

A Practical Study on The Integration of Business and Philanthropy Enabled by Data

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Abstract: [Objective/Significance] To explore the mechanism of data empowerment "business + public welfare" integration, and open the black box of data empowerment in the field of commercial philanthropy. [Method/Process] A single case study is adopted, taking the logical conflict of the integration of business and public welfare as the starting point. [Result/Conclusion] Because of its intelligent ability, connection ability and analysis ability, data empowerment provides tools for the information supply, information interaction and data application of Shantao, and is the basis for realizing communication and interaction, supply and demand matching and public welfare supervision. In addition, due to the problems of organizational convergence and immature technology, this development model still has many obstacles.

Keywords: Data empowerment, Public welfare and charity, Social enterprise.

1. Introduction

Since the early 20th century, the concept and methods of commercial profit have gradually entered the field of public charity [1], and public organizations have also begun to use commercial means to improve the efficiency and influence of philanthropy. At the same time, in order to draw resources needed for their own development from the outside [2] and promote the growth of corporate performance [3, 4], commercial enterprises enhance their image of social responsibility by participating in public welfare and charitable activities. Social enterprises are considered to be a kind of organizations with mixed value attributes that use commercial means to achieve social purposes. They are between commercial enterprises and public welfare organizations, and play an important role in making up for the insufficient capacity of the public sector to provide social services and the "market failure" of the private sector to create social welfare [5]. While conducting business operations, it also undertakes the mission of improving social problems [6]. It can be seen that the integration of "business + public welfare" has become an important trend in the development of philanthropy. However, at the same time, the drawbacks of the commercial charity model have gradually emerged, with scandals such as enterprises using charitable donations as a tool to conceal negative information [7], and charitable organizations using commercialization to enrich themselves have emerged in an endless stream, and the legitimacy of commercial charity has been questioned.

In this context, data empowerment provides new opportunities for the integration of business and public welfare. In the era of digital economy, the amount of global data has exploded, and data has become a globally recognized new engine for enabling economic development. As one of the five production factors alongside land, capital, manpower and technology, data has begun to form modular application scenarios in many fields such as government affairs, platform algorithms and enterprise production, and the marketization of data factors has become an objective necessity [8]. In the business field, data empowerment refers to the process of product innovation and service innovation through the use of data mining, data analysis and other technologies [9]. The

intelligent ability, connection ability and analysis ability embodied in data empowerment are the necessary prerequisites for enterprise demand perception, resource connection and accurate matching of supply and demand [10]. By using data empowerment, enterprises can reduce the uncertainties brought by the huge data flow [11], and achieve enterprise performance improvement and value creation [12].

Although the existing literature has conducted a series of studies on the role of data empowerment in the business field, the contents mainly focus on platform enterprises and traditional manufacturing enterprises, and have not paid attention to the organizational form of social enterprises, and rarely involve the value creation of data empowerment in the field of business philanthropy. Based on this, this study attempts to explore the following questions: How can data enable the integration of business and public good? Therefore, this research chooses Shantao as the research sample, takes the dual goal conflict of commerce and charity as the logical starting point, and analyzes the practical process of the integration of commerce and public welfare through the case study, in order to promote the development of Chinese public charity.

2. Case Selection

In March 2011, when the Red Cross Society fell into a huge crisis of trust due to the Guo Meimei incident, China's first online charity supermarket, Shantao, quietly appeared on the Internet. It combines "e-commerce" with "charity shops" and creates a new model of public welfare. This model is still in its infancy in China, and there is no model that can be used for reference or success, but it is a very effective way to use business means to solve social problems. On the platform, people can easily participate in public welfare activities by purchasing goods online or donating idle items. From the commercial nature of "Shantao", in 2021 alone, Shantao sorted 331,000 idle items; 182,000 idle items were transferred through Shantao charity shops; There are 81 companies participating in the donation, and two donation companies have begun to employ people with disabilities from 2021, achieving a good radiation impact. Judging from the public welfare nature of "Shantao", the core public welfare mission

of Shantao is to support the employment of disabled people and advocate green consumption by selling idle goods. In addition to helping to solve the problem of training, employment and social integration of people with disabilities, the public welfare funds of Shantao are also used to support the advocacy of inclusive employment environment and green and low-carbon community construction and other public welfare projects, with a view to solving social problems through business models, revitalizing idle materials and invisible human resources, and creating a sustainable public welfare model.

This study chooses Shantao as the case analysis object, mainly based on the principle of typicality. First of all, the nature of Shantao is typical, and it is a typical case of the integration of modern business and public welfare. Compared with commercial enterprises, Shantao, as a social enterprise, emphasizes the goal orientation of realizing social value, and changes the traditional goal of commercial enterprises to maximize personal profits. Compared with public welfare organizations, Shantao has its unique advantages in talent introduction, project implementation, organization and management. In addition, Shantao was established early, and has experienced both the highs and lows of the development of Internet public welfare, as well as the update and iteration of digital technology. After ten years of exploration and progress, Shantao has become the benchmark of the industry, effectively realizing the deep integration of business and public welfare, and has a strong social influence. Therefore, by taking Shantao as an example, this study can more clearly demonstrate the role of data empowerment in the integration of business and public welfare, and then respond to the question of how data can enable the integration of business and public welfare.

