

# Why “Ding-Dong Community” Cannot Succeed Like American Version “Nextdoor”?

Pei Deng

School of Management, Jinan University, Guangzhou, China  
Email: [dengpei0910@126.com](mailto:dengpei0910@126.com)

Received 16 July 2015; accepted 25 August 2015; published 28 August 2015

Copyright © 2015 by author and Scientific Research Publishing Inc.  
This work is licensed under the Creative Commons Attribution International License (CC BY).  
<http://creativecommons.org/licenses/by/4.0/>



Open Access

---

## Abstract

The conception of community O2O is very popular currently in China, which has become the focus of attention in the field of e-commerce. However, since at the preliminary exploration stage everything in this area changes very quickly, there is not yet mature business model to mimic. Many of the problems should be studied and clarified. Taking the rise and failure of “ding-dong district” as a case, this article attempts to analyze the unsuccessful reason that “ding-dong district” imitates the US version “Nextdoor” in the context of China, and put forward the corresponding countermeasures and suggestions, aiming to provide related reference for Chinese enterprises in the exploration and development of community e-commerce.

## Keywords

Community O2O, Business Model, Community Social

---

## 1. Introduction

Community O2O, based on the development of mobile internet and O2O, is to structure a platform around consumers, merchant and door-to-door service staff in the community setting by integrating on-line and off-line resources, helping complete “the last kilometer” distribution of the product or service which almost is limited in short time and short distance. Compared with traditional e-commerce, on one hand, community O2O is more complicated and small scale, different in many ways including market scale, service standard, and goods category. On the other hand, it is a market with compound requirements, which involve in consumers’ diversified needs, including housekeeping, catering, fresh food distribution, healthy care etc. Besides, the residents in the community are relatively stable, so the loyalty of consumption is relatively high and the price is low. According to the latest research of McKinsey, data show that 71% of Chinese digital consumers are already using O2O service. 97% of consumers said they would continue to use O2O service within the next six months or even in-

crease the frequency of use. For consumers who have not yet used O2O service, nearly one-third of consumers say they are willing to try in the next six months [1]. In a word, it is a rigid need. The business value of O2O community is large.

With the rise of mobile Internet and the continuous progress of urbanization in China, the community as the end of “last one kilometer distribution”, has become a major entry for businesses to compete for the consumers. Currently, not only large shopping sites such as Jingdong, set their sights on this model to establish a “Jingdong get home”, but also SF Express Company establishes the “Hey-geek”, even some dedicate to creating a community with online convenience stores in a O2O way such as “001 Community”. But we also see a lot of companies suffer frustration even transformation or quit from this wave.

In this paper, the writer takes the “Ding-dong Community expansion and retreat” in China as a case, compared with “Nextdoor’s” success story in America and attempts to explain the reason why in the Chinese context putting the neighborhood social as the access to develop communities O2O is not feasible. And after above analysis, I try to put forward appropriate countermeasures for the Ding-dong community future development, meanwhile to provide valuable reference and suggestion for the enterprises on the road of exploring community O2O business model.

## 2. The Business Model of Community O2O

Throughout the existing business model, it can be summarized into four categories: the content type, the social type, the transaction type and the platform type [2] (Table 1).

## 3. The Introduction of “Nextdoor” and “Dingdong Community”

Nextdoor is an online social networking site in American that connects residents of a specific community together, which is on line in early 2011. In addition to being a website, users can also access Nextdoor by mobile phone apps. Nextdoor aims to “create a safe, trusted environment where neighbors can connect with each other”. For instance, each community has its own Nextdoor site that is only accessible by those who are residents of the community. New users may only join the community after they have verified that they physically in the neighborhood. Besides, it requires that real names, not pseudonyms, be used, and be visible to other users throughout the system. In order to ensure better privacy and security, the site gives a certain limit on the number of groups, new community sites are created by Founding Members, who define the boundaries of their neighborhood (Nextdoor recommends neighborhoods with at least 100 homes, up to thousands, and requires at least 50).

From the point of product interface, the left is the function list including the community map, activity groups, registration, the right show the news release box, and chronological friends’ status updates. By default, users only see postings created in their own neighborhood. However, in February 2013, Nextdoor introduced the Nearby Neighborhoods feature, which allows users to both share and see content created in their own and adjacent neighborhoods. Further, Nextdoor provides advice on that content, with an “Frequently Asked Questions” that suggests users post about service recommendations, crime reports, lost pets, event promotion, and so forth; it also explicitly states that self-promotional messages are inappropriate and will be deleted [3]. Nextdoor community sites include a map and directory allowing users to locate and learn more about their neighbors.

