Study on B2C Transactions of Agricultural Products in China

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Abstract—This paper attempts to study the development trend and requirements of B2C e-commerce of agricultural products. The paper analyzed about the present situation of Chinese agricultural B2C, found its characteristics of diversification of sales model and sales principal. By CNNIC survey data analysis, concludes with recommendations including attaching great importance to the brand and user evaluation, strengthen the construction of supporting infrastructure, Cultivating agricultural e-commerce talents.

Keywords- B2C, Agricultural products, User evaluation, Logistics, Home delivery

I. INTRODUCTION

China's agricultural products market circulation pattern is in an important differentiation stage. In addition to the traditional wholesale market, bazaar, supermarket, and other circulation channels, e-commerce is going to the people life. In 2012 the national agricultural products network sales size is about 20 billion RMB. accounting for 1% of the total sales in circulation. By December 2013, the size of China's Internet users reached 618 million. a total of 53.58 million Internet users increased throughout the year. Internet penetration rate is 45.8%, a 3.7% increase at the end of 2012. There is still large room for agricultural products network sales to grow up in the future.

![Fig. 1, Size of China's Internet users and Internet penetration](Image)

Sources of data: CNNIC survey of Internet development in China 2013.12

Agricultural product network marketing can take a variety of ways such as booking and group-buying. This can be done with plans of picking, fishing or processing. On the one hand, it can make the maximum maintenance of the biological characteristics of agricultural products, reduce the cost of agricultural products storage and make consumers get more fresh produce. On the other hand it reduces the information asymmetry between the seller and the buyer. This becomes a new way of thinking to solve the problem of agricultural products sold at a loss but buy expensive.

Compared to the traditional channels, e-commerce site can better respond to food safety in the "trust" issue. In traditional agricultural product circulation, because too many intermediaries, consumers can't see the real producers, producers also won't see consumers. This makes serious asymmetric information of production and marketing of agricultural products, the product quality is difficult to trace back and are prone to a crisis of confidence. B2C (Business to Customer) electronic commerce has changed this situation. Taobao's ecological agriculture channel, for example, in shops, all the farmer's information and indicate the producer, production process and the agricultural product safety standards, such as information disclosure, certificate and organic farm yards and other data and China certification and accreditation information network data center directly. Consumers can learn about the agricultural products from the commodity information how where is the production base, production environment, production specifications, an effective certification and qualification, and so on, and use organic authenticity code check on the product packaging, thereby reassuring consumption and consumption.

II. B2C IN THE CURRENT SITUATION OF CHINESE AGRICULTURAL PRODUCTS TRADE

With the in-depth development of the Internet economy, agricultural renders booming e-commerce activity, reflected in the following aspects: First, there have been a large number of agricultural products sales sites. Consumer tries to connect the network to purchase agricultural products. Farmers Markets and supermarkets are the main channel of agricultural products in the past. With the popularization of computer technology, communications technology and network technology, agricultural Web sites have sprung up in emerging. Consumers are embracing B2C(Business-to-Customer) marketing mode of agricultural products. In 2012, the quantity of shop engaged in agricultural products is over 0.26 million in Taobao and TMALL, 10.04 million agricultural products are involved. As of 2013, agricultural outlets may have exceeded 1 million.

The second is, the types and sales of the in B2C are increasing. Take Taobao as an example, in 2010 the categories of agricultural products involving agricultural products mainly based on dry mountain goods, cereals, rice, flowers and gardening, completed sales of 3.735 billion RMB. In 2011, the categories increasing such as fruits and vegetables, flowers, plants, and trees, total sales of 11.366
billion RMB. In 2012 it increased tea and fresh seafood for
two broad categories of accounts, sales of agricultural
products reached 19.861 billion RMB. In 2013, almost all
purpose agricultural marketing in Taobao has been a high
rate of growth, some in key categories such as fresh fruit,
seafood, North and South dry goods and fresh vegetables
increase can be over 300%.

Fig. 2. The agriculture goods sales in Ali platform
Sources of data : Reports in AliResearch (http://www.aliResearch.com)

III. CHARACTERISTICS OF THE CURRENT DEVELOPMENT
OF AGRICULTURAL PRODUCTS B2C

One is that agricultural B2C marketing mode
diversification. In addition to the major agricultural products
sales sites, sellers of agricultural products widely use of
third-party electric business platform provides a variety of
ways, such as groupon, Twitter marketing, micro-sales and
so on. Some brands B2C website, according to different area
every day there are certain types of group purchase of
agricultural products, convenient for residents in the region.
Social platform also provides a convenient for agricultural
products promotion and sales. Using social networking
platforms such as micro-blog, Twitter, sellers can promote
products or direct selling of agricultural products, and then
by express service and home delivery sent directly to
consumers.