This study mainly collects data through the abundant secondary data on the Internet. The diversity of data sources can make data complement each other and triangulate, so as to enhance the robustness of data and the validity of cases. Mainly includes: (1) internal information, including the company summary, annual data report, etc.; (2) Open external materials, including online and offline interview materials of relevant person in charge of Shantao, relevant news reports, official website dynamics, social media publicity materials, relevant academic literature and industry analysis reports in CNKI database, etc.

3. Practical Process

When studying the value co-creation problem of service-oriented enterprises, Lenka et al. divided data enabling capability into intelligence capability, connection capability and analysis capability [13]. Among them, intelligent ability refers to the ability of information perception and capture; Connectivity refers to the ability to realize information interconnection; Analytical ability refers to the ability to transform existing data into valuable information and apply it [14]. At the beginning of its establishment, Shantao has optimized the e-commerce process with digital technology, and its internal and external data collection and transformation applications are relatively mature. Using data empowerment, Shantao can obtain users' feedback on corporate publicity more intuitively, and then widely mobilize donations, consumption and cooperation for Shantao in a targeted manner. In addition, data empowerment also provides a tool for the data interaction of various subjects

centered on Shantao, and makes it possible for Shantao to achieve external supervision through data disclosure and thus gain public trust. Data empowerment is effectively embedded in the practice process of "business + public welfare" integration.

3.1. Realize Multi-Dimensional Information Supply with Intelligent Ability

The main line business of Shantao is mainly based on the Internet platform, so its external publicity and user data acquisition also rely on the platform, through which the captured data is converted into valuable information. External publicity is the most direct and commonly used way to expand corporate user data and improve corporate visibility and influence. According to the signal transmission theory [15], in order to attract potential consumers and partners and obtain various resources conducive to the development of enterprises, enterprises will take some actions to transmit information to the outside world. With the vigorous development and extensive use of the Internet, online mobilization has been able to transcend the limitations of physical space and micro-regional limitations, realize multidimensional information supply, and provide opportunities for the reorganization and sharing of social resources.

On the one hand, data empowerment realizes the diversity of information supply media. As a carrier of information, data can be presented in various forms such as numbers, symbols, text, pictures, audio, video, etc., breaking through the limitations of traditional media. Shantao uses diversified forms of publicity to actively publish relevant corporate information on the official website, Weibo, wechat and other social media platforms, including Shantao's development status, participating public welfare projects, donations and purchases, and corporate dynamics, so as to achieve instant production, instant upload, instant communication, and effective interaction. These contents often contain emotional clues that can stimulate people's empathetic attention, which allows individuals to express their concerns about the welfare of others, thus causing altruistic behavior and stimulating the public's willingness to participate in charity.

On the other hand, data empowerment realizes the diversity of information providers. In addition to Shantao itself, other enterprises, social organizations, and individual citizens can become new information providers on the information platform, and use wireless communication networks to transmit information to others to improve the overall information supply. With the help of various platforms, Shantao consumers can publish their shopping and participation experiences in Shantao anytime and anywhere, which not only greatly reduces the distance between Shantao brand and the public, but also makes the consumers who used to be silent behind the scenes become the makers of Shantao propaganda content and the disseminators of brand reputation, and become a powerful promoter of Shantao brand promotion.

3.2. Realize Real-Time Information Interaction with Connection Capability

With the wide application of digital technology in the field of public welfare and philanthropy, the flat, convenient, real-time and shared characteristics of information exchange promote the transformation of information transmission from one-way to two-way interaction, bringing more beneficial

features for the public to participate in public welfare activities. Due to the nature of its social enterprises, the individuals and enterprises who donate goods and the buyers of goods are indirectly involved in the public welfare projects of Shantao, and the participation of various subjects forms a process or activity chain that can be called "data link", and data empowerment promotes the connection between people and information and information.

For Shantao, with the help of data empowerment, the selection, processing, pricing, publicity, sale, after-sales and other related links of online charity sale products become more flexible, and the service standard is more controllable. The online feedback from donors and consumers is also conducive to the improvement of Shantao's work process. At the same time, the data-enabled connectivity enables the information transmission within the organization to break through the original hierarchical restrictions, and individuals in the organization can be both the receiver and sender of information, promoting the coordination and supervision within the organization.

