

Research on Transformation and Application of Traditional Agricultural Products E-commerce based on O2O Mode

-- Take the Citrus Industry as an Example

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Abstract

The citrus has been grown for more than four thousand years in China where is known as the treasure house of citrus resources in the world. In recent years, the development trend of the Internet has continued to improve. The integration of the agricultural product industry and O2O model has become an emerging development trend. The timely integration of the O2O model in the citrus industry can not only bring huge profits, but also promote industrial transformation and create a new pattern. However, in terms of the current development of O2O model, there are still some difficulties in the integration model of the citrus industry and O2O model, such as the Internet utilization rate of agricultural industry, the transition is difficult, and the large loss of logistics and transportation ect. Based on this, this article will analyze the plight of the application of the O2O model to the citrus industry, and explore innovative paths for the transformation of the citrus industry based on the O2O model.

Keywords

citrus; O2O model; transformation.

1. Introduction

O2O is the abbreviation of Online to Offline, which refers to a business model that combines offline physical businesses with online e-commerce. This model is mainly composed of three elements: merchants + platform + customers, builds new market channels for traditional businesses based on the Internet. The specific operation process is that merchants transfer their products, services and other information online through the Internet platform, and customers can choose the products they need through the browsing interface online, and then experience offline.

This model is quite different from traditional e-commerce. Traditional e-commerce relies on the Internet to promote and sell products. The O2O model is online promotion transactions to drive offline transactions, increasing the participation of merchants and user experience. (Figure 1) [1] On the whole, the O2O model is more suitable for the development of the agricultural product industry.

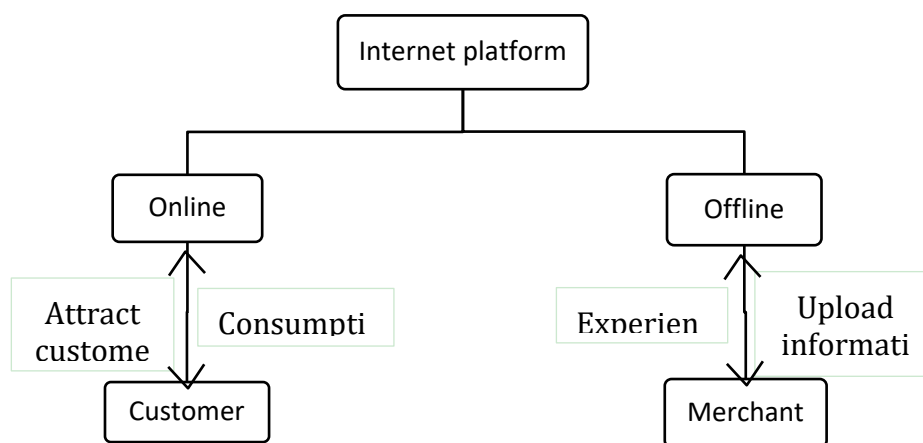


Figure 1. The specific operating form of O2O model

2. The Necessity of Integrated Development of Citrus Industry and O2O Model

2.1. The Integrated Development of the Citrus Industry and the O2O Model Conforms to the Development Trend of the Modern Industry

In recent years, my country's Internet has been in a stage of rapid development, and the Internet industry's prosperity index has continued to improve. Various industries want to make good use of the convenience brought by the Internet. my nation advocates the integrated development of "Internet + agriculture", "Internet +" has gradually risen to a national strategy and has become a new point of development. And some relatively backward traditional agricultural industry, reflecting the obvious characteristics of the industrial backwardness, lack of technology, information clutter, customers dispersed, complicated transaction, the dominant feature of higher costs, it is more suitable to participate in the transformation of the Internet to enhance the speed and efficiency of industrial development, and the development of space powerful. It is possible for the citrus industry to use the power of the Internet to achieve leapfrog development and transformation of the industry. At the same time, integration and development with the O2O model will inevitably bring more business opportunities and jobs, and the transformation of the business model can also increase farmers' desire to learn advanced technology.