Date to May 2014, the site has covered 40,000 communities in America, that is to say, in United States every four communities have a user in Nextdoor sites, and each community has 10 or 10 more active users. Besides,

**Table 1.** Business models of community O2O.

Model	Example
Content Type	Transformation from classified information portal to specific service provider, a typical example is: in 2014 “58 city” launched a new business-“ 58 home”, people can use it to book door-to-door service.
Social Type	Penetration from community social to local business, a typical example: American version “Nextdoor” and Chinese version “Ding-dong Community”.
Transaction Type	Based on existing commerce model, extension from online commerce to offline store, the instance is Jingdong’s cooperation with ten convenience stores.
Platform Type	A offline service platform with extension from offline to online, it is a combination of content, social and transaction, the typical instance is “colorful life” app.

The product also has received more than 100 million dollars in financing.

“Ding-dong district” started out by imitating Nextdoor, claims “social”, “O2O”, “life link” as its three major characteristics, is a typical case in positive community O2O model in China., which is online in March 2014, created by the Shanghai Information Technology Co. Ltd. Essentially it is a APP oriented to daily community life service: through online mobile terminal app, in a social way calculating the residents in order to recommend the local business and service. The product mainly provides three functions: fast delivery, community life, home service. Fast delivery includes breakfast, snack supper, food, beverage, merchandise alcohol etc. Community life involves in community announcements, directory, forums, second-hand market and group buying. Door-to-door service mainly includes clothes dry-cleaning services and courier services.

In early 2014, its founder announced the completion of angel financing 100 million yuan, and its valuation reaches as much as 400 million. In June 2014, the Ding-dong district was beginning to launch large-scale advertising at various subways. But In October of the same year it was said to have suffered fund chain rupture due to rapid expansion, and withdrawn from the Beijing market, the Shanghai area began layoffs, the company sank into full retreat. Recently Ding-dong district conducted a low-key strategic transformation, establishing three of-line service stations for community service delivery, but the effect is not obvious.

## 4. Contrast of “Nextdoor” and “Dingdong Community”

### 4.1. Community Administration and Business

American community management model is typically autonomous. The US government has agency or organization in community. Beneath the city hall, several “Neighborhood Service Centers” or “Little City Halls” are set up in community. They are government agencies that provide services in their respective areas for local residents. They do not possess strong management functions. With these “Service Center”, the city has a number of “District Councils” and a higher level of “city neighborhood councils”. The member consists of representatives from grass-roots organizations and some government officials. They all assume the management and development roles [4]. So in this highly organized neighborhood, Nextdoor can act as a bridge, helping to connect people with existing civic organizations and presenting a low barrier for these transient renters to engage with the neighborhood, in contrast to other alternatives such as more formal civic groups or neighborhood associations. In China, due to the late start of economic development, community management is relatively backward. Although the country has set up a mass self-organization in the community—community committees, because of the functions of setting and capital source it becomes some extensions of government agencies, with serious administrative tendency. The appeal of people cannot get an adequate response, therefore resident’s participation rate is low.

As to community business, when domestic business entities have turned to “internet plus”, the retail sales of neighborhood community businesses and neighborhood shopping centers in United States account for 33% of total retail sales [5]. The most important reason is that the government claims the mall circle of community life featured 20-minutes-walk to the business center as the main type. Besides Community development and layout are completed together by large retailers, commercial real estate developers, real estate developers, insurance companies or funds [6]. But at home, the community is at the exploration stage, let alone the mature community business. For example, the service provided by domestic community property companies are seriously lack of efficiency, as to the business, inadequate integration of existing resources make offline services in community lag behind the needs of the owners.

### 4.2. Product Position

“Ding-dong” set its position as “O2O platform”. Its development path is as follows: cut into the community in the way of community social, then users can use it to keep abreast of important announcements in neighborhood, free to communicate with other users on the forum around the second-hand car, carpool, pets, part-time and other life service discoveries in order to accumulate more users; with this data, Ding-dong district can identify the crowd and subdivide different regions, so as to provide the appropriate surrounding service information for the different communities, but not provide substantive services. To sum up, its mode can be simply summarized as the community BBS plus Classified information ads network.

