

# *Comparison and Analysis Between the Different Social Software*

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**Abstract:** This paper mainly introduces the Differentiation strategy which is one of the three basic strategies. For an enterprise, in order to occupy the leadership advantages from the competitive market, its managers should improve the comprehensive and sustainable development ability of enterprise management, as well as independent innovation and development ability from the perspective of business strategy, and rely on product technological innovation, scientific enterprise management and other comprehensive means, to form a differentiated competitive leadership advantage suitable for their own characteristics. Therefore, the differentiation strategy causes various products in different markets. This paper will compare and analyze the differences between different social Software on a strategy level by using literature analysis. It can be concluded that a differentiation strategy can help enterprises survive or even go beyond old companies in the market by attracting different customers group.

**Keywords:** differentiation strategy, social apps, social software

## **1. Introduction**

With the development of information technology, social apps become an irreplaceable tool in modern society. According to the data from CNNIC, China had 981 million instant messaging software users in 2020 [1]. Although there are large amounts of people using these apps, the market competition is still intense. This paper mainly discusses two questions, why some apps can still survive or even occupy the market, but some apps have been eliminated. This paper compares two main national social apps – QQ and WeChat by going back to their development and analyzing the differences between these two similar apps. Furthermore, functions of different apps including both national and international have been compared, in order to find out the distinct interests of people in different regions. Analyzing enterprises in different versions to find out the differentiation. There are three main analysis methods which are literature analysis, case analysis, and comparative analysis. This paper shows the importance of differentiation strategy in companies' development, which can lead managers to pay more attention to it when making decisions. Moreover, from a macro view, it might cause markets to appear with various and distinct products, and provide more choices to customers.

## **2. Introduction to Differentiation Strategy**

### **2.1. The Introduction to Differentiation Strategy**

Differentiation strategy refers to the products or services provided by the enterprise to customers and peers compared with the products or services of other enterprises, the products or services of enterprises have certain uniqueness, which makes them have higher price advantages in both products and services. In this way, enterprises can obtain higher profits. In the actual competition process, the enterprise pays attention to anti-substitution, the higher the differentiation level of its products or services, the easier for the company to obtain monopoly power and obtain higher profit from the operation and development. Industry conventional strategy reflects the accumulation of enterprises in the industry in the process of development experience and lessons learned, choosing the conventional strategy of the industry can better adapt to the industry environment.

Campo has pointed out in their research that A generally accepted corporate strategy is conducive to smooth transactions and able to present a company image with a good reputation to the capital market. Thus the recognition degree of differentiation strategy in the eyes of investors needs to be improved [1]. So the enterprises in the modern competition should pay more and more attention to differentiation.

On the other hand, a differentiation strategy focuses on the differentiation of products or services and requires enterprises to make great efforts in innovation. Accordingly, innovation requires special investment, which will increase the company's dedicated assets [2].

### **2.2. Difference Between Differential Strategy and Competitive Strategy**

Enterprises that choose different strategic forms will present different cost structures and performance, and different competitive strategies will lead to differences in product or service quality, price, cost and expenses [3].

The strategic enterprise of cost leadership pursues low cost and economies of scale so that its cost is lower than that of its competitors and obtain competitive advantages. In order to achieve cost leadership, enterprises actively control costs, through the scale of efficient production equipment to control production costs, to minimize the cost of research and development, service, sales, advertising and other costs.

Obviously, in order to keep the cost of each period lower than that of competitive enterprises, strategic cost-leading enterprises need to be able to timely control the cost or reduce investment in the case of declining business volume and revenue, so as to ensure long-term cost leadership [4]. Differentiation strategy An enterprise pursues differentiation in products, technology, functions and image to differentiate itself from its competitors. In order to highlight the difference with competitive enterprises, enterprises with a differentiation strategy will strive to obtain external key resources, improve organizational learning ability, increase investment in technological innovation, and increase enterprise innovation activities. Generally speaking, the investment of enterprises with a differentiation strategy in technology innovation, service innovation and brand building is mostly a specific investment, which will form a large number of dedicated assets [5].

### **2.3. The Actual Use of Differentiation Strategy**

The way of differential strategy is usually distinguished into five types production, brand, service, channel and labor.

