

Current Situation and Countermeasures of Agricultural Products E-Commerce Development in Heyuan City¹

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Keywords: agricultural products; e-commerce; countermeasures

Abstract: Agricultural product e-commerce is the key and difficulty of Internet + agriculture, and it is also the only way to develop modern agriculture and increase farmers' income. In recent years, agricultural product e-commerce in Heyuan city is developing fast and has become a new bright spot of the rural economic development and the momentum of transformation and upgrading of agriculture. However, weak rural infrastructure, decentralized production of agricultural products and the lack of e-commerce talents are the obstacles for the development of agricultural product e-commerce in Heyuan. Therefore, this paper puts forward some countermeasures, such as speeding up the construction of standardization system and brand of agricultural products, improving infrastructure construction and strengthening personnel training.

1. Introduction

According to Central Document No.1 *Several Opinions of the CPC Central Committee and the State Council on Deepening Supply-Side Structural Reform of Agriculture and Accelerating Efforts to Foster Drivers of Agricultural and Rural Development* released in 2017, the government will promote the development of rural e-commerce, support the development of e-commerce platforms for agricultural products and rural e-commerce service stations, and promote the "Internet + modern agricultural action" initiative. This shows that the state attaches great importance to the development of rural e-commerce. The internet is the main tool to lead the transformation and upgrading of agriculture. Since 2015, Heyuan has combined rural e-commerce with targeted poverty alleviation, vigorously developed a new model of "Internet + e-commerce poverty alleviation" and achieved remarkable results. However, at present, the development of agricultural product e-commerce in Heyuan is still in the primary stage. Due to the high circulation cost of agricultural products, scattered sales, asymmetric transaction information and other reasons, the market benefits and brand influence of Heyuan featured agricultural products are still low. Therefore, this paper will put forward relevant countermeasures on the basis of analyzing the problems in agricultural products e-commerce in Heyuan city.

2. Current Situation of agricultural products e-commerce in Heyuan city

2.1 Rapid development of agricultural products e-commerce

In recent years, Heyuan has been accelerating the integration of rural industry and e-commerce. Centering on the modern agricultural demonstration area of Dengta basin and the construction of characteristic fruit industrial belt in the upper reaches of Dongjiang river, Heyuan is pushing forward the construction of three industrial parks, four bases and five breeding centers, while actively introducing e-commerce platforms like Jingdong and Alibaba, which will accelerate the construction of county, town and village e-business service stations. At present, it has established more than 300 e-commerce service stations in towns and villages. At the same time, Heyuan city

promotes the accelerated development of e-commerce park. Heyuan e-commerce industrial park has been established, and the e-commerce industrial parks in Yuancheng district, Longchuan county, Lianping county and Heping county have been opened and operated successively. Heyuan has set up more than 3,400 online stores on various large-scale e-commerce platforms in China, more than 2,200 of which offer life services. In 2017, the city's online retail sales were about 5.06 billion yuan, an increase of about 120% year on year. Longchuan was selected into the national comprehensive demonstration county for e-commerce into rural areas in 2015. After that, Zijin county and Heping county were also selected into the list of 2018 national comprehensive demonstration counties for e-commerce into rural areas. Rural e-commerce has become a new engine for targeted poverty alleviation and rural revitalization. At the same time, Heyuan city annually holds e-commerce promotion meetings for agricultural specialty products, e-commerce annual goods festival, "double 11" e-commerce festival, etc., which directly guides agricultural specialty products to quickly "get online" and opens up rural product sales channels to consumers.

According to the research report on the development of agricultural brands in Guangdong province, northern Guangdong has become the leader in the development of e-commerce of brand agricultural products, and the top three cities in the sales volume of e-commerce are Meizhou, Shaoguan and Heyuan. Heyuan has become an important supply base for Guangzhou, Shenzhen, Hong Kong and Macao agricultural products. Rural e-commerce continues to maintain a high speed of development and has become a new highlight of Heyuan economic development and a new driving force for transformation and upgrading.

