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Economics is not an exact science.
It's a combination of an art
and elements of science.
-Paul Samuelson



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The *Economics and Management Science* is a peer-reviewed, international open access academic journal for global distribution, covering macroeconomics, industry trends, regional economies, modern enterprise management and practice, finance and taxation, financial securities, etc. It presents the research results of major practical problems in the development of economics, and it creates an academic discussion atmosphere in the field of social science research that is brave to explore, dare to break through, boldly publish scientific insights, and be good at contending issues. Seniors from various academic circles, business circles, governments, and research institutions are welcome to interpret the current policy, elaborate economic management theory, disseminate advanced ideas, and deeply explore and summarize the economic management practices.

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| Volume 2 | Issue 4 | December 2020 |

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CONTENTS

Hot topic insight

- 1 **Research on the Development Path of the Cultural Belt along the East Zhejiang Canal from Cultural and Tourism IP Perspective**

Jie Chen

Business management

- 6 **Overview of Member Asset Management Research**

Weidong Shi

- 12 **Hotel Finance and Revenue**

Yi Qiu

Business economy

- 16 **Research on the Influence of Dual Ownership Structure on Stakeholders: Based on the Case Study of “Xiaomi Group”**

Jianping Sun Zhengjun Wang TRAN THI NGAT

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Research on the Development Path of the Cultural Belt along the East Zhejiang Canal from Cultural and Tourism IP Perspective

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Abstract: The excavation and flow of the canal has accumulated profound culture, and the best way to protect and inherit these cultures is to realize their value. It is urgent to build a platform for the exhibition and exchange of the cultural value of the East Zhejiang Canal, build a canal cultural tourism brand, and accelerate the development of the canal's characteristic cultural industry. The development of cultural and tourism IP mainly refers to the tourism development of cultural and tourism resources, and its essence is cultural tourism products with independent intellectual property rights. This article aims to apply the concepts of cultural and tourism and IP to the development path of the cultural landscape of the Canal in East Zhejiang, and to promote the development of the cultural belt of the canal by analyzing historical landmarks and ancestors that are closely connected with the canal cultural and tourism IP.

Keywords: East Zhejiang canal; Cultural and tourism IP; Development path

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1. Background

The East Zhejiang Canal is located at the southernmost end of the Grand Canal in China, starting from the ancient town of Xixing in Hangzhou in the north, crossing the two cities of Shaoxing and Ningbo to the southeast, and merging into the East China Sea at Zhenhai. The Kuaiji Mountains and Siming Mountains along the East Zhejiang Canal stretch and undulate. The mountains and rivers are interdependent, and the natural and cultural landscapes complement each other. More than 2,000 poems were left behind and developed into the famous "Tang Poetry Road" in East Zhejiang.

Since the excavation of the East Zhejiang Canal, it has always been an important water channel, which carries the livelihood and well-being of the people in East Zhejiang. The East Zhejiang Canal is the longest spreading road of Chinese culture in Chinese history, and it played a very important role in ancient China. During the Tang and Song Dynasties, it was not only a place for literati to enjoy the scenery and reciting poems, but also a place where Japanese and Silla, Korean literati and monks

studied, sought Dharma, prayed for sutras, and Tibetans in mainland China.

2. Literature Review

Tourism is one of the best ways to use and spread culture. It can move culture and walk in people's travels. With the upgrading of people's tourism demand and consumption, cultural tourism has become the most competitive advantage field in the current tourism market with its rich cultural connotation, profound humanistic background and huge development scale. The tourism IP is defined as: all cultural elements created by intellectual workers, contained in the resources of the tourism destination, and can be developed and utilized for the destination tourism industry. Tourism IP can be tourism landscapes, customs, history and culture, literary creation, tourism products, etc. that attract tourists to visit ^[1]. The value of cultural and tourism IP is mainly reflected in the audience, and the IP that carries a unique culture is often easier to obtain the emotional recognition of the audience, so IP operations must be rooted in culture and deeply explore cultural connotations ^[2]. In the context of the continuous integration of the two major industries of culture

and tourism, a new type of business form of “tourism + IP” has also emerged. The tourism industry’s own branding, personalization and innovation awareness began to continue to improve. The combination of tourism industry and various types of IP to develop tourism IP products has become a new path for cultural and tourism industry integration^[3].^[4] have proposed that the IP transformation of the tourism, cultural and creative industry is a structural adjustment of overcapacity, and it is also an inevitable choice and development trend in the era of scarce attention under the background of “Internet +”. With the upgrading of consumption levels, consumers also pay more attention to details and content when choosing tourist destinations and tourism products and services, and are more inclined to choose brands with IP, not just from the perspective of tourism. Cultural and tourism IP already has a demand foundation. Creating richer and more high-quality tourism IP products with more content value is a question that the industry should think about under the integration of the cultural and tourism industry.

Looking at the research results on cultural and tourism IP concepts since the past two years, the results of the organic combination of cultural and tourism IP concepts are relatively limited. The use of more mature IP concepts is basically used in the “IP+” category of theme parks, animation, film and television, etc. Human research is more limited in the inheritance of regional culture. Local people’s understanding of culture will affect tourists’ experience of local culture. Therefore, based on the current personality IP, characteristic town IP, game IP, film and television base IP, etc., it is urgent to create a brand of tourism destination “cultural and tourism + IP”.

The integration and development of the cultural of the East Zhejiang Canal is conducive to bringing the canal culture and the people’s life closer and merging, and finally forming the East Zhejiang Canal cultural belt^[5], and they also pointed that there are many intangible cultural heritages along the East Zhejiang Canal, but many intangible cultural heritages have been lost, and intangible cultural heritages are in danger of being lost.^[6] suggests that the inheritance of the cultural value of the East Zhejiang Canal should start with strengthening the protection of cultural heritage and the improvement of the ecological environment, improving the protection and inheritance of intangible cultural heritage, building a platform for the exhibition and exchange of cultural values of the East Zhejiang Canal, building a canal cultural tourism brand, and accelerating the development of the canal’s characteristic cultural industry. Driven by cultural creativity, it is

inevitable to create the cultural tourism of the “Tang Poetry Road” in East Zhejiang. After the changes in the Three Kingdoms, the Jin Dynasty, the Southern and Northern Dynasties, the scenery of Zhejiang’s landscape has gradually been appreciated and praised by scholar-officials and literati in the Central Plains. They entered East Zhejiang and entered the Range Rover, leaving behind many places of interest and poems^[7].

Strengthen regional tourism cooperation, fully integrate tourism resources, cooperate in the development and operation of a number of high-quality tourism routes and products, attract more tourists to re-enter the road of Tang poetry, create a golden tourism belt with oriental charm and international influence, and continuously improve the “East Zhejiang” The brand awareness and appeal of “The Road of Tang Poetry”. At the same time, a tourism information exchange mechanism will be established to jointly carry out research on cultural tourism and the development and utilization of resources, and conduct regular exchanges, so that the publicity and construction of the “Tang Poetry Road” in East Zhejiang will become an organic whole.

3. Current Status of the Cultural Belt along the East Zhejiang Canal

The protection and inheritance of cultural heritage is a very important part of the construction of the cultural belt of the Hangzhou Shaoxing section of the East Zhejiang Canal. With the progress of society and the rapid development of science and technology, the protection and inheritance of the East Zhejiang Canal has not only brought huge opportunities but also faced challenges. The precious wealth and value brought by the East Zhejiang Canal are gradually increasing, but in the field of major infrastructure construction along the canal, it is easy to cause a situation where both sides cannot be achieved. Although many sites along the East Zhejiang Canal have been listed as World Heritage Sites and have been effectively protected, there are still more canal cultural heritages that have not been protected. The incident that ancient bridges and temples on the canal and surrounding ancient cultural sites have been destroyed still happens. In addition, there are many intangible cultural heritages in cities along the East Zhejiang Canal, many of which are familiar to everyone, such as the legend of Liang Zhu, Shaoxing rice wine brewing skills and so on. However, many intangible cultural heritages has been lost, so intangible cultural heritage is in danger of being lost.

With the development and prosperity of the canal

water transport, the economy around the canal has developed rapidly, so a large number of villages have emerged as the times require. These villages have gradually expanded into cities and towns, both in terms of overall scale and development level, and have made great progress. After countless changes in dynasties, some towns have disappeared in the long river of history, but there are still some towns that continue today. The people who have lived on that land for generations rely on their hard work and wisdom to make their homes prosperous. Many of these towns have not only attracted the attention of many experts and scholars, but also become popular tourist destinations due to their profound historical heritage and special geographical environment. In recent years, with the development of new media, these once-obscured small towns have become more and more well-known. The visits of a large number of tourists have not only promoted the development of the local economy, but also greatly increased the government's attention and protection to the local area.

