Research on the Sustainable Development of Ningbo’s Small Household Appliance Export under the Background of "Internet +"

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Abstract. In recent years, with the influence of global economic recession, sluggish demand, rising production costs and foreign environmental protection requirements and other factors, the competitive advantage of foreign traditional small household electrical appliance manufacturing enterprises was weakened. The export of small household electrical appliances slowed down, and some products even appeared negative growth. With the advent of "Internet +" era, only by combine with the Internet industry quickly, can household electrical appliance enterprises achieve the transformation and upgrading of industry. This paper analyzes the problems and causes in the development of small household electrical appliances in Ningbo in recent years, and puts forward some suggestions on how to realize the sustainable development about the export of small household electrical appliances in "Internet +" era.

Introduction

Ningbo is one of the five regional centers of the Yangtze River Delta, the economic center of Zhejiang Province, and a modern international port city, the location advantage is very obvious. As one of the China's three major home appliance industry clusters, Ningbo has achieved a small and medium-sized industrial clusters characterized by rapid growth process, which household electrical appliance industry has become an important pillar industry. However, in recent years, with the development of China's economy into a new normal and domestic and foreign appliance industry cluster on the great impact of Ningbo home appliances, home appliance industry in Ningbo is facing increased export pressures, rising production costs, technical barriers to improve and many other challenges, Over-modularization, lack of core technology, brand building is not enough and other weaknesses increasing apparently.

The Internet, as one of the most influential technologies for human life, consumption and communication, has been thoroughly integrated into contemporary society. In the Internet tide, the industry has experienced an unprecedented revolutionary change, is to digital, information and intelligence. In the face of the influence of "Internet +" era and the new economic, only small household electrical appliance industry of Ningbo give full play to the optimization and integration of the Internet in the allocation of social resources, depth innovation of the Internet integration in the small household electrical appliance industry, through innovation-driven selection of small household electrical appliance industry in line with the new path of transformation and upgrading in order to meet the new needs of the market and thus enhance the international competitiveness of the industry.

The Export Situation of Ningbo Small Home Appliances

The scale of exports

From 2009 to 2013, the exports and export volume of Ningbo small household electrical appliances
increased year by year, but in 2014, the small appliances exports of Ningbo reducing a lot, indicating that the current status of small household electrical appliances is not very optimistic. On one hand, due to the overall economic environment, the growth rate gradually slowed down and even appeared downward trend. The slowdown in GDP’s growth, the lack of consumer demand are making the growth momentum of household electrical appliance enterprises continue to decline; on the other hand, just by virtue of the price advantage has been difficult to meet the actual needs of consumers, low efficiency, high energy consumption of the product has been difficult to adapt to the development trend of the current society, therefore, at present small household appliances in Ningbo’s export situation is not ideal.

The structure of export products

The past few years, exports of small household electrical appliances usually contain electric irons, electric kettles, microwave ovens, electric water dispenser, and electric heater. Ningbo in 2014 exports of iron reached 480 million US dollars, exports of electric water dispenser reached 280 million US dollars, the export of electric heater reached 520 million US dollars, and these three products amounted to the total value of small household electrical appliances exports of 34.6%. And, the export of electric cookers, electric stoves, heating rings, etc. amounted to 450 million US dollars.

Export market distribution

The largest export market of Ningbo appliance is the EU and the United States, meanwhile, Southeast Asia, South Korea and other demand is relatively large. In 2015, EU, US and ASEAN, these three areas accounted for Ningbo small appliances 46.6% of total exports. In addition, exports to South Korea have increased significantly.

Small Appliances Export Problems in Ningbo

Lack of well-known brands, low market share

The small household electrical appliance enterprises and well-known small household electrical appliance brand of Ningbo is still seldom, the domestic market share of only 12% -15%. That in accordance with the relevant statistics, in the Ningbo area of small household appliances export market, independent brand exports accounted for the total export amount of 10%, the proportion of exports is not reasonable, most of appliance enterprises in Ningbo, they imitate others or even plagiarism well-known brands, so the export products' quality is not high, although with great manufacturing capacity, do not have high profitability, and the lack of independent brands.

A serious shortage of talent

Lack of high-tech and technological innovation and patent support, the fundamental reason is due to the lack of talent caused. For example, quality problems, product structure design is unreasonable, brand awareness is low, plagiarism serious, and lack of high-end products, due to the lack of talent, the development of small household electrical appliance enterprises in Ningbo is more difficult.