The position of “Nextdoor” product is: “The private neighborhood social network, to help neighbors build closer and safer neighborhood relationship.” its content focused mainly functional rather than social communications, such as passing along crime statistics, notices of lost pets, and upcoming community events. According to the investigation, the users deemed to be inappropriate for Nextdoor based purely on content reasons, most often centering around commercial posts such as goods for sale. To an extent, Nextdoor as a private online community meet the users’ some kind of mentality in local business aspect. Participants liked and wanted to support local (and especially nonchain) businesses, and so wanted to see postings from them; but they did not want overt advertising or sales pitches. Furthermore, the contents are created by its users, not the businesses, which is a big distinction between Nextdoor and Ding-dong district. Secondly, one of different places is that its registration system and product functions are well fit with the users’ privacy and security requirements, for area residents to create a good atmosphere for the exchange, thus the number of active users is large, social foundation is relatively stable. As for the future development, with the establishment of neighborhood trust and stable contact in the community, Nextdoor will gradually choose some neighboring businesses to cooperate with.

### 4.3. The Target User Base

According to Maslow’s theory, Man’s needs can be divided into five categories: the physiological need, security needs, social need, esteem need and self-actualization need. In contemporary Chinese community, most of the cell did not yet complete the first two needs, compared to the social community, residents are more concerned about the supporting demand for everyday life including domestic service like cooking and cleaning, the distribution service like fresh fruits and vegetables; Besides, strong liquidity of resident population, the relative chaos of the community administration, the lack of community safety all to a certain extent restrict the development of the third phase of social needs. Relatively speaking, American community management style and infrastructure have tended to be improved. Moreover, community cultural construction is the most important part. Community libraries are the typical. So residents’ needs are rising to the spiritual dimension.

In addition, the pattern of community social in China presented the two levels of differentiation. Community social is not only between acquaintances social and strangers social, but also is a kind of social between different age groups. But In fact, for young people, the social market has mainly been dominated by WeChat, Momo and other mainstream products; for old people, because of low acceptance of mobile Internet and smart phones, they are more inclined to social in offline setting. Although in America, there are also social products such as Facebook and Twitter, but in small cities, neighbors live far apart, thus they have a clear community consensus on joint security, moreover, residents’ activities in American community are more diversified, they can be divided into religion, volunteer, health club etc, which are hidden connections that just need a niche platform, so the Nextdoor emerged.

### 4.4. The Marketing Strategy

Promotion strategy of Ding-dong district can be summarized as “pre-installed with cash in a red packet way plus outdoor media advertising”. At its inception like in Shanghai, it distributed a large number of offline staff to invite users to install the APP on the phone, supplemented by “social community” concept and the five yuan cash prize, thus establishing the first user groups; after getting billion financing, ding-dong district began to expand in Beijing, meanwhile launching a large-scale advertising campaign at subways in Shanghai and Beijing. This operating mode brought about a rapid accumulation of users amount and rapid increases of exposure [7], therefore it is easy to see that the focus is on social and media properties, while the connection between offline and online of the specific services is ignored, as well as the real needs of users namely community service requirements.

As to Nextdoor, it is similar to the ding dong district at the aspect of the specific content of local community services, providing information of on-site service for the community. Because of the living culture of North America, only big cities such as New York, Los Angeles, San Francisco etc have mature, developed shops in neighborhoods, as for the “village style” satellite city, they scattered tens of miles km away, any business center needs to drive to advance, most of life services also require booking services. This type of information addressed consumers’ demand for message management. But the different place is that it did not immediately expand in first-tier cities after accumulating a certain amount of users, but actively encourage residents in the satellite town of the city help mutually, contact naturally, until the establishment of security inter-neighborhood, it began to

gradually penetrate the offline, cooperating with the business.

## 5. Development Strategy for “Ding-Dong Community”

### 5.1. The Strategy Adjustment

From the above discussion, it can be inferred that at the present stage in China community social is not a rigid demand for community residents, but the need for surrounding service. So it is a must to change the existing strategy. Of course, we do not deny the social community, in a long term social community will have a good prospect, but now the time is not right, Ding-dong district may set social function as a supporting service, rather than fundamental service. Now in China community O2O is very hot, many companies are jumping on the bandwagon. But for doing vertical market segments, or doing large and comprehensive platform, most do not have a very clear position. The author suggests that it is a appropriate choice for small start-up companies or others without own considerable clients to select vertical market segments as point of penetration.