4. The Development Path of East Zhejiang Canal Cultural Belt

On the basis of the protection of the cultural heritage of the East Zhejiang Canal Cultural Belt, through the development strategy of “full-line development, key breakthroughs, integrated development, innovative development, water city integration, and coordinated development” development strategy, the East Zhejiang Canal Cultural and sports leisure experience is the core, integrating urban tourism, fashion sports leisure, ecological tourism, cultural research, etc., and facing the world “East Zhejiang Canal Cultural Core Experience Recreation Area”. Relying on the East Zhejiang Canal culture and the canal ecological landscape resources, with the goal of creating new tourist attractions along the coast, the major breakthroughs in cultural experience projects, and the Hangzhou Shaoxing section as the essential point, with a high starting point and high standards. From these aspects, including the improvement of the ecological and cultural landscape of the East Zhejiang Canal, the construction of the East Zhejiang Canal cultural experience project, the development of water and waterfront leisure products, and the integration of tourism + cultural industries, the tourism development of the East Zhejiang Canal cultural belt is comprehensively planned. Taking the East Zhejiang Canal water system as the main aspect, upgrading the main city section, key breakthroughs in the city section, and the simultaneous reshaping of the culture

and ecological landscape of other sections, radiating and connecting the ancient town blocks, scenic parks, and rural villages along the line, realizing the East Zhejiang Canal cultural belt development in tourism. Speed up the restoration of ancient rivers and the development of ancient water conservancy facilities, the construction of the ecological and cultural landscape corridors of the East Zhejiang Canal, and the construction of trails, cycling paths, and waterway sports and recreational belts. Key tourism projects aim to promote the improvement of existing key scenic spots along the canal in various districts, the construction of museums and memorials and exhibition halls, and the construction of tourism public facilities and service systems, including identification systems and tourist information stations, rest station, cruise ship dock and emergency rescue service facilities. In terms of the integration and development of “tourism+” along the East Zhejiang Canal Cultural Belt, the main focus is to upgrade the culture and homestay industries of the East Zhejiang Canal Cultural Belt and build a cultural and creative industry belt. In terms of branding and marketing, speed up the launch of the “Source of the Canal” tourism brand and promotion of East Zhejiang Canal Culture, plan a number of special festivals or activities, and start to promote the main routes.

4.1 Based on the Concept of “Cultural and Tourism IP”, Build Multiple Canal Cultural IPs

The concept of IP is widely used, covering various fields such as culture, education, scientific research, tourism, service, etc. Based on the concept of “cultural and tourism + IP”, the construction of Shaoxing Canal cultural IP, including the creation of Dayu literature based on “Dayu governance” Travel IP; Create the cultural tourism IP of filial piety with the background of “The filial daughter Cao E”; create the cultural tourism IP of Shaoxing ancient bridges represented by the “ancient fiber road”; create the cultural tourism of rice wine featuring the “rice wine town” IP as a typical example. Establish a cultural experience center related to the canal from the perspective of cultural and tourism IP. Carry out canal culture training, such as: building a traditional craft exhibition hall, observing the production process of handmade hemp-woven craft shoes, personally participating in hand weaving; brewing rice wine experience center, experiencing the early rice wine brewing process, and forming a rice wine culture IP. Filming documentaries or films, movies, etc. of the filial daughter Cao E, love stories of Liang Zhu or love stories along the Yushui River, publicizing Liang Zhu culture, perfecting the construction of Zhujiazhuang

scenic area, forming a humanistic story IP with the Internet for publicity. Cultural creative product research and development, Yangming Xinxue derives cultural products to form Yangming cultural IP. Creating a new game cultural IP with local cultural elements as the background. In a brief summary, the development of high-quality tourism products is the key to cultural and creative cultural and tourism IP.

4.2 Planning Celebration Activities and Developing Festival Tourism Projects

Tourism economy is an activity economy. For tourists, tourism itself is an experiential “activity”, not only moving “body” and “eyes”, but also “hands” and “foot”. Tourist destinations with only viewing functions usually have short stays, poor comprehensive benefits, low impressions, and low satisfaction levels. As far as resource development is concerned, “activity” means the activation of potential resources, the transformation of traditional values, the innovation of manifestations, and the dynamic changes of tourism products. A large number of non-optimal tourism resources must get rid of the outdated concept of “development based on resources” as soon as possible, and through activities to promote the creative transformation of tourism resource advantages, seek misplaced development, and realize tourism value. Activities that are “active” are easier to attract attention than things that are static, attract public attention, and stimulate motivation to participate. Tourist destinations that frequently host various activities can attract the attention resources of the media, the public, and tourists, and increase the chance of being perceived and selected by tourists. In fact, some places with unsatisfactory resources have opened up a road of characteristic tourism development by virtue of activities; in other tourist destinations, a leap in market influence has been achieved through a festival event. Festival celebrations have a natural connection with tourist destinations, and successful festival celebrations can have a positive impact on tourist destinations in a specific period. Festival celebrations can often bring a large number of tourists to tourist destinations in a short period of time, produce obvious economic benefits, and assist in the integration of project resources. Xiaoshan and Shaoxing areas are ancient cities with a long history, and the vigorous development of festival activities is conducive to increasing the local popularity. For example, the Shaoxing Dayu Festival was included in the national intangible cultural heritage list in 2016.

4.3 Develop a Research and Study Tourism Base to Create an Internet Celebrity Place

Research and study tourism is a combination of “research” and “travel”. It is an off-campus education

method that combines group travel, intensive boarding and lodging, and combines with travel experience. It emphasizes that students explore the world in action and in practice. Acquiring true knowledge and experiencing perception in a natural space are the basic ways to achieve knowledge transformation and emotional sublimation of students. The study trip allows students to get out of the classroom, into a broader natural world and social life, and gain nutrients for growth in contact with nature and society. Carry out the construction of research and study base, improve the basic supporting facilities, and build a research and study tourism base that integrates education, tourism, entertainment, and parent-child. The upcoming completion of the Shaoxing Canal Museum will become an iconic place for learning. Develop a series of tourist destinations, which will further rise to research and study. Shaoxing Lanting Scenic Area aims to promote traditional culture and develop characteristic research and tourism products. Among them, the combined research and learning activities of “Museum Wonderful Night” and “Culture + Tourism” have received unanimous praise from all walks of life. Replace the traditional “combination of travel and study” with “integration of action and knowledge”, experience the natural and humanistic knowledge of ancient and modern China and foreign countries through travel, and realize life and improve oneself through this process.

4.4 Construction of Public Library Belt along the East Zhejiang Canal

The public library is an important realization path for the construction of the East Zhejiang Canal Cultural Belt. As a regional documentation center, information center, and cultural center, it should play an important role in the construction of the East Zhejiang Canal Cultural Belt and give full play to its own role. The construction standards for public libraries along the Canal are based on the “belt”-like geographic characteristics and fluid cultural connotations of the East Zhejiang Canal Cultural Belt and are consistent with the unified construction standards for public libraries along the East Zhejiang Canal. Implementing the standardization of the construction of public libraries along the East Zhejiang Canal is of great significance to promoting the construction of public libraries along the East Zhejiang Canal Cultural Belt. The establishment of a public library development community along the canal is not only conducive to the formulation and implementation of construction standards for public libraries along the canal, but also to promote the co-construction and sharing of regional resources,

reduce construction costs, and form a public library development community. Concentrate on the development and utilization of resources and establish a characteristic collection system of the East Zhejiang Canal's literature resources. The public libraries should actively participate in the cultural development of the East Zhejiang Canal, fully develop the local East Zhejiang Canal literature information resources and become the main undertaker of the development of the literature resources of the East Zhejiang Canal. Transform digital technology into digital resources, play the role of science and technology in the construction of public libraries, and use it as an important form of cultural service activities of public libraries. Improve the construction of the talent team of public libraries and improve the personnel training mechanism. Actively improve the participation of social forces, encourage and support social forces to participate in the construction of public libraries along the East Zhejiang Canal; increase training efforts, accelerate the improvement of personnel training mechanisms, and establish long-term training programs and assessment mechanisms.

