

Analysis of Competition Situation of Agricultural E-Commerce Platform based on Porter Five-Force Model

-- Take X Garlic APP E-commerce Platform as an Example

Tao Zhang, Lingfan Zhang, Jingxuan Qi and Zixuan Zuo

Shandong University of Science and Technology, Jinan, Shandong 250000, China

Abstract

Since the 19th National Congress of the Communist Party of China, how to innovate agricultural development, how to link agriculture issues and Internet +, and how to combine characteristic agriculture and e-commerce has become the focus of agricultural development. Based on this macro environment, based on Shandong Jining Law Food Co., Ltd., the project base is built in Zhai County, Laicheng District, Jinan, Shandong Province, to with the local characteristic industry of garlic; expand the market, face domestic and foreign customers, and combine with e-commerce to help promote the local poverty alleviation development.

Keywords

Porter Five-force Model; E-commerce Agriculture; Market Analysis.

1. Foreword

X garlic APP electric business platform is committed to establishing characteristic garlic electric business platform, the unique garlic ecological cycle industry chain combined with the Internet, not only through the electric business platform sales garlic and manufactured products, and through the platform of garlic growth status background monitoring, at the same time also through the cloud big data to predict the market price. Through the construction of its own "small garlic" platform, it has the functions of selling products, selling tickets, data monitoring, real-time monitoring, 3D online visit and other functions, to expand the consumer group.

2. The Porter's Five-force Model Analyzes the Competitive Situation

2.1. The Ability of Potential Competitors to Enter

Garlic industry is a labor-intensive industry, the entry threshold is relatively low, less difficulty. However, due to the integration of X garlic APP into e-commerce, through the Internet + agriculture model, it produces diversified products, integrates the primary, secondary and tertiary industries, and extends the industrial chain, making it difficult to enter. At present, although the electricity industry under the epidemic push wave reached the climax, 5G technology and the popularization of Internet technology into the electricity industry is relatively simple, but the current market APP and electric business platform mostly for daily necessities and clothing, travel industry, professional garlic APP is few, even if a few professional APP, but most are low visibility, technology and specialization degree is not mature, low market share. X garlic APP is professional garlic electric business platform, not only has the cloud big data technology, also has 3D online display technology, and we cooperate with Shandong Jining labor food co., LTD., can for this platform to further broaden the domestic and foreign markets, improve the popularity of the platform, so the potential competitors are relatively few, into the ability is low. However, the X Garlic APP also faces a threat from potential

competitors, mainly from some other e-commerce platforms and other offline sales. On the one hand, online community e-commerce platforms and other e-commerce platforms, such as Taobao, Jingdong, Meituan, are involved in the sales of garlic are bound to occupy a certain garlic market and facilitate people's daily purchase. On the other hand, offline sales will also bring pressure to the operation of small garlic industry. Many local garlic production bases in Laiwu choose to supply them directly to other food companies, and Jinxiang is also a very famous garlic production base. Many products will be sold offline, which will bring fierce competition to the garlic market. However, because X Garlic APP has a unique technology and a complete industrial chain, it can occupy the high-end garlic market, and its potential competitors have low ability.

2.2. Competitive Ability of the Existing Competitors

With the gradual improvement of the national requirements for agricultural innovation and the continuous promotion of the poverty alleviation boom in the e-commerce industry, the competition in the agricultural products industry is very fierce. This platform is mainly facing competitive pressure from garlic production processors in Shandong Province, garlic production processors in other regions in China and other countries around the world. First of all, Jinxiang County, Jining City, Shandong Province, as the national famous hometown of garlic, has a garlic planting history of more than 2,000 years. perennial garlic planting of 700,000 mu, with an annual output of 800,000 tons. The products are exported to more than 160 countries and regions are the main competitors of Laiwu. In addition to Shandong Province, garlic planting in Pizhou, Tongshan, Jiawang, Fengxian and other places in Jiangsu Province covers an area of 1.2 million mu, garlic planting in Zhongmu and Qi County in Henan Province accounts for about 900,000 mu, and garlic planting in the surrounding areas of Yongding in Hebei Province and about 400,000 mu, which are the existing competitors facing X garlic industry. And in the world, Argentina, South Korea, India, the United States, France and Spain and other countries are the main production and processing countries of garlic, and there is a strong competition for the e-commerce business of small garlic export. Therefore, the existing competitors have strong competitiveness, garlic sales market competition is very fierce.

2.3. The Ability of the Buyers to Bargain

As a daily consumer product, garlic is very easy to buy. In addition, there are many farmers and cooperatives producing garlic, and the supply exceeds the demand, which leads to the strong bargaining power of buyers. Consumers can buy cheaper raw garlic through multiple comparisons. Moreover, because primary processed products such as sugar garlic are also common, buyers have a strong bargaining power for these primary processed products. However, the black garlic and other advanced processed products technology is complex, and the production cost is high, the buyer's bargaining ability is relatively low.

2.4. The Ability'ability to Bargain

As an agricultural product, garlic has a huge output, which lays a good foundation for the garlic supply of X garlic APP.

In 2020, there are 841,000 tons of old garlic in China, excluding the output of 1.21 tons of 360-380 jin mu. The national planting area is 7.330,600 mu, and the four major producing areas are 6.4091 million mu, with an annual output of 8.233 million tons. Due to the large number of suppliers and large production, which makes the small garlic garlic industry in garlic sales suppliers bargaining ability is low.

2.5. The Substitution Capacity of the Alternatives

X garlic APP alternatives in the current market. At present, most of the e-commerce platforms do not involve professional single agricultural products platforms, and most of the e-commerce

platforms are various kinds. There is no professional and complete industrial chain of planting, production, processing and sales of garlic, a single agricultural product, and there is also a lack of innovation and expansion of garlic products, so the substitution ability of substitutes is low. However, since X garlic APP mainly sells garlic, the processed products of raw garlic and garlic face the serious problem of product homogenization, and it has a strong substitution ability in terms of selling products. Laiwu garlic is of excellent quality and well-known in the market. Shandong Jining Lauder Food Co., Ltd. also has a certain market share in domestic market sellers, so it can help X garlic APP reduce the pressure brought by homogenization phenomenon and reduce the substitution ability of substitutes.

3. Summary

The threat of potential competitors, the bargaining ability of suppliers and the threat of alternative products are relatively small, and the risk is relatively small, but the bargaining ability of buyers and the competitiveness of existing competitors are facing a great threat. So X garlic APP electric business platform in order to avoid risks, should choose innovation and broaden the garlic industry chain, increase the integration of the 123 industry, innovation to improve the electric business platform technology and garlic deep processing technology, further increase cooperation with Jining in Shandong province, food co., LTD., help X garlic occupy garlic sales market share at home and abroad.

References

- [1] Chen Cong. Strategic management analysis of Company A based on the "five-force model" [J]. China Management Informatization, 2020,23 (04): 112-113.
- [2] Tu Liumei. Financial crisis, competitive strategy, and cost stickiness [D]. Jinan University, 2015.
- [3] High salary qi. Analysis of the bank credit granting strategy of logistics and transportation enterprises [J]. China Storage and Transportation, 2023, (01): 123-124.