Product differentiation means that the products offered by the enterprise are different from other similar products. In this way, enterprises can be more attractive to customers to differentiate the product from other similar products. Thereby reducing the substitution of other similar products and

helping the enterprise to establish a competitive advantage. Differentiation of products can start from the style, quality and other aspects of the product, actively creating differences in the enterprise.

Brand differentiation means that enterprises promote their products and themselves through relevant media and other aspects of the information to help the enterprise products to establish a good image and distinguish similar products and gradually cultivate consumers' buying habits.

When it is difficult for companies to make a difference through physical resources, it can be obtained from services and other aspects of the gradual establish competitive advantages. For example, it can be simplified the consumption process, improve service quality and other ways to achieve service differentiation.

### **3. QQ and Wechat – National Apps under the Same Firm Tencent**

#### **3.1. The Development of QQ and Apps Which Have Been Eliminated by QQ**

QQ was born in 1999, at that time it was called OICQ. In 2000 it changes its name to QQ, and use a penguin as its figure. In 2003 QQ games have been created. Since 2005, QQ allows users to personally design their own accounts, and share daily experiences in the QQ space. Until 2011 QQ can transfer information between digital products and can send voice messages. In the past few decades, QQ changed its figure several times, making it easily can be memorized.

QQ still has its competitors like MSN and so on, as it developed. In the beginning, the advantage of QQ compared with other apps is convenience. MSN started earlier than QQ, but if two people want to connect with each other, they must know their MSN number, which limited the social circle of MSN users. While QQ finds out about the defect of MSN and tries to satisfy the wish of teenagers to socialize with others, allows QQ to meet new and unknown friends. Here shows the different strategies of the two apps. For firms, how to exhibit their difference from their competitors and how to attract customers is important.

When QQ occupied the market, it changes its strategy. In order to maintain the number of teenagers and youth, QQ became gorgeous on the basis of maintaining its convenience, which also shows the difference from other apps, as they still keep their dull appearance.

There is another reason why some enterprises are eliminated, and it is the opposite of the examples above. These enterprises have realized the importance of a differentiation strategy. But lack of practical experience leads to many enterprises implementing of differentiation strategy in the process of certain blindness. Part of the enterprise completely imitates other the differentiation strategy of the enterprise, and not the development of their own, the development of the enterprise itself is a lack of accurate positioning, also did not understand the consumer demand change, this way of blindly following the implementation of differentiation strategy, it is easy to influence the implementation of the strategy of differentiation effect, eventually lead to a huge waste of resources, Serious and even affect the original competitive advantage of the enterprise, so that the competitiveness of the enterprise is constantly weakened, and eventually fall into the situation of vicious competition [6].

#### **3.2. Different Developing Direction of QQ and Wechat**

Wechat was born in 2011, but nowadays it's the only national SMS app that can compete with QQ.

Based on the five forces competition model[7], social media technology has a low threshold and requires high competitiveness, the free provision of social media services requires attention to service quality and user engagement; the standardization, interconnectivity and integration of social media and the trend of security determine the "scale advantage" of the social media market

[8].Tencent's platform positioning is different in three aspects: user positioning, function positioning and social positioning [9].

In the beginning, there is no large difference between the two apps, as most of the data in Wechat are copied from QQ. But with the real-name registration system appearing, the position of these two apps diverged. One phone number can only apply 1 account on Wechat, while one phone number can apply up to 10 accounts. Which means that the information on Wechat close to the real life, but on QQ can be more fictitious. Tencent follows the differentiation strategy in product positioning, user positioning and product design. From the perspective of product positioning, the main difference between the two products positioning lies in: WeChat makes communication more efficient, while QQ makes communication more fun. Although both are social media platforms, QQ pays more attention to the establishment, maintenance and expansion of online virtual relationships.

### **3.3. The Comparison of Different Functions of QQ and Wechat**

Nowadays QQ is more likely an entertainment, while Wechat becomes a working tool on the basis of maintaining its usage as an SMS app. QQ nowadays is not only an SMS app but also a platform with multiple entertainment functions including QQ games, QQ music, QQ email and so on.