4.5 Promote the Development of China's Homestay Units along the East Zhejiang Canal

Eastern Zhejiang is the most important consumer market in China's homestay industry. The areas along the East Zhejiang Canal, such as Hangzhou and Shaoxing, which are rich in forest and mountain landscape resources, have a good environment, attracting a large number of surrounding areas and domestic and foreign tourists to come here for cultural leisure and holiday care. More and more tourists are looking forward to "enjoying the countryside", and eager for "a warm accommodation, and an emotional experience" that can touch the heart of the consumer experience. There are not only Tang poems, but also themes and cultures, as well as the hotel's standardized procedures and personalized services. Tourists start a unique rural lifestyle as their owners." Relying on the cultural and tourist resources along the East Zhejiang Canal, create a homestay brand and promote the development of homestay brands. The homestay business moves from the family to the entire village, aiming to drive its own de-

velopment. The cities along the East Zhejiang Canal can attract more young tourists with the help of high-quality themed guest rooms and bring higher profits to the operators, and branding will bring new opportunities for structural optimization of the homestay industry.

5. Conclusions

Culture is the soul of tourism, and tourism is the carrier of culture. Economic value is embodied in the economic benefits brought to society and enterprises; educational value is the cultural influence that tourism brings to local residents. Combine the characteristics of Tang Poetry Road with tourist attractions, highlighting the role played by East Zhejiang Canal Culture. From the perspective of practical application value, relying on the "Tang Poetry Road" to speed up the construction of the East Zhejiang Canal Cultural Tourism Belt is of decisive significance for promoting cultural tourism.

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Overview of Member Asset Management Research

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Abstract: The core member asset management of the new retail is mainly to depict the user's portrait through big data, and implement precise front (precise marketing), medium (selection, distribution, transportation), back (after-sales service) management mode, thereby improving user stickiness, satisfaction, increase the unit price and frequency of consumption, and ultimately provide the value of the company. Under the new retail model, enterprises are more reliant on the establishment and maintenance of the customer relationship system. By integrating the online and offline member management systems, it not only can use big data with high-efficiency to accurately market customers, but also can achieve rapid growth in corporate value with the increase in customer stickiness. After entering the new retail model, enterprises can improve their profitability through the increase of member assets, reduce the business risk of the company through scientific and effective development and management of customers, and analyze and excavate the information of members through applying big data so as to enhance the company's advantage of obtaining customer information, and ultimately, it will improve the transaction efficiency of the company because of the effective integration of online and offline customer data.

Keywords: Member system; Member asset management; Corporate value

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1. Impact of Member Assets on the Company

1) Improve the profitability of the company
First, the membership fee can bring a certain income to the enterprise. Secondly, the member plan gradually increases the value of individual members by fully excavating and intensively cultivating the members. Thirdly, the membership plan focuses on improving the loyalty and trust of customers. And the high loyalty can raise customer repurchase rate, enhance corporate image and reputation, and increase recommendation rate.

2) Reduce the business risk of the company

At present, the business environment of enterprises is in an extremely uncertain and unstable period. The scientific and effective development and management of customers can help enterprises accurately grasp the changes in market demand and timely adjust their product structure, thus effectively buffering market shocks and reducing Business risk of the enterprise.

3) Enhance the advantages of enterprises in obtaining information

Members are the source of the company's first-hand information. The company uses the big data technology to

analyze and mine the basic information, purchase behavior and consumption habits of the members, so as to find out the new characteristics of consumers' needs. This will help increase the market sensitivity of the company, and thus provide data support for the company to make targeted marketing strategies.

4) Promote communication between enterprises and customers

Reduce the disadvantage of information asymmetry. Member feedback accelerates the pace at which companies improve their products and services, thereby enhancing customer satisfaction and trust in the business.

2. Relevant Theory of Member Asset and Member Management

2.1 Customer Value Theory

Customer value theory is one of the basic theories of modern marketing. The core of marketing is to help exchange parties to perceive the value of a product or service. It regards the entire marketing process as a process of value sensing, value creation and value transfer. The value sensing process aims to discover new value opportunities; the value creation process studies how to effectively shape and shape more promising and new value

market supplies; the value transfer process involves how to use the enterprise or marketing organization resource base and capabilities to deliver value to end customers more effectively. The core of customer perceived value is the trade-off between the perceived benefit of the customer and the perceived cost of obtaining and enjoying the product or service, namely the trade-off between profit and loss.

Scholars still have not reached a consensus on the meaning, definition, domain and scope of the customer value, the influencing factors and the definition of each dimension^[1]. Many scholars study customer value from different theories: exchange theory, means-scenario, transaction theory, resource-based view, relationship theory, utility theory, cognitive theory, and fairness theory. Similar terms for customer value include: “consumer value”, “customer value”, “customer value”, “perceived value”, “service value”, “acquisition and transaction value”, and “value of money”. This article elaborates on four aspects: perception and trade-off, quality and price, relationship marketing and expectations.

The Embodiment of 4C Theory

The 4C theory is proposed by Lauteborn. It includes four parts: customer, cost, convenience, and communication. Each part contains a discussion of customer value:

1) Customers. Lauteborn pointed out that companies must fully understand the needs of customers before producing products.

2) Cost. Lauteborn believes that the cost here is not the production cost of the production of the product, but the cost that the customer is willing to pay for the product. On this basis, the pricing behavior can be carried out.

3) Convenience. Lauteborn believes that companies should provide convenience to customers before, during and after sales. Before the sale, we should provide customers with sufficient information about the product. The sales will provide the convenience to the customers to the greatest extent. After the sale, the information returned by the customers will be processed in time, and the use of the customers will be guaranteed.

4) Communication. Lauteborn believes that communication should be two-way. It helps to establish a good relationship between the company and the customer, so that the products produced by the company adapt to the customer's emotions. But Lauteborn only discussed the idea of customer value in 4C theory and did not formally define customer value.

2.2 Perceptible Value Theory

The theory was proposed by Zeithaml and a re-

search model was established. The model believes that the customer forms the perceived quality through the product attributes, and then judges the full value, and proposes four conclusions:

1) Perceived value gains consist of internal attributes, external features, perceived quality, and related abstractions.

2) Perceived value pay includes monetary pay and non-monetary pay.

3) The “value signal” issued by the product can reduce the customer's revenue cost trade-off behavior to some extent.

4) Customer perceived value varies from place to place, time to time.

Philip Kotler uses the value of the customer's transfer to explain the value of the customer. The total value of the customer minus the total cost of the customer is the value of the customer's transfer. This surplus can be positive or negative. If it is positive, the value obtained by the customer is greater than the cost of the payment; if the remaining is negative, the cost paid by the customer is greater than the value obtained. The total customer value is a series of interests or combinations that the customer expects to obtain from a product or a service. It can be formed by one or a combination of the four values of products, services, personnel and image; the total cost of the customer is expenditure incurred by a customer for activities such as information collection, value assessment, and price payment for a product or a service, including currency, time, energy, and physical strength.

2.3 Value Comparison Theory

The theory of value comparison is proposed by Monroe. He believes that customers will compare the prices of all the different prices in the process of purchasing goods to form a perceived value, which forms a guiding price in the customer's heart. Monroe uses two concepts in value comparison theory to measure perceived value: transaction value and value^[2]. The value of the transaction is formed by the customer comparing the price of the inner guide with the actual price, and the value obtained is formed by comparing the interest perception of the highest price that the customer is willing to pay for the commodity with the actual purchase price. The perceived value of the customer is the combination of both.

2.4 Perceived Value Analytic Theory

Woodruff proposed the theory of customer perceived value analytic hierarchy and established an analytic model for analysis. This model is divided into three

levels: the lowest layer is the attribute layer; the middle layer is the result layer; the top layer is the target layer. From the bottom up, the customer first comes into contact with the basic attributes of the product and the performance of these attributes. When purchasing and using the product, the customer will predict the results about the ability of the attributes achieving desired results. Finally, the customer will compare these results with the goals and then adjust the goals appropriately. Looking from the top down, in different situations, the customer's goals will produce different results, and the important results for the customer will guide the customer to find.

3. User Portrait

The user portrait, also known as the persona, is an effective tool for sketching target users, contacting users' appeals and design directions. And user portraits have been widely used in various fields. Its definition is mainly based on practical use, reflecting the practical use of user portraits, and its definition has abstract features. The UserProfile can perfectly abstract a user's information and display it in one sentence, that is, the user information is tagged. This definition can better explain the definition of the user's portrait^[3].