2.2. The Integrated Development of the Citrus Industry and O2O Model is Conducive to Refined Management of Sales

The application of the O2O model has greatly promoted the transformation of the citrus industry. Merchants can strengthen communication with customers through online live broadcast, understand customer needs more timely and comprehensively, and increase merchant participation. At the same time, by doing a good job of collecting citrus offline and transporting them now, it can reduce storage losses and ensure that customers are given high-quality fresh fruits to increase the praise rate. Moreover, the cost of online customer acquisition is much lower than offline, and customer resources are more abundant, which is conducive to opening up a larger market space, thereby greatly increasing the sales rate. In addition, the O2O model has a certain degree of predictability in marketing. Every single sales can be tracked and recorded, providing real-time statistical consumption data for merchants, facilitating better operation and management, and realizing the development of industrial scale to precision.

2.3. The Integrated Development of the Citrus Industry and the O2O Model Provides Customers with a Convenient Shopping Experience

The integrated application of the O2O model brings a large amount of business service information, with many options. Customers can fully obtain information about merchants and fresh fruits without leaving home, and can quickly screen and order suitable products, reducing unnecessary time waste. In the meantime, you can enjoy offline personal experience, avoid being deceived due to information asymmetry, and confirm whether online products are consistent with offline personal experience. Furthermore, the O2O model provides rich, timely and reliable discount information for merchants. The online price of the same product is cheaper than offline, and you can buy more products at the same price.



Figure 2. The advantages of the integrated development of citrus industry and O2O model

3. Analysis of the Current Development Status of Citrus Industry under O2O Mode

3.1. Low Agricultural Internet Coverage and Application Network Level

Since the advent of the Internet, the Internet has been developing steadily. By 2020, the Internet penetration rate in urban areas has reached 76.5%, but the penetration rate in rural areas is only 46.2%. (Figure 1) [2] As of now, more than half of the villagers in rural areas still cannot use the Internet. Because the Internet is not widely available in rural areas, many farmers who have insufficient access to the Internet and have a limited education level are even more ignorant of network applications, and it is even more difficult to use the Internet to sell. This indirectly leads to farmers' lack of enthusiasm for the development of the Internet of agricultural products industry, which is unfavorable for industrial transformation and development.

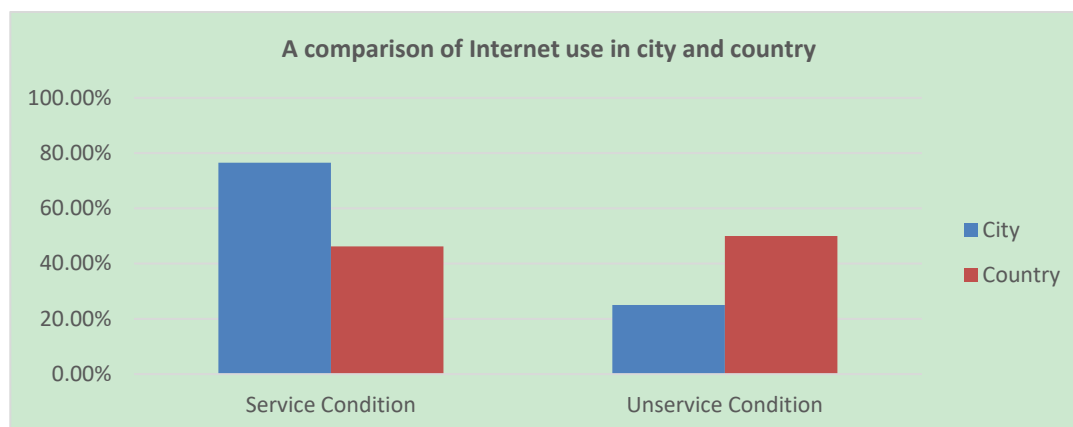


Figure 3. A comparison of Internet use in city and country

3.2. Existing Marketing Methods and Sales are Limited

Based on the above, in the case of low Internet coverage, the level of farmers' application network is limited, which hinders the integrated development of the O2O model of the citrus industry. In terms of the implementation of this model, O2O model is still an emerging model. The vast majority of regions still maintain the traditional marketing model, especially in rural areas. The citrus industry still maintains the traditional methods of retailing in stores and purchasing by wholesalers. Problems such as "loose cooperation, sitting on the ground and waiting for customers, intermediary services, bulk marketing, naked fruit entering the market, and little processing" are common problems, and the problem of sales has long plagued farmers. [3]

