

# Research on the Business Model of Fresh Agricultural Products e-Commerce in Shandong Province--Feicheng Peach, Feicheng City, Shandong Province as an Example

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**Abstract:** With the continuous expansion of Feicheng peach industry, there are more and more problems, especially in marketing. Although traditional sales channels can also guarantee the sales of Feicheng peach, with the advent of the Internet era, the rapid development of Internet economy and science and technology, especially in recent years, the e-commerce industry of fresh agricultural products has developed rapidly. Consumers have become accustomed to using the Internet to buy fresh produce. Therefore, the e-commerce business model of Feicheng Peach is a problem worth studying.

**Keywords:** Feicheng peach; Agricultural products; Fresh electric business; Business model

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## 1. Research Background

With the rapid development of the Internet, China's fresh produce e-commerce industry has a bright future. .Avery expects that the fresh produce retail market will continue to grow in the future, and by 2025, China's fresh produce retail market size will reach 6.8 trillion yuan. Fruits as people's essential life needs, we definitely want to eat fresh, green fruits, but now there is a problem that farmers are difficult to sell and the public is expensive to buy, which leads to the stagnation of agricultural products. Feicheng peaches as the pillar industry of Feicheng City, but with the continuous development of society, Feicheng peaches as the pillar industry of Feicheng City, his production environment and market changes are also taking place, nowadays, due to the changing living environment of fresh agricultural products, also makes fresh agricultural products less profitable, making it difficult to guarantee the income of farmers, and with the continuous improvement of the living standards of the public, people's requirements for products have also improved The quality that people pursue more, based on the special characteristics of Feicheng peaches, its e-commerce development space is relatively broad, the future Feicheng peaches of e-commerce business model is also a problem worth thinking about.<sup>[1]</sup>

## 2. Purpose and significance of the study

Feicheng peach has a long history, and there are many problems in the continuous development of Feicheng peach industry. Nowadays, the small-scale planting and operation of small farmers have not adapted to the current development of modern industrialization, and how to improve the good core competitiveness and economic efficiency of Feicheng peach industry is also a problem that we should ponder. We should start from the perspective of electric business enterprises, combined with the current situation of Feicheng fresh agricultural products electric business industry to find out the countermeasure suggestions suitable for the development of Feicheng fresh agricultural products electric business model, to achieve the rapid development of fresh agricultural products electric business. In this paper, through the existing business model of Feicheng peaches, by summarizing the business model in the development of electric business, combining the current situation of Feicheng peach industry and market environment, choosing the electric business model suitable for Feicheng peach industry, analyzing the current problems of Feicheng peaches in the development of electric business, and putting forward the corresponding suggestions and countermeasures.<sup>[2]</sup>

## 3. Status of Feicheng peach industry in Feicheng City

### 3.1 Status of Feicheng peach industry

Feicheng peach is a famous historical product of Shandong Province and one of the more famous fruits in the country, Feicheng

peach has been cultivated for more than 1100 years because of its origin and name in Feicheng City. In recent years, Feicheng City to e-commerce as an important grasp of economic transformation, with the power of the Internet to promote the sale of Feicheng peaches. 2020, Feicheng City successfully created a national comprehensive demonstration of e-commerce into rural counties, guide e-commerce enterprises to set up Feicheng City net red live base and Feicheng City Live Association, to create "Feicheng peaches" The city of Feicheng, "Feicheng beautiful countryside", "Feicheng story" and other themes live team, with the east wind of e-commerce, Feicheng city Feicheng peach, peach wood crafts and other industries to develop rapidly.<sup>[3]</sup>

### **3.2 The current state of development of fresh food e-commerce business model**

3.2.1 The traditional fresh produce e-commerce model is to deliver fresh produce through the Internet through its own logistics or third-party logistics, and after consumers select the produce they want and place orders in the APP, the merchants deliver the products to consumers. Generally, the delivery time is 1-3 days, but fresh agricultural products are consumable products, if the delivery time is long, the loss rate of fresh agricultural products is relatively high. Traditional fresh produce e-commerce business platforms, such as Tmall fresh produce, Jingdong fresh produce, etc.