Today's user portraits have been widely used in various fields, such as news, e-commerce, travel, consumption and so on. In the field of academic research, many researchers use various technical methods to study how to make user portraits are more able to meet user needs. In the medical field, through the large number of patient information in the hospital, the portrait is provided, and the patient is provided with semi-automatic triage to achieve accurate delivery of medical information. In the field of e-commerce, abroad Amazon, domestic Taobao, Jingdong and other e-commerce giants, through the user's extensive behavioral habits and demographic attributes, make portraits for users and personalize them, giving users a friendly and comfortable buying experience. It also improves the user's purchase conversion rate and the repurchase rate extent. At the same time, it played a significant role in increasing customer loyalty and user viscosity offerings.

The traditional user image data only come from business systems, event systems, relationship information, etc., and many types of information are missing or incomplete, so it is difficult to form accurate and comprehensive images. In the context of big data, we can get more data dimensions, more information. And the rapid development of the Internet and the Internet of Things

make it possible that data information from different channels can also be traded. In this context, a 360-degree user portrait can be constructed for the user, from the user's basic information, user product information, user social information, user event information and so on. Not only can people become users, but also a company or an object can be a thing that people portray. Therefore, by characterization of user information for different things, we can correlate and match them well through statistical indicators. Therefore, based on the user's portrait, a series of recommended systems, IoT system, precision marketing system, and advertising push system, are developed according to customer needs to conduct perfect service system. Moreover, the user portrait and the derived series of systems can complement each other. They can further improve and enrich the user's information based on the user feedback of the recommended content. It can be said that the user portrait is not only a potential research on the user, but a continuous study on the user, a real-time study on the user. The user is the lifeline of the enterprise, then the study of the user portrait is an indispensable part of the whole operation of the enterprise. The dimensions that user information can be characterized will be continuously improved and revised as the needs of the business and the acquisition and mining of data. The dimensions that can be described are also constantly increasing and accurate.

Building a user portrait requires going through the following stages^[4].

1) Accurately identify users

The purpose of user identification is to distinguish between users and single point positioning. There are many ways to identify users, such as cookies, registration IDs, emails, third-party logins such as WeChat/Weibo/QQ, mobile phone numbers, etc. These are the unique identifiers of Internet users compared to traditional offline channels. Mobile phone number is the most accurate user identification on the mobile end, but as the user's willingness to register is getting lower and lower, third-party logins such as Weibo/WeChat/QQ become a compromise choice for more and more enterprises.

2) Dynamic tracking user behavior track: three dimensions: scene + media + path

Dynamic behavior data can confirm different access trajectories of users in different scenarios, and help advertisers cross- end frequency control marketing.

User network behavior dynamic tracking mainly includes three dimensions: scene + media + path, which when applied to the Internet, the scene mainly includes

access devices and access time periods. The media refer to media that the user specifically accesses during a certain period of time, such as information and video game class, social class, etc. Path refers to the path that the user enters and leaves a certain media.

It can be simply understood as the user's in-site and off-site behavior. If the user enters or navigates directly through the search navigation, the site jumps to other pages when leaving. Or directly shut down, on the one hand helps the media to optimize traffic operations, on the other hand helps advertisers effectively control the frequency of different pages, to avoid user burnout.

3) Combine static data to evaluate user value: five dimensions: population attribute + business attribute + consumption characteristics + life form + CRM

After the static data is acquired, the population needs to be factored and clustered. Different purposes are classified differently. For product design, it is the most common way to divide according to the motivation or user behavior. For marketing media, differentiating people according to consumption patterns is the most direct classification.

Static data mainly include the user's demographic attribute, business attribute, consumption characteristics, life form, and CRM. There are many ways to obtain it. Data mining is the most common and accurate method. If the data is limited, it needs to be supplemented by qualitative and quantitative combination. Qualitative methods, such as group symposium, user in-depth interview, log method, laddering method, transmission method, etc., mainly use the open question to immerse in the user's real psychological needs and figurate user characteristics. Quantitative methods are conducted more through quantitative questionnaire. The key is the modeling and analysis of the quantitative data in the later stage^[5]. The purpose is to verify the qualitative hypothesis on the one hand and the distribution law of the users on the other hand.

4) User label definition and weight: extract common eigenvalues from the cumbersome data

Defining a group based on eigenvalues helps advertisers to grasp the characteristics of the group at a glance, such as "fashion cast for a few people", which can be quickly associated with the sense of fashion for such people, that is, the design and appearance of the product are really matters. And the word "cast for a few people" indicates that the people do not blindly pursue the trend. They have their own aesthetics, and can influence the people around them.

At the same time, a group will have multiple labels,

and different groups will also have labels overlapping. At this time, the weight of the labels reflects the core characteristics of different groups. For example, "fashion cast for a few people" and "technical pioneer" have female labels in both groups. At this time, it is necessary to compare the weight of women in different groups of people to decide which group to interpret. Usually, the portion that label overlap between different people is small in a good user portrait, and there will be some overlap on those labels with smaller weights.

4. Member Life Cycle Analysis

As an important resource of a company, membership has a life cycle. The member life cycle theory also means that the membership life cycle theory refers to the whole process from the establishment of business relationship between the enterprise and the member to the complete termination of the relationship. It is the development track of the membership relationship level with time. It dynamically describes the overall characteristics of membership relationship at different stages. The membership life cycle theory is the evolution of the enterprise product life cycle, but for business enterprises, the life cycle theory of membership is much more important than the life cycle of a certain product^[6]. There are four stages: investigation period, formation period, stabilization period and degeneration period. The investigation period is the gestation period of the membership relationship. The formation period is the rapid development stage of the membership relationship. The stability period is the maturity and ideal stage of the membership relationship. The degeneration period is the stage in which the membership relationship level is reversed.

1) Investigation period

The investigation period: the exploration and experimental phase of the relationship. At this stage, both parties examine and test the compatibility of the objectives, the sincerity of the other party, and the performance of the other party, and consider the potential responsibilities, rights, and obligations of both parties if they establish long-term relationships. The lack of mutual understanding and uncertainty is the basic feature of the investigation period. It is the central goal of this stage to assess each other's potential value and reduce uncertainty. At this stage, the members will make some tentative orders, and the company will start to communicate and establish contacts with the members. Because members understand the business of the company, the company should answer it accordingly. All members in a particular area are potential

members. The company invests in all members to determine the target members that can be developed. At this time, the company has a member relationship input cost, but the member has not made a big contribution to the company.

2) Formation period

The formation period: the rapid development stage of the relationship. The relationship between the two parties can enter this stage, indicating that both parties are satisfied with each other during the inspection period and have established certain mutual trust and interaction dependence. At this stage, the returns from the relationship are increasing, and the scope and depth of the interaction are increasing. It is gradually recognized that the other party has the ability to provide the value (or benefit) that satisfies itself and fulfill its duties in the relationship. And therefore each party is willing to commit to a long-term relationship^[7]. At this stage, as the mutual understanding and trust continue to deepen, and the relationship matures, the willingness to accept risks increases, and the transactions between the two sides continue to increase. After the company successfully develops the target member, the member has already had business dealings with the company, and the business is gradually expanding. At this time, the member has entered the growth period. The investment of the enterprise is much smaller than that of the development period, mainly for development investment. The purpose is to further harmonize the relationship with the members, improve the satisfaction and loyalty of the members, and further expand the transaction volume. At this point, the members have begun to contribute to the company. The income from the member transactions has been greater than the investment and began to make profits.

3) Stable period

The stable period: the highest stage of relationship development. At this stage, the parties either implicitly or explicitly guarantee a sustained long-term relationship. This stage has the following distinct features:

(1) Both parties are highly satisfied with the value provided by the other party;

(2) In order to maintain a stable relationship for a long time, both parties have made a large number of tangible and intangible inputs;

(3) A large number of transactions. Therefore, during this period, the level of interaction between the two sides reached the highest point in the development of the entire relationship, and the relationship between the two parties was in a relatively stable state. At this time, the company's investment is less, the members make a

greater contribution to the enterprise, and the transaction volume between the company and the member is at a relatively high profit period.

4) Degradation period

Degradation period: the stage of reversal of the relationship level in the process of relationship development. The degradation of the relationship does not always occur in the fourth stage after the stabilization period. In fact, the relationship may be degraded at any stage. There are many possible reasons for the relationship degradation, such as one or both sides experienced some dissatisfaction and changes in demand.

The main features of the degraded period are:

The volume of transactions has decreased; one or both parties are considering ending the relationship and even identifying candidate partners (suppliers or members); starting to communicate the intention to end the relationship. When the business transaction volume of members and enterprises gradually declines or drops sharply, and the total business volume of the members themselves has not decreased, it indicates that the members have entered a recession period^[8].