3.3. Lack of Logistics and Transportation Links is a Shortcoming of Change

With the development of e-commerce, the position of logistics in the social economy has become irreplaceable, and logistics and e-commerce have each grown up. The citrus industry makes good use of the opportunities brought by the logistics reform, and the road to transformation will become easier. However, citrus is a seasonal fruit with a short shelf life and perishable, which is not good for storage. Today, the logistics distribution and cold chain transportation of agricultural products on the market are still immature, and logistics efficiency and quality have become the constraints for the large-scale operation and export of the citrus industry.[4] Although logistics only accounts for about 15% of product costs, the impact on delivery is 100%. The citrus with quality assurance in the planting and picking process fell into a state of quality out of control during the client collection process, which caused some unnecessary customer complaints and reduced the citrus brand effect. [4]

3.4. Other Loopholes in the Current Industry and O2O Model Integration Development

Due to the short development time of the O2O model, there are still some drawbacks. First, the issue of integrity is revealed. There may be situations where the online description does not match the actual product, the temptation of false discounts, and the lack of services. Second, the lack of innovation ability. Nowadays, the applications of e-commerce models are mostly the same. The phenomenon of blindly copying hard copies is widespread, and there is still a big gap in innovation. Third, the online and offline connections are unbalanced and difficult to manage. Online and offline are two completely different spaces, There may be problems of unequal information and delayed communication, and the degree of integration and unity is not high. Based on the above problems, under the development of the O2O model, the citrus industry needs a relatively long-term run-in and accumulation time.

4. The Transformation Path of the Citrus Industry under the O2O Model

4.1. Fully Integrate O2O Model to Broaden Sales Channels

In the construction of the O2O model, adjust the variety structure and position the market situation according to the local characteristic economy and the characteristics of the regional climate, soil, topography and landform. In terms of citrus products, we have developed unique varieties in accordance with local conditions, such as Guangxi's Rong'an kumquat, Jiangxi Nanfeng mandarin orange, and Yunnan early-ripening mandarin oranges, which are featured in occupying the market. Furthermore, O2O online e-commerce platforms are efficiency promoters. By building a logistics platform to transfer orders to online, using the network to cover a larger sales area and service range, and to achieve offline experience online purchase. Through online drainage, offline experience to achieve the integration of virtual and reality, change the simple one-way operation mode of "logistics + online shopping". [5]

4.2. Industry-education Cooperation Promotes the Development and Penetration of the Internet in Agricultural Products

The government should actively encourage college students who are engaged in related agricultural or e-commerce majors to actively go to the countryside, bring the knowledge and technology they have learned to the countryside, and penetrate into all links of the agricultural industry chain through the Internet. Meanwhile, by increasing the construction of Internet technology facilities, attaching importance to farmers' relevant training and education in agricultural product e-commerce and improving farmers' cultural level, so that farmers have the ability to use the Internet to collect information and use the Internet for communication. [6]

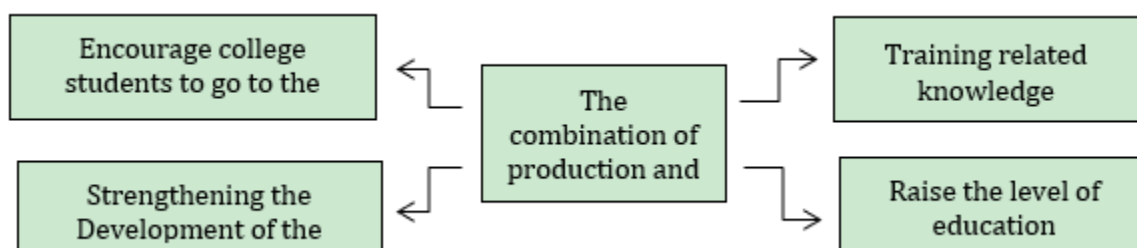


Figure 4. Production and education jointly promote the development and penetration of the Internet in agricultural of the Internet in agricultural products.