If people say the core of QQ might be personal and comprehensive, the main idea of Wechat is clear and efficient. From the perspective of product design, Wechat has taken simplicity and efficiency as its appeal and has become a comprehensive tool with communication and dissemination information as its main function, carrying extra functions such as games, shopping and so on. WeChat, as a new app (compared with QQ), want to attract customers and compete with QQ, must have its own characteristic, otherwise, it just copies the past of QQ. The manager has done a differentiation strategy even before the app has born. The marketing strategy of differentiated competition can help enterprises develop in the market economy. That is the reason why the number of users of Wechat can compare favorably with QQ, although its functions are inferior to QQ. In order to truly implement the market differentiation management strategy, enterprises must do research and analysis of the real internal needs of customers. And then determine the potential customers more suitable for their own market according to the different potential needs of customers. Therefore Enterprise Wechat have been created to enlarge its advantage. It works as an appendage of Wechat, which is a professional tool for firms, in order to assist enterprises in efficient office and management.

### **3.4. Different Customer Group Between QQ and Wechat**

As the function of the two apps is different, the customer group also has differences. Most QQ users are aged between 15-25, the second large part is aged between 26-40. While the percentage of Wechat users whose ages are between 26-40 occupied over 70%, and the second large group is people whose ages are between 41-55 [10]. Although samples might have a large superposition, as people can use Both WeChat and QQ at the same time, it still shows a trend. QQ attracts teenagers because of its personal design. With the time changes, as teenagers start working, they might spend more time on WeChat because of the job demand. Because of the differentiation strategy, QQ and Wechat can provide suitable and better service for their customers. They are now tightly connecting target customers with certain services, in order to support its long-term development.

## **4. The Comparison of Functions of National and International SMS Apps**

By comparing the function of national and international SMS apps, most of the functions are the same. Although there are differences between different apps, on a macro view, all these apps can run basic functions as an SMS app.

The main difference between national and international apps might be can it works as a wallet. In China, both Wechat and QQ can use online payment, as this new paying method became more and more popular, phones almost relace the wallet. While in other countries, Credit cards and cash are still the main paying method. Both of these two methods have advantages, online paying is much more convenient, but traditional ways are more secure. But online paying is still a trend, as in recent years, Paypal has been created. it still has some restrictions and defects, it can only be used on Apple, therefore it still needs years to escalate its influence.

## 5. The Comparison of Functions of Different National Social Apps

### 5.1. The Comparison of Functions of Different Social Apps

Social apps not only conclude SMS. Although WeChat and QQ are social apps, they still limit the social circle to family members, friends, and people around you. They are more close to real life. But people sometimes still want to meet people of the same tastes. When people share on Microblog, people all around the world might see them sharing, but if they share on QQ space, only their friends can see it.

### 5.2. Specific Function of Neonatal Apps

WeChat and QQ are typical comprehensive social apps. While some social apps have only a single purpose. Then the specific function or usage will be compared with Wechat or QQ. Ding Talk is a formal app for enterprises, which can help manage the enterprise. Expect its more function assist managing, it can truly distinguish work and private life.

People might meet friends in a virtual world, maybe through games, the internet or other places. The connection between these friends might not be close. In other words, they do not need connection in real life, only in the digital world. Kook is an app for communicating during playing games.

The reason why these apps can survive, are they find out the needs of the market. Although large companies occupied the market, because of the strategy, a product cannot satisfy everyone and meet all their needs. Therefore using a differentiation strategy can fill in the market.

## 6. Conclusion

Differentiation strategy plays an important role in enterprise management and is an effective measure to improve the market competitiveness of enterprises. This paper by comparing the specific functions and past developments, and find out differentiation strategy can help enterprise survive or even go beyond old companies in the market by attracting different customers group. Especially two similar products under one company, how to distinguish, and how to face different customer groups are one thing an enterprise should consider.

This paper only compares apps on a strategic level but does not consider uncertainties. Social apps might only be parts of products of a large enterprise. This means managers might design plans which suit the enterprise but are not the best choice for the studio under it. And the comparison methods are theoretical, and most of the data that can prove the idea is classified.

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