At this time, enterprises have two choices, one is to increase investment in members, re-establish relationship with members, and carry out secondary development of membership relations; the other way is to stop making too much investment and gradually give up these members. Two different approaches to the enterprise will naturally have different input-output benefits. When the members of the enterprise no longer have business relations with the enterprise, and the creditor-debtor relationship between the enterprise and the members has been clarified, it means the complete termination of the member life cycle. At this point, the company has a small amount of cost and no income.

5. RFM Model

The key driving force for building trust between customers and companies and ultimately achieving a "win-win" relationship is value. It is unacceptable for the customer relationship management of the enterprise not to realize its own value-added, but the relationship management activity cannot be started without considering the value-added of the customer value. Relationship value plays a vital role in customer relationship management. The ultimate goal of customer relationship management is to maximize the value of both parties. This determines that the focus of management should not be the relationship but should be the relationship value that can cover

the value of both parties.

In the theoretical evolution of customer value analysis, Kotler believes that different customers have different values for the company, and the most valuable customers among them are companies that should focus on maintaining relationships. Based on the Pareto's principle, Wyner also pointed out the important role of important customers in relationship marketing. Therefore, before conducting customer relationship management, the most important thing is to identify the most valuable customers of the company.

Currently, the most recognized form of customer value analysis model is the RFM model. Regarding the research of RFM model, different scholars have different research methods, including Hughes and Stone. The so-called RFM model is the loss of time (Recency), the frequency of purchase (Frequency), the purchase amount (Money). Stone used this model to analyze the value of credit customers in his research. Regarding the definition of the model, Bultand Wansbeek (1995) explains as follows:

The recency represents the customer's last purchase time and the number of days between the analysis time points. In theory, the shorter the interval means that the customer has recently come to the store to consume^[9]. By observing his recent purchase time in recent times, you can see his purchase frequency. The smaller the recent purchase time interval, the more likely the customer is to come to the store again. Such customers are rare for the company. The cost of maintaining a loyal customer is much lower than the cost of getting a new customer. Conversely, if the customer has not come to the store for a long time, then the customer will likely become a potential lost customer, and such customers must also attract the attention of the company.

Frequency (Frequency) indicates the number of times a customer purchases a product or service within a unit of time. The purchase frequency is a value within a time range, and the most recent purchase time is a value at a point in time. These two variables are important indicators to measure the possibility of customers coming to the store again, and cannot be separated. A customer who frequently visits the store, he is likely to be a loyal customer of the company; a customer with a low frequency of purchase must not be a loyal customer of the company.

Of course, if a purchase frequency is very high, but the interval between the last visits to the store is very long, then he will likely become an important customer to be lost, and the company must attach great importance to customers with such characteristics. However, if a customer who purchases less frequently has a short interval between recent purchases, he will likely develop into a new loyal customer, and the company can consider targeted attraction measures.

The purchase amount (Money) represents the total purchase amount of the customer within a certain time range. In the research on member management, it can be seen that the customers with higher consumption amount tend to become more loyal customers, and the value of such customers is greater. However, there are different opinions on the calculation method of the purchase amount. Marcus suggested using the average amount instead of the total amount. He pointed out that using the average amount can reduce the collinearity between the amount variable and the recent purchase time and purchase times.

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Hotel Finance and Revenue

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Abstract: Hilton Hotel is a global brand of five-star hotels. Since 1919, it has expanded to more than 85 countries with more than 570 hotels and resorts. The report tends to analyze the financial prospects of Hilton Hotel, mainly focusing on its analysis methods and investment methods. This paper mainly studies the financial data in recent three years: current ratio, quick ratio, turnover rate of accounts receivable, debt equity, interest repayment rate, net profit rate, return on assets, return on equity, financial risk and so on. The analysis results are compared with those of previous years.

The analysis results show that according to Hilton's current ratio analysis, the current ratio in 2015 was 76%, which means that the company does not have enough ability to repay its short-term debt. In 2016, the proportion rose to 95%, indicating that Hilton Group has better solvency. According to the quick ratio analysis, Hilton hotel does not have enough current assets to fulfill its short-term obligations. This will lead to the risk of debt repayment in the short term, as the company may not be able to arrange sudden cash flow in an emergency. The low ratio also indicates that the company may rely heavily on inventory or other assets to repay its short-term debt, which increases the company's possible concern about bankruptcy. According to the analysis of accounts receivable turnover rate, the company's accounts receivable recovery in 2017 is not as good as in the past. The decline in the debt to equity ratio shows potential changes in the company's financial position. The higher the ROA ratio, the more effective the assets the company uses. The return on equity has improved over the past three years, and the current return on shareholders' investment in Hilton Group is higher. Based on the overall analysis of Hilton Group, management needs to focus on their assets and equity to generate more revenue and control expenditure. As high debt has been used to finance assets and business operations, there is a potential risk of bankruptcy.

Keywords: Financial prospects; Analysis method; Investment method

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1. Introduction

Hilton hotels are a global brand of five-star hotels and since 1919 it has expanded into over 85 countries with more than 570 hotels & resorts. The report tends to analyse the financial perspective of Hilton Hotels with main focus on its analytical as well as investing methods. The key financials will focus on recent three years 2015, 2016 and 2017 and each year analysis are compared with the following and previous years.

2. Analytical & Comparative Analysis

2.1 Liquidity Ratios

Current ratio

According to Park, Hun & Hong (2009), the current ratio is one of the most important and critical ratios as it describes the ability of a company to pay off their short-

term debt obligations (Park, Hun & Hong, 2009)^[9]. Based on the financial analysis on Hilton Hotel it shows that in 2015 the current ratio was 76% and this means that company does not have enough ability to pay their short-term debts. The ratio was increased to 95% in 2016 and this represents Hilton group had better ability to settle down their debts. However, the ratio became 60% and this was very low compared to previous years. Based on the current ratio analysis, it shows that the current ratio is not very good as ratio is below 1 and this represents company might have difficulty in paying their short term and long-term debts. A higher current ratio represents higher ability of a company to pay their obligations as company has a larger proportion of their short-term assets compared to the value of their short-term obligations (Hong, 2009).

Table 1. Analysis and ratio

RATIO ANALYSIS	2015	2016	2017
Liquidity			
Current Ratio %	76%	95%	60%
Quick Ratio	67%	86%	55%
Accounts Receivable Turnover (times)	1.00	1.09	0.38

Quick ratio

Nurdiwaty & Faisol (2017) stated that Quick ratio further reflects an organizations short-term liquidity position as it measures its ability to meet short-term obligations using most of its liquid assets. Based on the ratio analysis, it shows that in 2015 the quick ratio was 67% and this represents a very low ratio ^[8]. This shows that in 2015, Hilton hotels might have difficulty in paying their short-term obligations using liquid assets. The ratio was improved to 86% in 2016 and then decreased to 55% by the end of year 2017 (Faisol, 2017). Based on these results, it shows that Hilton Hotels does not have enough liquid assets to meet their short-term obligations. This lead to risk of paying debts in short term as company might not be able to arrange sudden liquid cash in case of emergency. The low ratio also shows that the company might rely heavily on inventory or other assets to pay off their short-term obligations and this rises that the company might have concerns for bankruptcy.

Accounts Receivable Turnover

The Accounts Receivables Turnover ratio shows a firm's ability in collecting their accounts receivables. Huang & Leung (2017) stated that this ratio is an activity ratio that measures how efficiently a firm uses its assets and collects its account receivables ^[1]. Based on the ratios it shows that company collects its receivables 1 time per year in 2015 and this was decreased to 0.38 times in 2017 ^[2]. As Hilton hotel operates in the hospitality industry and they do not have large-scale suppliers or customers (Huang & Leung, 2017) ^[6]. Based on these calculations, it shows that in 2017 company was not collecting its receivables as good as in the past ^[3]. Fan (2015) stated that the ratio may also indicate that the collection of accounts receivable from the company is valid, and that the company has a high percentage of quality clients and can pay off the debt quickly. A high proportion may also indicate that the company has adopted a conservative policy for its credit expansion ^[4]. This is usually a good thing because it filters customers who may take a long time to pay their debts. On the other hand, if the company's credit is too tight, it can be too conservative, which can drive out potential customers and deliver the business to competitors. In this case, the company may want to relax its policy of improv-

ing the business, even if it can reduce the turnover rate of its accounts receivable (Fan, 2015).