For donors, whether enterprises or individuals, as long as they are willing to donate, they can find clear and concise operating guidelines on the official website or wechat public account. If they have any questions, they can communicate with the staff of Shantao in a timely manner to achieve two-way information exchange. After the completion of the donation, Shantao will assign an item number to each item upon receipt of the donation and feedback it to the donor, so as to facilitate the accurate tracking of the destination of each donation, enhance the participation of the donor in the whole process through the accurate matching of the data stream and the item stream, and realize the real-time mutual data. Not only that, in addition to recording the items left behind, it will also record the reasons for the removal of items (the reasons are classified and classified, concentrated in the bar code), and timely feedback the relevant data to the donor, in order to improve the storage rate and brand trust of donations, and expand the donation processing capacity.

For commodity buyers, because Shantao has wired stores on Taobao and wechat mini programs, the vast majority of buyers can buy their favorite goods through these two platforms and pay through the payment tools provided by the platform. The occurrence of a transaction is accompanied by the completion of public welfare behavior, and people only need to authorize their user data to connect between various platforms to achieve "fingertip public welfare". In addition, commodity buyers can also share the information of Shantao's public welfare activities online through their own social networks and write comments on the activities. With the help of the Internet platform, such information can be spread to a wider group of people in a short time, improving the visibility and influence of Shantao.

3.3. Analytical Ability to Achieve Effective Use of Data

The analytical capabilities embodied in data empowerment can help Shantao in supply-demand matching and public welfare supervision. In terms of supply and demand matching, with the help of intelligent hardware and software, Shantao can collect massive user data through user donations, purchases and commodity browsing records, mining and analyzing the personalized needs of different users, and then provide users with targeted push and personalized services to

improve the transaction rate and user satisfaction, so as to achieve effective locking of users. In addition, Shantao can analyze readers' reading preferences based on the number of social media tweets read, and adjust the content of the promotion to attract potential participants.

In terms of public welfare regulation, data can bring more transparency and binding accountability mechanisms to public welfare activities, as well as clear evidence to judge whether public welfare goals are being achieved, and help solve the widely criticized problems in the public welfare sector such as donation circulation and information disclosure. Outside our organization, data empowerment has helped us build transparent relationships among donors, consumers and recipients, as well as other stakeholders, strengthening trust among participants. Shantao will publish its operation status in the form of "digital stories" on Weibo, wechat and other platforms from time to time to maintain effective communication with donors, and donors can also check the data of each donation through Shantao official website, including the sale of donated goods, the final flow of funds and the subsequent public welfare value. In addition, every month, Shantao will publicize the donation on the wechat public account, including the donated enterprises and individuals and the content of the donation; Publish financial transparency report on the official website every six months; The annual Transparency Report is updated annually. In the annual Transparency report, you can see the changes in the size of the organization, social impact data and financial data. Not only that, Shantao requires every public welfare organization that cooperates with it and accepts its donations to publish their financial reports and work reports online on a regular basis, so that all members of the public can view them on the online platform to facilitate online supervision by all members of the public and stakeholders. Through open and transparent data, we effectively balance the needs and expectations of various stakeholders and enhance the credibility of the organization.

4. Conclusion

In China, the rapid development of digital technology has injected new vitality into philanthropy, and business and philanthropy are no longer in opposition to "left" or "right". The logic of consumerism and the business interests of enterprises influence the direction and agenda setting of emerging philanthropy. However, many scholars are still skeptical about the integration of business and public welfare, believing that commercial power will lead to the deviation of public welfare goals. There is some reason for this concern. The behavioral logic of business and public welfare is indeed in conflict, but the conflict is not insoluble. As a typical case of the integration of business and public welfare, the practical experience of Shantao is worthy of in-depth summary and excavation. This study starts from the case, and through the in-depth analysis of the case, summarizes the mechanism of data enabling the integration of business and public welfare. Data empowerment is an important tool for business and public welfare to move from separation to integration. The integration of the two mainly connects the originally independent business chain with the public welfare chain by directly connecting the transaction behavior with the public welfare project, forming a new ecosystem network. Using the intelligent ability, connection ability and analysis ability embodied in data empowerment, Shantao realizes the

integration of business and public welfare from the dimensions of information supply, information interaction and data application.

While the commercial practice of charity has become the mainstream of development, the risks of data-enabled business and public welfare integration should not be ignored. First of all, this development model still faces enormous competitive pressure. The scale of the integrated development of business and public welfare is gradually expanding in the exploration, the phenomenon of organizational convergence is becoming more and more obvious, and the competitive advantage of organizations is gradually declining. Second, data empowerment may introduce new risks. On the one hand, at this stage, the development of digital technologies such as big data and blockchain is still immature, and there may be loopholes in practice. On the other hand, technology is not neutral, it is the material expression of multiple and contradictory social intentions. The current Internet public welfare increasingly emphasizes the unfortunate "visibility", the logic of competition dominates the relationship between recipients and donors, the logic of platform algorithms and commercial interests shape the development direction of public welfare, and public welfare activities have become a tool to attract traffic. Therefore, in order to ensure the healthy development of public welfare undertakings and promote the effective integration of business and public welfare, how to prevent the erosion of technological capital and avoid the possible asynchronous dilemma between technology and society is the next question that needs to be explored.

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