The other is agricultural B2C sales subject diversification.
Early development of e-commerce, B2C sales of agricultural
products mostly are agricultural dealers. With the
popularization of computer technology and network
technology, agricultural producers are also beginning to use
network to sales. Investigations revealed that the scale
farmers' professional cooperatives tend to control channels,
built B2C sales websites or use a third-party platform. Some
e-commerce platforms set up a special channel of
agricultural products, organize agricultural dealers to
participate in, with the help of e-commerce enterprise brand
effect formed its own sales channels. For the characteristics
of high logistics requirements of agricultural products, a
number of third-party logistics companies are also beginning
to seize the farm produce market, build websites for
agricultural products sales, such as sfbest.com.

IV. PROBLEMS IN THE AGRICULTURAL PRODUCTS B2C IN
CHINA

Although agricultural e-commerce in China developed
rapidly, its restricting factors are many. First, it is a low
dergree in standardization of agricultural products, the quality
information of the product is difficult to obtain. China's
agricultural production is still dominated by scattered
peasant households, so standardization of production has not
yet formed, production process control does not implement
the informatization, and farm produce traceability system has
not been established. Consumers are difficult to obtain
information on the agricultural production process. In the
current agricultural B2C marketing, usually only a brief
description is provided of the appearance on the agricultural
products, such as size grading, but on the degree of fresh,
nutrients, pesticides and other important indicators without
description, lack of professional test report. Consumers lack
information in the selected direction, can only refer to the
brand, user ratings and other information, so there is a great
deal of blindness.

Second, the logistic distribution system is not perfect,
with low levels of logistics services. Agricultural products
with fresh, perishable, not resistant to storage and other
features, requires special conditions of storage, distribution
and transport. However China's express delivery industry
less competitive, cold-chain logistics technology
development and promotion of lag issue cannot meet the
requirement of agricultural e-commerce. In the B2C of
agricultural products, packaging damaged, does not arrive on
time and product deterioration is the frequent complaints of
consumers.

Three is weak information based and a lack of
professional talents. National average Internet penetration
rate is only 45.8% and larger regional differences. Such as
Beijing, Shanghai, Guangdong the Internet penetration rate
reached about 70%, Guizhou, Yunnan, Jiangxi and some
other regions, but penetration was only about 32%. In the
field of logistics, due to factors such as technology and cost,
logistics information technology such as GPS, RFID used in
the circulation of agricultural products is less, can't provide
good support for agricultural e-commerce. At the same time,
agriculture-related e-commerce talents lacking at the national
level. Professional information technology personnel and
online marketing talent is very rare in rural distribution. Few
peasants could access internet and make the web page. Many
agriculture enterprises experienced difficulties in recruiting
talented people to take advantage of modern network
information tool for online sales.

In addition, the traditional trading habits and not
convenient to pay is also important factor restricting the
development of agricultural e-commerce.

V. COUNTERMEASURES AND SUGGESTIONS

First is the establishment of agricultural standardization
system. Standardization is a prerequisite for B2C scale
development of agricultural products. Only for agricultural
products in terms of quality specification grade classification,
such as grading, it could become a standardized product. In
this case consumers would accept products through the circulation of electric business platform under the condition of the invisible. Standardization system building needs from production to sale of technical guidance and standards for the implementation of the whole process. From the seed selection, the use of chemical fertilizers, agricultural cultivation process to the classification and grading of agricultural products, storage, packaging and transport after harvest, shall establish a comprehensive system of quality standards. Products that meet certain quality standards must be strictly in accordance with the system requirements for production and sales. It is actually decentralized production to intensive production process. This process involves many technical, policy, and many other conditions, so it is complex and long.

In front of the standardized system has not been established, the enterprise must attach importance to brand building and user evaluation. By setting up a good brand image to attract and stable customer group, ensure the quality of agricultural products, replacing part of the quality standards by brand effect. At the same time attaches great importance to the customer service and user evaluation. In the process of e-commerce transactions, consumers select products with a major factor to consider is the user evaluation as shown in Figure 3 and Figure 4. A well-documented negative feedback will have a very great negative impact. Therefore, the enterprise should be all-round customer service, to ensure high customer satisfaction.

Secondly, establish and perfect the agricultural products logistics and distribution system. Should through the government capital, strengthen the agricultural refrigerated storage system and the construction of fresh agricultural products distribution center, the construction of the complete green distribution channels, and attaches great importance to the third party logistics of agricultural products, encouraging business investment, satisfy people's demand for agricultural products in the form of marketization. For companies, on the one hand to develop delivery logistics, and inter-firm cooperation, planning of rational distribution route, increase delivery speed. Using advanced packaging technology on the other hand, increase the use of cold chain technology, improve the level of logistics service, and attach importance to the quality of fresh agricultural products.

Third, strengthen information network construction and cultivate talents of agricultural e-commerce. Mainly depends on the government's attention and financial investment, give full play to the government guidance leading role of financial capital, increasing capital input to the agricultural informatization construction. Accelerate the progress of rural network establishment and network quality and in a timely manner to agricultural science and technology knowledge and product market information through the network as a public goods provided to businesses and consumers. Attaches great importance to the training and technical guidance to farmers, not only to teach agricultural production technology, also taught modern information technologies and business, engaged in agricultural products for the future of network marketing to lay a theory foundation.

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