Factors Restricting the Sustainable Development of Small Household Electrical Appliances Export in Ningbo

The pressure of RMB’s appreciation

Since June 2010, the exchange rate of RMB formation mechanism reform, the pressure of RMB appreciation impact on China's export enterprises, Ningbo appliance manufacturing costs continue to rise, the international competitiveness is weakened. Since the beginning of 2010, some places in China there is the phenomenon of labor shortage, especially in the southeast coastal areas, increasing demand for labor, the existing labor force is difficult to meet, which makes the enterprise the cost of
exports continues to increase, the benefits is getting smaller and smaller. If the RMB appreciation, the price of RMB in foreign currencies will rise, making the competitiveness of Ningbo’s home appliance products further weakened.

**Restrictions on trade barriers**

The United States can be said one of the China's largest export of small household electrical appliances countries. It gradually introduced in the air, electromagnetic waves, waste and other pollution control, resource protection, and many other laws and standards. This is also the case in the European region, where it has developed and introduced a number of directives on small household appliances such as the WEEE Directive, the ROHS Directive, the EuP (2005/32 / EC) Directive and the ErP (2009/125 / EC), which leading to more than half of small household electrical appliance enterprises in China more difficult to export products.

**The impact of the financial crisis**

The outbreak of the financial crisis, often affect the stability of the real economy and development. Crisis makes a considerable number of foreign importers have closed down, resulting in a substantial reduction in orders, it resulted home appliance business of Ningbo downtime or semi-shutdown directly. At the same time foreign countries adopted a tight fiscal and monetary policy, take a relatively restrictive attitude on imported products, which resulted in Ningbo’s small household electrical appliance export enterprises cannot receive the payment of goods and the rupture of the capital chain.

**Lack of independent innovation**

Small household electrical appliance enterprises in Ningbo are mostly private enterprises, of which exist a considerable there are "small rich that is safe," Some private enterprises realize the importance of independent innovation, But they had to give up because of lack of funds and small-scale enterprises. The lack of funds also led to enterprises cannot attract high-tech talent, independent innovation is particularly difficult.

**Countermeasures and Suggestions**

**To increase government investment, improve the relevant policies**

First, the Government needs to improve the amount of investment in small household electrical appliance enterprises, the development and introduction of relevant policies for its products, technology's research and development to provide protection. And effectively to solve its financing difficult problems.

The second is to build a reasonable trade barriers early warning system, and actively guide enterprises to avoid international trade barriers, so that enterprises attach importance to the quality of products, to cultivate small household electrical appliance enterprises’ self-protection awareness.

The third is to cultivate a number of domestic brands in the domestic market which has a strong competitive advantage, the government should encourage small household electrical appliance enterprises to actively innovate to adapt the energy saving and environmental protection needs, effectively improve the design and manufacturing, eliminate backward products.

**To strengths independent innovation, In-depth promotion of “Ningbo manufacturing+ Internet”**

Enterprises to long-term development depends mainly on technological innovation, must rely on technological innovation, enterprises can effectively improve and optimize the product structure, making the product quality can be effectively improved. Small household appliance enterprises of Ningbo should further promote the manufacture of “Ningbo manufacturing + Internet”, the implementation of intelligent manufacturing demonstration projects, organize the implementation of
major technological upgrading projects, promote the application of artificial intelligence technology in the field of home appliance manufacturing. To increase R & D investment, vigorously carry out basic technology research and development, develop the parts and core technology and the resources integration technology. For a long time, research and development investment accounted for the proportion of the entire product sales is down, technological innovation is not powerful, do not have a powerful core technology. Compared with other developed countries, they still have a big gap. In order to enhance their competitiveness, they must continue to increase research funding and achieve the product from the low-end to high-end change as soon as possible, to achieve export trade from the number of price and cost advantages to technological superiority.

**Actively attract professional talent**

If the company wants to technological innovation, we must have a professional team of talent, which is the key to enterprise innovation. Professional talent is an important factor which small household electrical appliance enterprises can continue to develop, and can bring benefits for it, while make enterprises to be invincible. The introduction of professionals can effectively solve many problems of small household electrical appliance enterprises, such as develop new technologies and new products to promote the rapid development of enterprises to form their own industrial advantages, enhance competitiveness, increase exports and strengthen their competitive advantage.

**To improve own brand awareness**

Brand internationalization is the key way for China's household electrical appliance industry to change from "manufacturing power" to "creating power". Many brands of Ningbo small household electrical appliances is not famous, but Hong Kong has obvious advantages in appliances export. Compared with Ningbo, Hong Kong has a comparative advantage in technology, quality, brand awareness and personnel training. Therefore, appliance enterprises in Ningbo should cooperate with the cost of the Mainland and Hong Kong's technology, quality, brand awareness, personnel training and other advantages to create high-quality of small household electrical appliances. At the same time take a large-scale integration of the industry, combining the powerful large-scale productions, improve small household electrical appliance enterprises in Ningbo's own brand, to further expand the export competitiveness of small household appliances.

**References**


