Study on Marketing Strategy Optimization of Fresh Agricultural Products under Community Group Purchase Mode

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Abstract: In recent years, the development of agricultural products e-commerce is quite rapid, especially derivative innovation of the community group purchase model and other emerging fresh e-commerce agricultural products e-commerce marketing service model. The concentrated outbreak of the COVID-19 outbreak has promoted the further rapid popularity of the community group purchase sales model of fresh agricultural products. However, group purchase retail enterprises of community agricultural products are often still in a state of continuous loss, and the development of fresh agricultural products e-commerce enterprises is not mature. How to make the community group purchase enterprises to obtain the maximum profit, optimize the marketing strategy of fresh agricultural products, become the current agricultural products e-commerce enterprises to solve a difficult problem. This paper analyzes the marketing mode of community group purchase of fresh agricultural products and puts forward the optimization strategy.

Keywords: The community group, Fresh produce, Optimization of marketing strategy.

1. Introduction

Under the pressure of public opinion stimulated by frequent epidemic, the development trend of community network group buying platform is extremely rapid. Compared with the current traditional vertical e-commerce channels, the e-commerce operation and service mode of community network group buying website is more easy and convenient. Through the Internet, with the help of mobile phone Wechat pay and other social traffic portals, With the prominent characteristics of user information community, easy diffusion, centralized business transactions, easy management and operation, and the combination of online and offline shopping experience, it will become a new shopping way that is more popular and accepted by people today. Now the world’s few big mainstream Internet giant has begun to join the community group purchase, now many large domestic e-commerce enterprises began to choose to buy some fresh fruit or on community platform, through this community group marketing model, to push the high quality product to the consumer, to make their products be buying homes on the dining table.

The combination of online and offline characteristics of community group-buying mode has played an obvious advantage in the sale of fresh agricultural products, showing the advantages of low marketing cost and simple operation. However, with the influx of various e-commerce platforms, the uneven community e-commerce also slowly shows many problems such as poor quality control, fierce competition, high elimination rate and low professional level of personnel.

2. Fresh E-commerce Community Group Purchase Development Status

As early as 2015, the community-style sales and service model of fresh e-commerce appeared as a prototype. With the construction of China’s Internet mobile payment and Wechat business channels and the continuous high-speed development, at that time, Pinduoduo (Pinduoduo) mall platform and Nongte micro business network (“Internet + Agriculture” business incubation platform) have gradually begun to form its community fresh group purchase channel and e-commerce retail new model characteristics. Since then, the number and scale of players in China’s community online group buying industry have increased year by year, the increase of financial support, the crazy price reduction and promotion of “hundred groups War”, the continuous investment of a large amount of manpower and material resources, resulting in blind money burning, the increasing vulnerability of supply chain system and its own strength, and other reasons. So that the group buying industry in 2019 began to step into the mature period. Flu epidemic in 2020 events under the background of the influence of the double catalytic, community group-buying model again caused the wide attention of the investment market, rapid profit brought by the rapid development of its future huge investment infinite possibility also will then begin to be to dig deeper into the capital markets both at home and abroad, and attracted many Chinese Internet giant companies proactively layout points.

The scale of fresh market is vast, and the pattern is relatively scattered. The proportion of online channels is still low. The future integration space is huge, which is attractive enough for market operators. From the demand side, the development of fresh e-commerce conforms to the trend of small batch and multiple batches of fresh consumption under the family miniaturization, and meets the consumption demand of facilitation. Although the fresh electricity business model greatly simplifies the whole circulation and production link, it has not yet produced a more mature and stable and sustainable commercial profit model in the development process of China’s fresh electricity business industry. On the one hand, the supply chain pressure of fresh products as fresh non-standard products is still large, the gross profit level is still low, and the general level is about 20% per year. At the same time, it is limited to logistics labor and rent, terminal distribution, commodity loss rate, e-commerce drainage and obtaining new customers and other logistics costs. The profit
model of the whole supply chain is also sensitive and fragile under the condition of product unit price change and terminal order quantity being unstable. For example, the enterprises in front of warehouse building mode, which is relatively common in China, may still run at a loss under the comprehensive cost pressure of high performance cost, drainage cost, labor and rent, even when the overall gross profit rate of the enterprise has reached about 25% of the advanced and excellent level of the industry.

3. The Fresh E-commerce Community Group Purchase Marketing Problems

3.1 Existence Low Price Competition Behavior, Destroy Market Order

Fresh class of one of the main competition of electric business giants and marketing tactics are “price war”, in a big, according to a report in the 21st century China enterprise economy, in the current domestic many well-known large-scale network community life group buying websites platform page, labeled “1 cent a box of eggs, 9 cents a cabbage”, This shows that the prices of all the goods are seriously lower than their market prices, which is in essence an obvious vicious low dumping competition and promotion behavior, its price completely violates the law of competitive sales market, has evolved into a violation of the “Anti-Unfair competition Law” and many other Chinese laws and regulations. A form of competition and sales activities conducted at a low price to obtain a variety of trading opportunities and or comparative advantages in competition, in order to achieve the exclusion of other market competitors and then monopolize their competitive market dominance. This behavior will not only disrupt the normal order of business, but also infringe on the rights and interests of consumers, and ultimately damage the entire industry.