### 5.2. Integration of Offline and Online Resources

The development path of Ding-dong district is that penetrating from social communities to access and accumulate the community residents; then invite the business to post on-line information of service. One problem of this approach is the high cost and high operating risk. Because currently social community is not a rigid demand, early users would not positively download or keep active on the software for a long time. So Ding-dong district should transform the promotion mode, put the property and businesses as the key, through superior service experience to drive users to join in.

Common problems existing in modern residential property in China are high-cost, low-efficiency and low level of information as well as single channel of income. Therefore, Ding-dong district can choose to cooperate with the property business, being a bridge to connect the owners and the property. Secondly, integrate the surrounding basic services including the takeout, laundry, housekeeping, express delivery etc, build their own service stations in the community, thus not only solving the last kilometer logistics problem, but also better to understand the needs of local residents.

### 5.3. The User Stickiness Enhancement

#### 1) Improve product functions to boost interactivity of platform

As for Ding-dong district, inability to make automatic positioning when in registration compromises the authenticity of community residents, so active online users are just few, plus dysfunction result in poor user experience, which is unable to meet long-term needs of the user. Therefore, it is appropriate to invite community residents to participate in the design of the products and platforms construction for the purpose of identifying problems and correcting them in time. Meanwhile jointly with offline businesses to carry out related activities like discount promotions and group buying on the platform, or extend the online social relationship to the offline setting, like holding family outgoing, or community safety lectures, to trigger exchange between online and offline which in a sense can create a good word of mouth and corporate image.

#### 2) Strengthen the supervision of service quality

Community service mostly involves door-to-door service. Inconsistent between service establishments and premises make service quality control more difficult, so it is necessary to establish a standardized system services and user feedback system. For example, what “58 home” app displayed to users are: transparent, fully standardized pricing rules, a series of information related to the service personnel, including distance, scheduling and evaluation. Once the user place an order, “58 home” will assign the most suitable staff to the client according to the evaluation and distance. After the service, users will need to evaluate the service and customer service of 58 also will make a regular call as a return visit.

## 6. Conclusions

Related data indicate that if GDP per capita in one country is more than \$3000, people’s lifestyle will change dramatically. Commercial industry will also gradually shift from the commercial center to different types of community business. In European countries, community business occupies more than 60% of society’s total

business spending, while in China, the current overall level is less than 30%.

Therefore, community e-commerce as a new traffic entrance possesses wide prospect. As for current Chinese market, community O2O e-commerce is still in its infancy. Mature business model may need a long period of exploration.

## References

- [1] Liu, J.M., Ji, X. and Gong, F. (2015) China's iConsumer 2015: A Growing Appetite for Change. <http://www.mckinseychina.com/chinas-icustomer-2015-a-growing-appetite-for-change/>
- [2] Lin, S., Jiang, W. and Zhang, S. (2014) Macy & Larry O2O E-Commerce Model Analysis. *Research and Applications in Economics*, **2**, 56-59.
- [3] Masden, C.A., Grevet, C., Grinter, R.E., Gilbert, E. and Edwards, W.K. (2014) Tensions in Scaling-Up Community Social Media: A Multi-Neighborhood Study of Nextdoor. *Proceedings of the SIGCHI Conference on Human Factors in Computing Systems*, 3239-3248.
- [4] Li, J.J. and Liu, Y.T. (2013) Review of Urban Community Management Patterns and Preliminary Analysis of China's Community Management Mechanism.
- [5] Zhang, Y. and Huang, L. (2015) China's E-Commerce Development Path and Mode Innovation of Agricultural Product Based on Business Model Canvas Method. *The 14th Wuhan International Conference on E-Business—Innovation Management and IT Business Value*, Wuhan, 19 June 2015, 560-569.
- [6] Xu, Q. and Chow, J.C. (2006) Urban Community in China: Service, Participation and Development. *International Journal of Social Welfare*, **15**, 199-208. <http://dx.doi.org/10.1111/j.1468-2397.2006.00419.x>
- [7] Gao, J. (2013) Analysis of the Community Business Mode Based on Mobile Internet. *Applied Mechanics and Materials*, **411**, 2152-2156.