4.3. Improve the Logistics and Transportation Network

Transportation is the foundation of the industrial O2O model development and directly affects product sales. Improving the logistics and transportation network is the key to the development of the O2O model. First, build a logistics service platform and an e-commerce network system, and seize the opportunities brought by the "Internet +" era to realize an integrated model of e-commerce, express delivery, and logistics. Comprehensively improve and optimize the logistics and distribution links to improve service quality with the purpose of strengthening customer service. At the same time, in order to ensure the quality of agricultural products and the development of local logistics, advanced fresh-keeping technology and logistics equipment should be actively introduced to attract logistics companies to build high-standard warehouse bases. [4] In addition, in order to shorten the logistics distribution time and broaden the scope of distribution, it is necessary to do a good job in the construction of distribution routes and build a complete logistics system.

4.4. Building an Agricultural Product O2O E-commerce Platform

From the emergence of the O2O model to its application, according to the feedback given by consumers in the market, there are still several loopholes in its business model. First of all, the most obvious is the issue of integrity, for which we must establish a complete integrity mechanism. For example, the establishment of a platform between operators and consumers can not only supervise O2O operators in real time, but also conduct integrity ratings of merchants based on consumer feedback and other relevant research data, and adhere to the principle of transparency. The rating results are reflected to customers in a timely manner. This is very beneficial for operators to establish brands and provide protection for consumers. At the same time, innovation is also indispensable in the great torrent of development. Innovating business models and diversifying them is a necessary means to stand out from many competitions. For example, agricultural products platforms can use accumulated steps to exchange for agricultural products, or obtain corresponding discounts and discounts. In addition, "online payment, offline experience" is a major feature of the O2O model. In order to ensure that online and offline can be two-pronged, merchants must strengthen the management and control of offline operations and achieve integrated online and offline management.

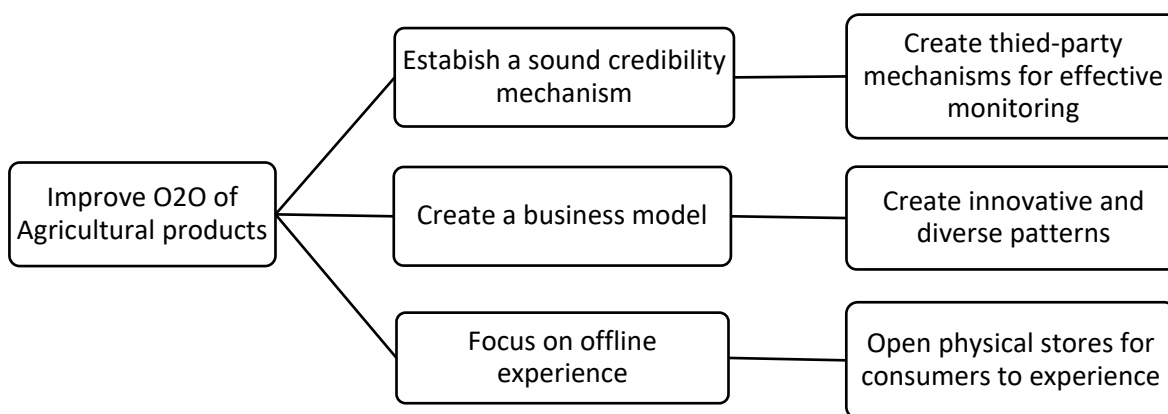


Figure 5. Build and improve the O2O e-commerce platform for agricultural products

5. Conclusion

Under the promotion of national policies and the trend of the times, the agricultural product industry integrates the O2O model for continuous improvement, development and transformation. It is necessary to improve the agricultural Internet coverage and the level of farmers' application network, improve the logistics chain, and change the traditional marketing methods. Through these measures, the plight of the citrus industry under the O2O model will be gradually solved. The rapid development of the Internet makes the O2O model a development tren. Only in this way can we maximize our strengths and avoid our weaknesses, make better use of the advantages of the O2O model, enable the citrus industry and O2O integration to achieve a win-win situation, complete the transformation, and drive the development of my country's agricultural product economy.

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