On March 3, 2021, the state administration of market regulation site public pronouncement: for by the drops express, the orange heart choice in operations management, spell network’s operation management more, buy vegetables, Meituan travel group and manage Meituan operation management and investment management corporation management by ali ten hui group, tencent for operating food at will, These five well-known online community group buying enterprises in China are suspected of fraud and have been given corresponding civil and administrative penalties by the Department of industry and Commerce. The fine amount will be as high as 500,000 yuan to 1.5 million yuan, a total of 6.5 million yuan[1]. There are marketing behaviors such as dumping by low prices and providing fake products to lure consumers into trading on community group buying platforms. From the point of the short-term effects, such development way can indeed help the rapid expansion of the industry users, but if from more long-term effect, will cause the destruction of a normal and stable industry market order, bring the overall market disorder, industry into the low price war, is not conducive to stable and healthy and orderly development of the whole industry.

At present, the daily group purchase provided on the information platform page of the websites of several major community areas and all kinds of group purchase products in the release are roughly similar, mainly green fruits and vegetables, fresh leisure food, green fruits and vegetables products account for a large share. However of fresh fruits and vegetables in our country at present agricultural varieties rich category is too single, with only one kind of varieties, or at least several more common ordinary category, the lack of diversity, and perishable, metamorphic series of features, plus logistics factors such as transport, sorting, preservation, and environmental requirements, and agricultural product quality problems easily metamorphism, Quality control has become a major concern in the development of fresh e-commerce. Under the heavy impact of the epidemic, problems such as poor product quality and temporary replacement of categories also caused consumer dissatisfaction. Fresh products because there is no good way to truly achieve standardization and scale production, product quality safety is difficult to be guaranteed. For the majority of ordinary consumers in China, only by ensuring the stability of product quality can most Chinese consumers really have a good consumption experience and further improve the repurchase rate of users.

3.3 The Head of the Community Management is not Strict, Marketing Ability is Insufficient

Group leader is the key to community group buying activities. For a community group-buying platform company, good leadership and management and operation work is also an important technical guarantee for its long-term healthy growth [2]. The head not only serves the consumer groups in the community, but also takes responsibility for the promotion and marketing of the platform, terminal logistics distribution, and post-sale services. Therefore, as a vertical e-commerce platform of community group buying, it should attach great importance to the cultivation and management of leader’s ability. Different from traditional sellers’ e-commerce, leader should have the ability of online operation and management and the ability of offline community organization management. Since community group buying is essentially a social e-commerce business, the leader’s comprehensive and social skills should be improved accordingly. Within a community, the accumulation of interpersonal resources is undoubtedly an important basis for improving his social skills. In April 13, 2022, Shanghai new pneumonia outbreak risk and prevention and control project work site news release, market supervision bureau deputy director of Shanghai Peng Wenhao said it will fully according to the present “community group” appear frequently in special field of merchants handouts to bid up prices, as well as the agricultural market shortchanged on, the poor quality of the dishes and a series of quality problems, We introduced a series of targeted measures. It can be seen that the management of the head has not received due attention, and non-conforming behavior often occurs. Currently, many Chinese communities group-buying enterprises have some common problems in the standardized management of their heads. If these common problems are attached importance, it will further affect the operating conditions of community group-buying enterprises.

3.4 Group Purchase Warehouse Distribution Mode is not Perfect, the Supply Chain System Needs to be Optimized
Logistics warehouse distribution is a necessary component of community group buying. The sustainable development of community group buying mode is supported by logistics and supply chain system, so logistics warehouse distribution ability has gradually become one of the core competitiveness of community group buying [3]. The warehouse distribution system of community group buying is mainly composed of warehouses and distribution links at different levels, including three levels: shared warehouse, regional distribution center and service station (distribution station). Within the three-level warehouse distribution mode system of the community e-commerce fresh group purchase platform, the operation and distribution mode of each fresh e-commerce fresh group purchase will be different. For example, Shihui group purchases in the vicinity of the fresh producing area, and repackages in the city where the central warehouse is located; Orange Heart preferred to directly distribute in the city where the central warehouse is located and the nearby warehouse, and the surrounding counties and urban areas should first implement unified distribution, transport to the local or corresponding regional grid warehouse, and then load the car for organized distribution to the group. However, there may be some disadvantages in the adoption of this logistics mode, such as the need to invest more manpower, equipment, technology and time cost in the early stage of transportation; Second product will be completed by the warehouse sorting and delivery to the end consumer, cost, more work time, need to warehouse warehouse in large operation personnel, maintenance personnel, the back-end cost expenditure increase again, the most important is to reduce the head and the consumer interaction or communication between the sides, is not conducive to the maintenance of the late colonel and cooperation relationship with consumer.