2.2 Diversification of agricultural products e-commerce model

2.2.1 B2C mode

B2C mode is business-to-consumer mode, in which brokers, wholesalers and retailers of agricultural products sell products to consumers through online e-commerce platform, represented by "Cun You Cun" online mall and "Shuang Feng Shou" online mall. Since Shuang Feng Shou was put into operation, the sales volume has exceeded 2 million yuan. What's more, Cun You Cun promotes the successful entry of 21 enterprises such as Guangdong Fuyang biotechnology company, Guangdong Sanyou Wine Company, as well as 17 provincial-level and 34 city-level professional towns in Heyuan city. Up to now, there are more than 200 kinds of famous and high-quality agricultural products providing Cun You Cun physical mall display platform. At the same time, the enterprises are organized regularly to participate in some large-scale e-commerce events, such as Guangdong International E-Commerce Conference, Guangdong E-Commerce Festival and E-Commerce Summit Forum, and learn and communicate with national outstanding e-commerce enterprises, which have improved the visibility of Heyuan agricultural enterprises and products.

2.2.2 F2C mode

F2C (Factory to Customer) mode, also known as farm direct supply mode, refers to the mode of the production base selling agricultural products directly to consumers through online platform, with direct supply and direct sale, represented by "Chuniang Express". Chuniang Express is the first self-established network sales platform for fresh agricultural and sideline products in Heyuan. It was officially launched on September 1, 2014. It has its own vegetable and poultry breeding base. So far, the sales volume has exceeded 100 million, serving more than 1000 families. Chuniang Express combines the four core parts the line - self-production, network platform sales, cold chain delivery and smart fresh food vending machine. A distribution center was set up in Dongyuan county to transfer agricultural and sideline products. At the same time, the smart fresh food vending machines with the function of 12-hour cold storage are installed for free in the communities, and the products are delivered by minivans under the whole-process cold chain to the food vending machines, and people only need to pick up the food downstairs at a convenient time. It is very popular, convenient and time-saving, and also allows people to enjoy healthy food.

2.2.3 O2O mode

The concept of O2O model was proposed by Alex Rampell in 2011, that is, Online to Offline. It

combines offline commerce with the internet to make the latter become the front stage of offline transaction. It is an upgraded version of B2C model. It combines the abundant agricultural products offline with the internet and breaks the traditional one-way trading mode to create a better experience instead of the “electronic market + logistics” mode of traditional e-commerce. The large-scale agricultural product circulation center of Heyuan city adopts the O2O model. In addition to selecting agricultural products in the store, consumers can also choose agricultural products through online trading platform. After payment, the products will be delivered offline. The O2O mode has provided consumers with safe, convenient and secure experience.

3. Problems in agricultural products e-commerce in Heyuan city

3.1 Imperfect standardization system of agricultural product

Standardization is one of the preconditions for the large-scale circulation of agricultural products in the e-commerce market. Through the construction of standardization system, enterprises can simplify operations, optimize processes and improve the quality of products and services. In developed countries, the standardization of agricultural products has been very popular, but it is not perfect yet in Heyuan. The main problems are as follows: First, the production scale of most agricultural products is small and scattered, and the production is haphazard. Farmers don't know about the advanced agricultural technology and production standards. The production process lacks effective monitoring, and the quality and safety level is difficult to be guaranteed. Second, there is a lack of unified technical standards and national standards in the processing, transportation and sales of agricultural products. Even national standards, industrial standards and enterprise standards sometimes contradict each other. Third, as for the needs of the development of modern agricultural production, the government lacks a standardized evaluation system and supervision system for agricultural products. In the process of producing agricultural products, there is no standard to be followed or there is a standard, but the producers didn't follow it, which leads to the lack of credibility in the quality of agricultural products.

3.2 Weak infrastructure for agricultural e-commerce

The weak infrastructure is the main obstacle restricting the development of agricultural e-commerce. First, the rural network infrastructure is imperfect, the popularization of internet is low, and the degree of informatization is low. Heyuan city has a large rural population, but the permanent residents are mainly the elderly and left-behind children, and their acceptance of agricultural informatization is relatively low. Second, the high logistics cost and the lagging development of cold chain logistics system are the main factors restricting the development of agricultural e-commerce in remote areas. Because the fresh food is seasonal and perishable, with the multiple circulation links and underdeveloped rural transportation facilities, the logistics cost of agricultural products is pretty high. Most local e-commerce companies use third-party logistics companies, who have narrow logistics coverage, imperfect cold chain storage equipment, therefore easy to damage and deteriorate the products due to long-term transportation.