2.2 Solvency Ratios

Debt to equity ratio

Maulita & Tania (2018) stated that the debt to equity ratio is an important ratio for organization as well as for investors of the company ^[7]. The D/E ratio shows the amount of debt a company is using to finance its assets compared to its shareholders equity (Tania, 2018). The D/E ratio of Hilton Group was very high in 2015 as it stands at 202% and this represents a huge amount of debts is being taken in relation to the equity value. The ratio further increased to 207% in 2016, however it was decreased to 127% in 2017. The decline in the value represents a good step by the company, as now more assets are finance through equity rather than debts. The high ratio is not good for the financial perspective of the company, as investors tend to keep keen eye on the company activities. If a lot of debt is used to finance the operations of the company relative to equity will represent poor investment methods adopted by the company (Maulita & Tania, 2018). Therefore, it can be stated that the decline in the ratio shows potential set in the financials of the company.

Table 2. Profit margin comparison

Solvency	2015	2016	2017
Debt to Equity Ratio %	202%	207%	127%
Interest Cover (times)	0.33	0.32	0.93
Total Liabilities/Total Assets	102.7%	77.8%	94.3%

Interest coverage

Interest coverage ratio is one of the most important ratios reflecting on the ability of a company to pay interest on their outstanding debts ^[5]. Based on the data collected it shows that in 2015 the interest coverage ratio for Hilton group was 0.33 and this represents very low ratio and creates question on its ability to pay their debts. Choi (2018) stated that when a company's interest coverage ratio is 1.5 or lower shows that company does not have good ability to pay its interest expense ^[4]. Based on the analysis, the ratio further decreased to 0.32 in 2016 and increased to 0.93 by the end of year 2017. This reflects that over the past three years the coverage ratio for Hilton Group is not very high and they might have issues in paying off interest on their outstanding debts (Choi, 2018). Furthermore, it also shows that the ratio is below 1 and this means Company is not generating sufficient revenues to cover up its interest expenses. Therefore, this is a risk area for the company, as they might need to improve their revenues or cut down their debts in order to run in the

long run.

Debt to assets ratio

Debt to assets ratio can be defined as a metric, which enables comparisons of leverage made by the company through its assets. If a ratio is high means using debt over equity is financing more assets. Based on the analysis, it shows that Hilton Group has more portion of debt being funded by its assets. In year 2015, the ratio was 102.7% and this means most of the assets are being financed by debt. Furthermore, the ratio declined to 77.8% in 2016 and increased to 94.3% in 2017 and this represents a very high debt on the assets of the company. Suarsa & Nawawi (2018), stated a higher debt ratio is very critical for the company as this kind of information can affect investors of the company. However, this ratio does not provide any kind of indication of asset quality of the company as its lumps all intangible and tangible assets (Suarsa & Nawawi, 2018) ^[13]. Hilton Group is using high debt, and this can alarm its investors and it creates risk for the company as well in the future.

2.3 Profitability Ratios

Net margin ratio

Net Margin ratio indicates amount of dollar value collected by the company during their financial year. Santoso (2015) stated that net profit margin is one of the most important ratios for companies as it indicates financial health of the organization. By assessing increase or decrease in this ratio can reflect on the current practices adopted by the company (Santoso, 2015) ^[11]. From the financial analysis on Hilton Group, it indicates that in 2015 the net margin ratio was 102.43% and this reflects that company earned a good value for every dollar spent. The ratio in the following year declined to 66.33% and this means that Hilton Group earned 0.66 cents for every dollar spent. This ratio represents portion of information on the profits made by the company after eliminating all of its expenses. A good ratio is very important to indicate the future of the company. In year 2017, the ratio was increased to 90.11% and this shows a positive increase in the sales as well as change in the expenses of the company. From the annual report it shows that in 2017 even though there was a change in the revenues made by the company as it declined, however there was change in the operating expenses of the company. This shows that the ratio was increased mainly due to decline in the expenses rather than increases in the revenues. The revenues have constantly declined in the recent three years and this alarms that there has been potential decline in the revenues of the company. However, a higher ratio in the

recent financial year indicates that Hilton Group has good financial health and it can operate effectively in the following year.

Table 3. Profit margin comparison

Profitability			
Net Margin %	64.25%	66.33%	90.11%
ROA %	32.6%	36.2%	44.2%
ROE %	103%	84%	88%

3. Return on Assets

Return on Assets is one of the most critical ratios used by investors in order to analyse the return made by the company through its assets. This ratio gives an idea on how efficiently a company is using its assets to generate earnings. Reimsbach (2011), stated that ROA reflects critical information to the investors of the company regarding management's ability to generate earnings by using assets effectively ^[10]. Based on the data collected it shows that Hilton Group had a ratio of 32.6% in year 2015 and this represents that for every dollar of debt and equity company takes, it can return 62.9 cents in the net profit. The ratio was increased to 36.2% in the following year and then increased to 90.11%. The increase in the current year shows that management is using assets more effectively in generating revenue compared to previous year. According to Reimsbach (2011) the higher the ROA ratio will be the more effective assets are being used in the company. From the financial analysis of the company it shows that in the year 2017, Hilton Hotels had increased the company is developing their number of rooms as well as more assets. From the ROA analysis, it shows that management needs to focus on their assets in order to use them effectively.

4. Return on Equity

Return on Equity ratio Is a measure of financial performance of the company as it reflects the ability of a company to use their shareholders equity in order to generate profits. The higher return on equity ratio will reflect that management is using their shareholders equity effectively in order to generate earnings. From the financial analysis of Hilton Group, it shows that in year 2015 the ROE ratio was 103% and this represents for every shareholders dollar invested the shareholders earned \$1.03 in year 2015. The ratio was declined to 84% and then increased to 88% in 2017. Setiawan & Zamzani (2018) stated that return on equity is very important for shareholders as it reflects their equity being used by the management of the company in generating earnings ^[12]. Furthermore, ROE can also be used to analyse the growth rate of a

company as investors can use the ROE to understand the future of a company (Zamzani, 2018). ROE can be used to identify problems in the stocks of the company. Therefore, it can be stated that ROE is an important indicate of performance of a company relative to their shareholders equity. The results from financial analysis of Hilton Group show that its ratio has improved compared to last three years and now shareholders are earning more from their investments in Hilton Group.

5. Risks in Financials

Based on the data collected and ratio analysis, it shows that some of the ratio's have declined in the recent years and this reflects that Hilton Group sales have not been performing very well. From the ratio's, it shows that in the current year company has better ability to pay off their debts compared to previous years. On the other hand, the inventory levels of the company have declined, as there is an increase in the timeshare expense and this influence the revenues of the company. Hilton Group does not have enough ability to pay of their sudden debts as liquid assets have declined constantly and if company need to pay and settle off their short-term debts, it might have issues in arranging money and this can lead to bankruptcy. Hilton Group also has high debt to equity ratio and this represents management has been using poor investment methods in order to finance their business. As company has high debt ratio, it leads to lack of ability to manage interest payments over the time. As the interest coverage ratio shows Hilton Group's ability has declined to pay off their interest expenses. The ratio is below 1 which means it's hard for the company to pay off their interests on the debt payments. Therefore, the high debt being adopted by the company for the assets of the company leads to lack of effective ability on paying off interests. The ROE and ROA has also not been very effective for the company in the recent years and the performance of the company is not effective. Based on the overall analysis of Hilton Group, it shows that management needs to focus on their assets as well as equity to generate more earnings as well as to control the expenses. There is potential risk for bankruptcy as high debt has been used to finance assets and business operations.

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Research on the Influence of Dual Ownership Structure on Stakeholders: Based on the Case Study of “Xiaomi Group”

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Abstract: Based on the stock exchange of Hong Kong, China’s first USES the “dual share structure of listed companies (millet group) as the research object, to explore the applied double voting rights in the framework, the fight for the interests of various stakeholders, and for the future of China’s Shanghai and Shenzhen stock exchange to accept dual share structure of listed companies to provide a feasibility study Angle of view, at the same time to provide this voting architecture theory research significance, relevant research literature.

Keywords: Dual voting structure; Stakeholder; Xiaomi Group

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1. Introduction

Since the 20th century, dual-class share structure has become increasingly popular in the United States. After several rounds of reform, the SEC allowed new listings on the stock exchange to introduce dual-class shares. Since the beginning of the new century, especially from the subprime crisis to 2013, dual-class equity structure has been highly correlated with the characteristics of information, electronics and other industries in the United States. In 2017 alone, more than a quarter of Mainland Chinese companies listed in the US chose a different voting structure. From the very beginning, it was questioned that foreign capital markets widely adopted the dual-voting structure for listed companies in the industries of electronics and information, which further demonstrated the universality and profundity of the application. At the same time, Hong Kong, Germany, the United Kingdom and other countries and regions have also borrowed and learned from the United States this way.