3.2.2 This new "to home" e-commerce business model pursues the ability to quickly deliver fresh agricultural products to consumers, and this model of fresh produce e-commerce will build offline shopping supermarkets and some convenience stores around the community. Consumers in the consumer APP order, the business received the news and then through logistics delivery, within an hour to be able to send fresh products quickly to the hands of consumers, this delivery method allows consumers to meet their needs faster, but can not control the quality of fresh agricultural products, this type of model such as Jingdong to home, daily fresh, Meituan, hungry, etc Another.

3.2.3 This model lies in the mode of in-store consumption + online shopping + instant delivery, providing consumers with an integrated online and offline consumption experience. People within three kilometers of the store can go directly to the store for direct consumption or place an order on the app and wait for delivery within one hour.<sup>[4]</sup> However, in this model, the stores opened by the platform have to open their doors to receive consumers, maintain offline operations and undertake online warehousing and delivery functions. The only drawback of this model is that the labor cost is too large, typical enterprises are such as Boxma Fresh, 7 Fresh, etc.

## **4. Problems in the business model of Feicheng peach electric business**

### **4.1 Fei Cheng peaches are difficult to keep fresh<sup>[5]</sup>**

The freshness period of Feicheng peaches is short, and if stored for too long, the taste will decline or even rot. In Feicheng City, most of the farmers who grow Feicheng peaches live in rural areas, the road situation in rural areas is not very good, and most of the fruit transportation use ordinary trucks to transport, and most of the farmers can not afford the cost of cold chain logistics, and Feicheng peaches in the absence of cold chain transportation to achieve the work of cross-provincial transport is very difficult to keep fresh, if the sale of Feicheng peaches is limited to the surrounding areas, which is difficult to Improve the sales of Feicheng peaches. At present, farmers do not understand the fruit storage technology is also immature, if improper storage will bring farmers greater losses, thus leading to a decline in the profits of the Feicheng peach electric business.

### **4.2 Lack of awareness of e-commerce among farmers**

In rural areas, most farmers have limited literacy, relatively low education, backward and old-fashioned ideology, and relatively low acceptance of new things and new technologies. Farmers have limited understanding of e-commerce sales channels and platforms, not to mention the operation mode of e-commerce, so they can only sell their cultivated Feicheng peaches to dealers at low prices through the traditional sales model. Unable to sell through the e-commerce platform, farmers also lack a certain amount of operational knowledge.

### **4.3 Inadequate rural infrastructure**

Most rural areas do not have hardened roads, and many roads are not accessible to traffic, which makes it difficult to transport Feicheng peaches outward. Moreover, the poor network signal in rural areas and the communication difficulties of farmers have caused some information farmers can't get in time, and most villagers can't use the Internet to learn new skills and knowledge from the Internet, which to a certain extent also limits the connection and contact between rural areas and developed areas of e-commerce<sup>[6]</sup>.

## **5. Fresh produce e-commerce business model development suggestions**

### **5.1 Improve freshness preservation technology and logistics system**

The government should invest more funds to support the fresh preservation technology, strengthen the fresh packaging of fresh agricultural products and cold chain logistics transportation packaging, extend the fresh length of fresh agricultural products,

improve the added value, which also meets the quality assurance of fresh agricultural products. China should also learn more from the developed countries' fresh e-commerce cold chain logistics, and continuously improve the technology of our fresh e-commerce cold chain logistics.<sup>[7]</sup>

## 5.2 Cultivate e-commerce talents and broaden sales channels

Most of the rural areas are middle-aged and elderly, and young people are choosing to go out to work, resulting in a large loss of labor in rural areas. For this reason, we should encourage talents to return to their hometowns and start their own businesses. Government departments should vigorously support education in rural areas, introduce fresh blood to rural areas, attract professional technical talents to help some areas where rural e-commerce development is relatively backward,<sup>[8]</sup> and actively introduce brand planning and packaging technology for fresh agricultural products e-commerce.

## 5.3 Improve rural infrastructure

The government should take into account the situation of local rural facilities and vigorously improve the construction of rural infrastructure. Strengthen the network coverage in rural areas in the south, so that every village and household in rural areas can use the Internet,<sup>[9]</sup> broaden the channels of information sources for farmers, so that farmers can be informed of the market environment in a timely manner.

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