4. The Fresh E-commerce Community Group Purchase Marketing Strategy Optimization

4.1 Strengthen Market Supervision, Crack Down on “Price War”

The profit model of community group buying is explosive growth after the addition of a large number of private capital with the help of Internet development. Many Chinese Internet giants have long sensed the commercial potential of the community group buying market, and with abundant funds, they will seize market opportunities in the second half of 2020. But soon broke out a round of unusually fierce snatch war, and then spread to many other Internet-related industries, causing a strong outcry from all walks of life in China. It is this kind of unfair competition phenomenon that occurs frequently. The state market supervision and management said: “Strengthen investigation and research, grasp the market dynamics of community group buying, and create a fair and orderly market environment.” Organizers to carry out the market related work within their respective jurisdictions, main body responsibility, an operator requirements guide its in accordance with law, strictly abide by the “price law of the People’s Republic of China”, “about goods and services for the regulation of plain code marks a price”, and “the ban on the regulation of price fraud” and the determination of epidemic prevention and control during bid up the price law violating ACTS guidelines. Business entities within the jurisdiction are required to conscientiously fulfill their responsibilities, abide by the law and be honest, operate in a civilized manner in accordance with regulations, provide consumers with more reasonable and fair goods and services, and maintain the normal and fair market price order of enterprises.

4.2 Strengthen Quality Control Management to Ensure After-sales Service

Screening of inferior products, “quality control” from the source, the head of supervision and service work. In the case that the manufacturer directly packs the goods in the form of package sales, it shall be calculated and marked truthfully according to law; At the same time accurately indicate the name of the package and the specific quantity. For the goods actually sold in the package catalog, the enterprise is required to specify the goods to be sold. Where the business operator really needs to increase commodity packaging or transportation fees, distribution service processing fees and additional charges, or other related service expenses, the competent department shall order its department to strictly tell the truth about the specific expenditure items, price range standards, detailed pricing and standard units of related expenses, and shall not add additional prices. As the general organizer of “community group buying”, we should pay more attention to and make more active efforts to listen to the voices of the public. The operators of the relevant after-sales service products shall, in accordance with these Provisions and in accordance with the law and at the same time, submit their complete and correct production and administrative qualification license, identity, address, contact service complaint handling method, telephone number information and other complete written real identity registration information. In addition, the company shall take the initiative to supplement and clearly disclose the contact list of after-sales service and complaint business contacts and the contact or handling telephone method of specific after-sales matters in a timely and comprehensive manner, and take the initiative to correct or solve after-sales service problems involving consumers’ personal information leakage, misfilling and missingend, invalid refund application complaints and so on.

4.3 Increase the Ability of the Head Training, Strict Management

“Head” is the core of a community group buying, head activity and service are directly linked to the platform sales, so it is necessary to cultivate a large number of practical “head”. [4] fresh electric business enterprise in addition to the “head” for simple skills training, to create good salary incentive mechanism, improve the “head” work enthusiasm fully, “head” of professionalism, to attract more people close to the group, from community residents to “head”, through their own interpersonal relationships, with the platform to high-quality product quality, Attract consumer crowd is the best way to promote, in addition, the “head” as a member of the community residents, can better contact with management terminal customers, convenient after-sales service, for the product quality and quantity of problem can get quick solution, community members will be more secure, so as to attract more customers.
4.4 Optimize Logistics Distribution Mode and Improve Efficiency

Some samples easy to decay, easy to loss, to timely supply chain also has a relative is very strict, so the community fresh group-buying businesses through the effective integration of the supply chain channel between different suppliers goods distribution and channel resources, optimize raw commodities supply chain process management mode and its logistics system, enhance its commercial supply chain efficiency and the efficiency of the logistics business[5].

Combined with the local market resources in China, organized and integrated the operation of enterprise supply chain system and the third-party logistics of supply chain warehousing, jointly carried out project cooperation with third-party suppliers, logistics group enterprises and other well-known large enterprises. The mature logistics supply chain logistics service system and relevant third-party logistics products are all incorporated into the supply chain warehousing management operation system and the whole third-party logistics system, forming a new integrated management system of “headquarters + regional” integrated operation. Establish close technical cooperation with other domestic and foreign enterprises, and effectively integrate each platform with their respective regional mature logistics supply chain system platforms, traditional warehousing and other logistics systems, as well as enterprise cross-international market platforms, to form an integrated intelligent supply chain logistics management system and integrated third-party logistics system. Transform and optimize the traditional enterprise supply chain information flow link and enterprise warehousing and logistics system and other supply chain circulation links, improve the enterprise fresh agricultural products community service and distribution of the back-end enterprise logistics warehousing and distribution standardization degree, improve the overall commercial supply chain information service level and the entire enterprise logistics efficiency. Establishes a set of digital supply chain system and the third party logistics companies operating integrated services management information operational system, realize the logistics of modern integrated logistics system of social information, capital and the whole process of real-time fast and efficient, accurate and fast processing and convenient and safe quickly and safely all the information in real time, Enhance the agility, timeliness and flexibility of China’s modern integrated supply chain.

5. Conclusion

The development of fresh e-commerce platform is still in continuous development, however, when the e-commerce dividend faded, how to achieve their own sustainable development of the e-commerce platform, which is worth a further step of our thinking, through the optimization of fresh e-commerce enterprise marketing strategy, to achieve their own continuous improvement, so as to obtain benign development.

References