Under this background, the Hong Kong stock exchange in 2014 released called “the concept of different voting rights structure file” public consultation opinion,

including adopted in general meeting of shareholders of listed companies have different voting rights of dual class equity structure, should the stock exchange rules implementation architecture such as the United States for the application of any or all of the limit or increase the other additional restrictions or to any other restrictions to get limit? [HKEX Concept Paper] In 2016, HKEx set up an innovation board to conduct market consultation on the possibility of introducing a “dual voting” structure. In 2018, HKEx issued a new regulation allowing dual-structure companies to apply for IPO listing, which will take effect on April 30, 2018, starting the prelude of Dual-structure listing of Chinese companies in China. However, the institutional practice of the document is placed in certain types of enterprises, which must be innovative industrial companies. Xiaomi Group was the first to obtain a company license with a different voting structure, which was officially listed on the Hong Kong Stock Exchange on July 9, 2018. This is the first listed “unicorn”, high-profile, whether successful or not, will leave a strong mark in the history of China’s capital market.

2. Literature Review

As a contractual network composed of interest groups, companies have the important characteristics of the separation of ownership and control. In 1932, American scholars Adolf. Berle and Gardner. Means proposed in their book *Modern Corporation and Private Property* that the Modern Corporation had changed from being controlled by the owner to being controlled by the operator. ^[4] define agency problems, which refer to the agency costs caused by different utility functions between principals and agents under the premise of asymmetric information, namely the conflicts of interest between shareholders and management. Arrow (1985) pointed out two sources of agency problems through analysis: “adverse selection” and “moral hazard”. In the delegating relationship, both parties take their own interests as the core, which is prone to opportunism (Eisenhardt, 1989). Managers are more likely to seek personal gains for themselves without the most effective incentive mechanism ^[7].

At the end of the last century, economists generally believed that: due to the differences of interest groups, the role of enterprises in decision-making was different, so we should start with the different characteristics of stakeholders and companies, and divide them from multiple dimensions. Charkham (1992) divided the stakeholders into Community Shareholders and Contractual stakeholders. Clatkson (1995) was divided into primary and secondary relationship stakeholders according to the degree of close relationship between stakeholders and enterprises. ^[6], on the basis of Clatkson’s method, further proposed two types of methods: one was core interests, strategic interests and environmental stakeholders, and the other was formal interests with corporate interests, namely direct and indirect stakeholders. Mitchell, Agle and Wood (1997) made the most outstanding contributions to the continuous research of stakeholder theory. Leuz and Verrcchia (2000) and Verrcchia (2001) pointed out in their discussion that the higher the degree of information disclosure can effectively reduce agency costs, so they advocated that companies should enhance the frequency and quality of information disclosure in the future sustainable development (Heal and Palepu, 2001). Bushman et al. (2004) pointed out from the analysis of the externality of corporate governance that, for external investors, the company’s disclosure of information increases the requirements on the governance system, so as to alleviate the moral hazard problem. Parveen et al. (2007) also drew similar conclusions.

Most foreign listed companies have diversified

ownership structure. However, due to the imperfect capital market and regulatory requirements in China, most listed companies are restructured from state-owned enterprises with high ownership concentration. Therefore, in addition to the inconsistent utility function between shareholders and management, interests of minority shareholders will also be lost. Controlling shareholders tend to realize private interests through related party transactions, thus overinvesting in the case of insufficient supervision (Liu Jianhua et al. (2008)). Luo et al. (2015) pointed out in their analysis that due to the existence of agency problems, the financial constraint ability caused by them became stronger. Fan et al. (2016) analyzed from the perspective of the group itself and pointed out that the lower the agency cost between each other, the higher the efficiency of internal capital flow would be. Guariglia and Yang (2016) found that financial constraints and agency problems lead to reverse changes in investment efficiency, which may lead to lack of investment efficiency, while agency problems may lead to overinvestment. Ni Tingting and Wang Yuetang (2016) found that as the degree of separation of ownership and management increased, agency costs had a more profound impact on the investment behavior of group companies.

More existing literature analyzes the principal-agent theory and the interests of all stakeholders from the perspective of “one share and one right”. Sometimes, it is not practical in the analysis of dual ownership structure, so we need to learn and draw lessons from foreign experience to realize the analysis of China’s future market. Similarly, literature research focuses on contractual stakeholders. As an immature market, this paper also adopts contractual stakeholders to study.

3. Analysis of Dual Ownership Structure of Xiaomi Group

3.1 Definition

The dual-class share structure, also known as the different voting structure, is divided into two types of company shares: one common stock (Class A shares) with the voting principle of “one share, one vote”; The other is super-voting shares (Class B shares). Except for the difference in voting rights, there is no material difference in other aspects (property income, etc.), but Class B shares can only be transferred when they are converted into Class A shares under the usual articles of association of the company, and Class A shares are free to circulate. A fundamental question in the study of different voting structure is: if the company adopts different voting

structure, whether the management, the company and the investors can obtain substantial benefits, and there will be some gains and some losses. What risks are hidden behind the benefits Xiaomi enjoys?

3.2 The Dual Ownership Structure of Xiaomi Group

It is the same separation of management and ownership, but dual-class share structure can overcome the disadvantages of the traditional “same share and same right” equity model, and can guarantee the control right of the founding shareholders for the company. Xiaomi Also adopted A 10:1 voting structure, that is, 10 votes per share for class A shares. One vote per share for class B shares. This operation can make the company refinance in the later development process, and also ensure that the proportion of shares is hard to be diluted, because the Class A shares hold higher voting rights, and they can still control the company’s operation and management with small shares.

In addition, Class A shares under different voting structures are “non-tradable shares” and are not allowed to be transferred, subject to time and conditions, except

for free transfer into Class B shares. This restriction does not affect management’s control over the company even if A shareholder withdraws from the group. Of course, in the special case dominated by hostile takeover, the acquirer cannot gain control of the company by holding class A shares with higher voting rights, but can only hold Class B shares with the same ordinary voting rights.

3.3 The Influence of Implementing Dual Ownership Structure on Xiaomi Group

(1) Impact on the Founding Team

First of all, it is undeniable that equity financing, as the most important financing means of Xiaomi Group, is faced with the risk that the control right will be continuously diluted. Therefore, it is possible to continuously introduce foreign capital without losing the control right. Then the introduction of dual voting rights structure can effectively alleviate such control risk. As an Internet company, the control right of the company’s management is in a relatively stable state in different voting rights structures, which can motivate the operation managers to devote themselves to the company’s operation, improve

Table 1. The voting structure of Xiaomi Group

Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)	Number of Shares (shares) Amount of financing (USD)
Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio	Thousand yuan) enterprise valuation (thousand yuan in DOLLARS) in the total equity ratio
Example (%) the proportion of voting rights	Example (%) the proportion of voting rights	Example (%) the proportion of voting rights	Example (%) the proportion of voting rights	Example (%) the proportion of voting rights	Example (%) the proportion of voting rights	Example (%) the proportion of voting rights
(%)	(%)	(%)	(%)	(%)	(%)	(%)
Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547	Class A Ordinary shares 669,518,772 shall not apply 31.9706 82.4547
Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable	Class B Ordinary Shares 374,158,150 not applicable Not applicable
Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469	Series A Preferred Stock 392,591,302 10,250 18,398 18.7469

work efficiency and achieve the consistency of goals.

Second, different voting structures can motivate founders to invest more innovation and human capital into Xiaomi. Xiaomi was founded in 2010 and went public in only 8 years. Its rapid rise is inseparable from its innovation, which, as the most important attribute of a new enterprise, relies on its founder's original ability and keen insight. Therefore, once the control right of Xiaomi is changed, the loss of the founder will be caused by many aspects, such as intellectual property rights and human capital, etc., which will seriously hinder the speed of innovation development and the accumulation of knowledge on innovation ability of enterprises such as Xiaomi electronic technology and Internet. Compared with holding Class B shares, the original shareholders bear greater risks in investment purpose, resource utilization, enterprise development and other aspects than outsiders. Therefore, the dual voting structure is like the equity incentive. It constantly focuses on the team's dedication and continuous innovation ability, increases the sense of belonging and cohesion of the enterprise, and makes the long-term value of the company the goal of the founding team.