3.3 Lack of e-commerce talents

The lack of e-commerce talents is the bottleneck in developing agricultural e-commerce. The talents in need should not only have the professional skills, marketing skills and management skills, but also have rich agricultural knowledge.

However, the current talent system lacks the training mechanism for such interdisciplinary talents. Most of those engaged in rural e-commerce are mainly composed of college students who go back to their hometowns to start businesses. Without professional training, they lack relevant skills in product operation, art design, promotion, logistics tracking, customer service and other aspects.

4. Countermeasures for the development of Heyuan's agricultural e-commerce

4.1 Strengthen the standardization of agricultural product quality

Standardization is an important measure to promote modern agriculture and an important guarantee to improve the quality and safety of agricultural products and enhance their competitiveness in the market. In order to promote the development of Heyuan's modern agriculture, the government should strengthen the standardization of agricultural products to promote the structural reform of supply side. First of all, the government needs to build an agricultural standardization system, focusing on characteristic agriculture, modern agriculture, quality and safety of agricultural products and other aspects. What's more they should formulate agricultural standards and establish a standard system for the whole process of pre-production, in-production and post-production that is based on national standards and is compatible with industrial standards, local standards and enterprise standards. Secondly, they should promote the construction of agricultural standardization pilot demonstration and give play to the leading role of the demonstration zones. In the process of agricultural standardization construction, the government should increase support for the leading enterprises, guide them to actively participate in the construction of standardization system, and encourage them to convert their scientific research achievements and technical experience into technical standards. Efforts should be made to form an agricultural industrialization mode of "company + base + standard + peasant household" led by leading enterprises. Through the construction of the demonstration area, the standardization of production, the branding of sales and the industrialization of management will be realized step by step.

4.2 Promote the brand of agricultural products according to local conditions

Branding is the only way for the development of agricultural product e-commerce. Strengthening the brand construction of agricultural products is conducive to improving the market competitiveness of agricultural products and increasing farmers' income. First, the government should adjust measures to local conditions, optimize the distribution of agricultural products, expand and strengthen the distinctive agricultural industries, build a new business model that makes sure every town and every village have they own famous products, and focus on cultivating a number of high-quality agricultural products brands with Heyuan features. Second, the government should strengthen brand demonstration and give full play to the leading role of Longchuan e-commerce demonstration county, focusing on promoting the construction of Heping county as the "demonstration county of Guangdong province's high-quality county" and Dongyuan county as the "demonstration area of Guangdong province's famous Hakka green eco-tourism industry brand", promoting the application of Zijin spring sweet orange, Heping kiwi and other products for the National Geographic Mark Protection Products and developing pollution-free and organic agricultural products and green food. Third, the government should encourage enterprises to participate in local agricultural product fairs, expos and trade fairs, make full use of large-scale e-commerce platforms like Taobao and Jingdong and internet to combine offline products and online sales, and enhance the brand awareness and reputation of featured agricultural products.

4.3 Improve infrastructure construction

The government should increase support for the construction of rural infrastructure. First, they should strengthen the laying of information and communication infrastructure hardware in rural areas and build broadband network applications covering both urban and rural areas. Second, large logistics companies and e-commerce enterprises should be encouraged to establish cold chain system and logistics distribution center for agricultural products to provide systematic, smooth and low-cost logistics services for remote areas.

4.4 Strengthen the training of rural e-commerce talents

E-commerce into the countryside, talent is the biggest obstacle. In order to strengthen the training of rural e-commerce talents and crack the bottleneck of rural e-commerce development, the government should vigorously introduce leading and high-level e-commerce talents, increase the investment in training funds, and cooperate with well-known online business enterprises to build an e-commerce talent training platform. At the same time, students majoring in e-commerce should be encouraged to return home to start businesses and work, so as to create a good atmosphere for employment and entrepreneurship of rural e-commerce.

Acknowledgment

Fund Information: Key Project of Heyuan Vocational and Technical College (No. 2017_sk02), The 13th Five-Year Plan for Philosophy and Social Sciences of Heyuan City(No. HYSL18P08)

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