba, Tencent, Byte Dance and other Internet enterprises have constantly added to the online office market. With the growth of demand for online office such as teleconference, remote collaboration, remote sales and remote personnel management and the formation of user habits, the online office market will develop more rapidly. Therefore, this business plan will make a detailed and comprehensive analysis and prospect for Lark based on the above situation.

Keywords: SH cloud business, mobile office software, WeLink, WeChat, Dingtalk

Introduction

Industry Size

According to the data, the scale of China's collaborative office market will reach 264 in 2021. 200 million yuan, and the market continued to grow. The normalization of the epidemic has promoted the digital transformation of enterprises and institutions, and the market demand for collaborative office software has further expanded. It is estimated that from 2021 to 2023, China's collaborative office industry will maintain an annual growth rate of more than 10%, and the market scale in 2023 will reach 33.01 billion yuan.

At present, various platform manufacturers obtain income through providing value-added services, such as additional charges for the number of DingTalk and lengthening the duration of teleconference, additional certification fees for enterprises with a certain scale on Enterprise WeChat, additional charges for subscription accounts of enterprises with a certain amount on WeLink, and additional charges for customized deployment services on Lark.

PEST Analysis

Politics

The policy has always held a positive attitude towards mobile office platforms. In 2015, the State Council of China issued a document to encourage cloud computing to reduce the threshold of informatization and promote industrial informatization. From then on until 2017, emphasis was placed on promoting industrial informatization every year. In 2017, the Ministry of industry and information

technology clearly pointed out the need to accelerate the development of enterprise level SaaS services and promote the informatization process of small and medium-sized enterprises.

Economy

Although the domestic GDP growth rate is slowing down, the cloud service market is unique and prosperous. The growth rate of the cloud service market reached 57.1% in 2019, and the stock scale was 161.24 billion yuan. Among them, the growth rate of IAAs market is 70%; The growth rate of PAAS market is 27%, and it will continue to improve its scale growth rate (iResearch, 2020). SaaS market is also growing steadily. The SaaS market scale reached 24.35 billion yuan in 2018, with a year-on-year increase of 47.9%.

Society

First, mobile office software can enable users to "grasp both life and office".

In terms of scenarios, mobile office software can make users' time fragmented, and then can use their spare time in life for office. For example, four users reported that they used their spare time on the subway, the high-speed railway or the plane to deal with work affairs. At the same time, this fragmentation also makes it easier for users to deal with interpersonal relationships in life, such as taking care of children or accompanying the family.

Technology

As the hardware and network conditions limit the impact of the mobile office platform on small and medium-sized enterprises, the technical exploration in these aspects includes 5G and cloud devices. The characteristics of 5G, such as large coverage, high speed and low delay, can well promote the development of mobile office platforms to third and fourth tier cities. Under this trend, the mobile office platform also needs to reform the existing applications and third-party applications on the current platform, and introduce office methods that adapt to the 5G era.

SWOT Analysis

Strengths

ByteDance has a strong brand effect, while ByteDance has a huge capital investment, and builds its own product ecology through the manufacturers who have received segmented industries. Lark's product positioning is clear, and its performance layer can feel its strategic thinking. From IM as the entry point, it creates a simple process interactive experience for users' efficient office communication. Meanwhile, the management and assistance functions that DingTalk focuses on are integrated into the workplace by Lark, and the user experience is simple and refreshing.

Weaknesses

Lark's product origin is built by ByteDance for the use of its own internal employees. The usage habits of domestic users are greatly different from those of overseas users. In addition, ByteDance's strategy is to start from the overseas market and avoid the direct confrontation with DingTalk. However, Lark needs to be implemented in the domestic market eventually, and the function settings and interaction page habits need to be changed with the users.

Opportunities

Benefit by the policy support of China's "enterprise going to the cloud", enterprise information security, user privacy protection and other policies, the construction of China's Internet penetration and optical fiber access infrastructure, and the new social opportunities brought by the epidemic, the domestic SaaS market has grown, which provides the possibility for the development of Lark.

Threats

The market competition in the industry is fierce. Lark has only just entered the market in China's enterprise applications, and its market share is low. It needs to compete with DingTalk and Enterprise WeChat to seize the market. In foreign enterprise applications, there are many mature competitors. Lark needs to find its own entry point and advantages, and create enterprise applications that meet the habits of overseas users.

SWOT Analysis

- On the basis of Lark's current interaction, we focus on micro interaction at the presentation level to make the operation of the office process more rapid and efficient, such as the "create event for dialogue" of DingTalk or the shortcut of slack.
- Integrate and cooperate with other mature external applications with a certain market share to accelerate the construction of application open platforms.
- Clearly distinguish Lark product line from Feishu(Chinese version), and create products that meet user habits for different target groups.
- Find entry points, promote their own products, and improve market share.

Market Analysis and Marketing Plan

At present, the DAU of Lark is not satisfactory. The official of Lark has not disclosed the specific market share of Lark and the specific number of users. However, according to the current business model adjustment and functional iteration update of Lark, it is believed that the DAU of Lark may grow ten or 100 times in 2023.

Pricing Strategy

Free advertising and free promotion strategy have greatly increased the willingness of companies that want to try new things and seek changes to use Lark. Different from other similar products - constantly accelerating the promotion process of the commercialization model - Lark can implement the free use of enterprise version of Lark by small and medium-sized enterprise customers in the past three years, which can attract a large number of new users.

Lark is one of the business units of ByteDance, and the whole team is under flat management. The organization is mainly divided into three parts: R & D, operation and market.

Financial Projections

According to iResearch data, the scale of China's collaborative office market will reach 44 billion yuan in 2020, a year-on-year increase of 43.5%. CNNIC data shows that as of June 2021, the number of online office users in China has exceeded 380 million, and the utilization rate has risen from 21% in

June 2020 to 37.7%. During the epidemic period when the demand for telecommuting skyrocketed, Lark gained its due market reputation and has become the third in the industry. However, according to the data of Analysis Qianfan, in October 2021, the monthly activity of DingTalk was 153 million, the Enterprise WeChat was 70 million, and the Lark was 629000. At present, Lark adopts the free strategy, and the CEO of Lark has publicly stated that ByteDance group has not put too much pressure on the revenue of the Lark team. It is expected that there will be no profit in the Lark account in the next three years.

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