The dual voting structure is seen as a way for innovative companies to protect themselves from short-term market behaviour. The main voting groups are groups of fund managers who are more focused on short-term rises

in the value of their shares. In the financial market, institutional investors are excessively concentrated with their sufficient capital strength, which will change the nature of equity investment. In order to avoid this negative impact, the dual voting structure has become the main way to address the short-term interests of stakeholders. At the same time, it is regarded as a tool for management to resist hostile takeover, and the probability of successful takeover is reduced under the dual voting structure. Institutional investors, many of whom are the first to engage in "hostile takeovers", invest in the public not just for a simple return on capital, but also for a timely campaign for voting rights and control. The different voting structure separates Xiaomi's control from its cash flow, and only 10 of Xiaomi's outstanding B shares are worth one of its A shares, making it more difficult to acquire the company in a hostile way of its A shares, making it more difficult to acquire the company in a hostile way.

(2) Impact on the long-term value of the group

The different voting structure is conducive to realizing the long-term value of Xiaomi. Different voting structures highly centralize voting rights to the founding team, which in turn controls the company's operations. In China's stock market, speculators outnumber investors. Most investors tend to change the company's development direction in pursuit of short-term stock price fluctuations or short-term gains. However, as the founders of Xiaomi,

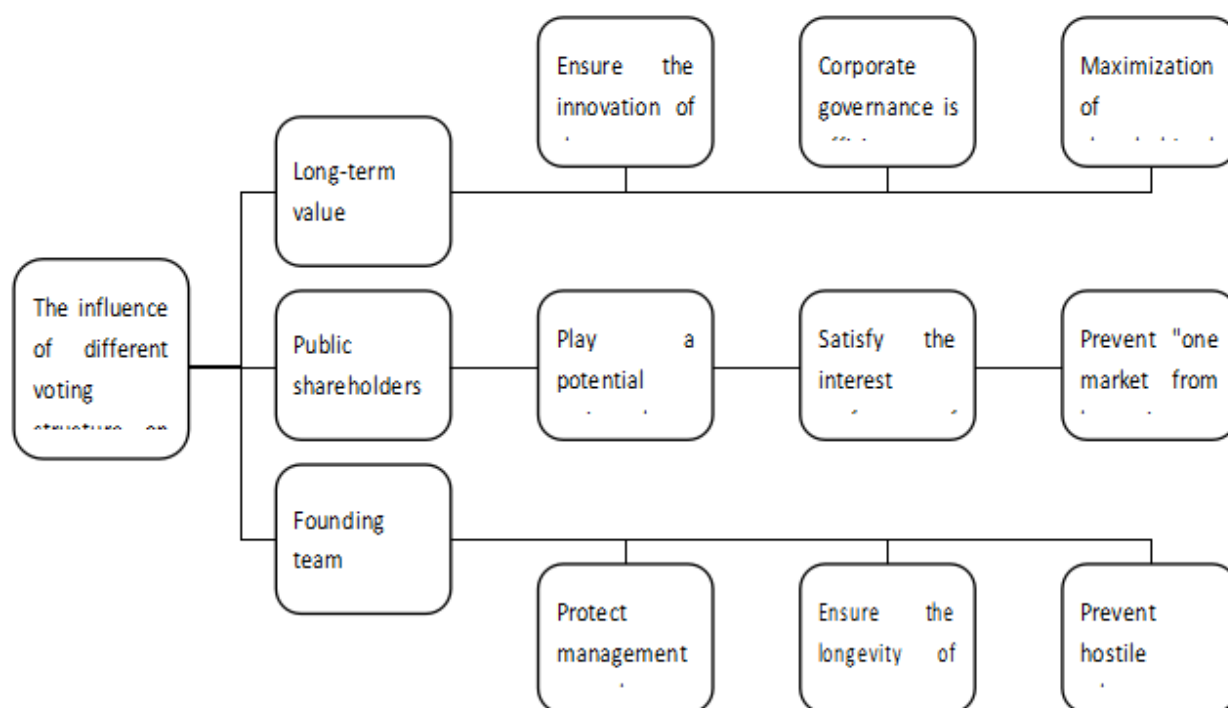


Figure 1. Influence of dual ownership structure on Xiaomi Group

they are more focused on its execution business model and long-term strategic layout and pursue Xiaomi's long-term gains. The granting of rights to the founders will lay a good foundation for the sustainable development of Xiaomi. The control of the company by the founders can overcome the collective action problem and enable the controlling shareholders to invest more flexibly and bear debts, so as to realize the enterprise value of Xiaomi.

At the same time, the dual voting structure agrees that it is easier for the management to set long-term goals for the company and ensure its innovation. A typical example is the Google company in the United States, which adopts this approach in order to maintain the management's ability to innovate. Different voting structure can help managers to give full play to their advantages, so that the company can develop better. Especially for Internet companies like Xiaomi, they need the ideas of entrepreneurs and need to put a lot of effort into the implementation of the ideas. Because it is the input of these special human capital will guide or attract market capital to allocate to individual enterprises. Ultimately, investors who provide capital to companies also benefit.

(3) Influence on public shareholders

As an important characteristic of joint stock limited company, the management enjoys the right to manage the company, while the possibility for shareholders to participate in the management of the company is decreasing. Because of information asymmetry and transaction cost, it is easy to cause adverse selection and moral hazard of senior managers in decision-making, thus increasing the risk of shareholders' interests. Under the different voting rights structure, shareholders' voting rights and usufruct, external holder shareholders and founding team management have a clear division of labor, that is, common shareholders assignment control has enjoyed remuneration, to avoid the small and medium-sized shareholders (as opposed to "with shares with right to" architecture) "free-rider" negative voting behavior, the founding team has control, so as to give full play to the role of the potential voting rights.

At the same time, the dual voting structure effectively reduces the cost of collective decision-making, because it empowers the management, improves the scientific nature of decision-making, and prevents the company's internal control from being affected by the high cost of information transmission and the uneven ability of shareholders. Therefore, as an effective share allocation structure, the dual voting rights structure is the result of the interest coordination between different types of

shareholders. It not only satisfies the interest preference of shareholders, but also enables different shareholders to perform their duties, thus achieving efficient corporate governance.

(4) Negative impact

In the face of market investment, Xiaomi has two shares, A and B, but it is stingy in accepting investment and handing over rights. This is the point at which different voting structures are being questioned: is management digging in to protect itself?

The main reason for the scepticism is that different voting structures do lead to proxy problems. First, since the management has the control over the enterprise, it tends to pay high salaries as its own return, or occupy the company's resources. If it cannot meet the requirements, it requires luxurious offices, and in-service consumption becomes an effective substitute. Second, through related party transactions, transfer the assets in the enterprise to themselves at a low price for personal gain. These are actions that benefit management at the expense of outside shareholders. At the same time, even if a different voting structure is adopted to successfully resist a hostile takeover with control, management will still actively introduce other regulatory mechanisms to replace external competition. This is because capital markets price a company's shares according to its management performance. If investors believe that a company will behave in a way that hurts consumers, its share price is bound to fall.

Under the traditional "one share, one vote" principle, if a company takes money from investors, it should be entitled to shareholder vote, which is the basic rights of investors. After all, Xiaomi relies on investors for its blood, so there should be a place for them. Of course most people invested capital, more the pursuit of interests, for ordinary people mass, earn price difference as long as, the size of the voting rights are not important, but for large shareholders, voting is a kind of security for their assets, different voting rights structure of situation is caused by public shareholders, watching others spend their money; But for the founder of Xiaomi, he can enjoy sufficient cash flow without delegating power to others, which undoubtedly imposes the management risk of the company on the public investors without compensation.

Xiaomi adopts a different voting structure to stand in the perspective of the company, which is of great significance to the founding team and the long-term development of the company, but harms the interests of external shareholders. As long as Xiaomi has a future, the different voting structure makes sense.

4. Conclusions

This paper takes a special case study of Xiaomi Group to illustrate that the Hong Kong Stock Exchange has revised the “same share, same right” listing rule, because in recent years, a large number of high-quality enterprises have adopted dual-class share structure to list in the United States, resulting in the loss of resources of local Chinese enterprises. Although dual share structure has its prey, but this is the developed capital market also is unable to avoid, but millet group listed on the Hong Kong stock exchange provides a reference for mainland China, although our country because of the special capital market structure, market efficiency and considering the reality and regulators interests balance, will be in the future using dual shareholding companies to list in mainland China to make rational evaluation, and introduced or modify the corresponding rule of IPO, make Chinese companies can realize the localization of dual shareholding listed.

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