Study on Agriculture Competition Mechanism of the Dabie Mountain Area Based on Porter’s Model

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Abstract. Agricultural tourism is the major way to promote agricultural efficiency and thus becomes a hot research topic. This paper builds the frame model of sightseeing agriculture competitiveness on the basis of porter’s diamond model, and does an empirical analysis of Dabie Mountain area of Luotian using the model. The competitiveness and economic benefits of sightseeing agriculture can be improved through combined actions of 8 factors.

As one of the six provinces in central China, Hubei province ranks second among them in terms of GDP. In recent years, although it has rapid economic growth, its economic aggregate rank is going backward, and the characteristic of "depression" is obvious. Huanggang, being in the Wuhan city "8 + 1" circle of Hubei province, its economic development is closely connected with the overall economic development of Hubei province. Dabie Mountain region is part of the Huanggang region and cannot be ignored. Its long history, beautiful scenery and rich tourism resources make tourism a pillar industry in its economic development. According with "a transformation from agriculture-led economy to service-industry-led economy", sightseeing agriculture integrates functions of agricultural sightseeing and experiencing, relaxation, vacation, conference, etc. It is usually developed and managed by a corporation or government, having a clear development subject and preliminary plan. It is usually large-scale with good ecological environment and complete supporting facilities, such as God Peak Villa Resort of Yingshan county and Heaven Village in Luotian county. By combining agriculture and tourism, sightseeing agriculture provides both agriculture income and non-agriculture, making an important form of the development of Daibie Mountain area.

Porter’s Model Tourist Agricultural Sightseeing Park Benefit Influence Model

The Diamond Model of Michael Porter for the competitive advantage of Nations offers a model that can help understand the comparative position of a nation in global competition. The model can also be used for major geographic regions.
External Auxiliary Elements

(1) Government regulations can increase the demand from the domestic market. Government’s increased investment in education can improve human resources and technology. Through series of policies to lower land rent and tax, the government can help sightseeing Agricultural Sightseeing Park get into the capital market, and to broaden its financing channels.

(2) Chance. It generally has nothing to do with the industrial environment in a nation, the competence of the industry, or the government influence. But once the event to introduce the opportunity happens, it is very important that an industry can take advantage of it to form or improve the competitiveness of the industry.

Basic Internal Elements

(1) Production factors. Being a necessary condition for the existence and development of the sightseeing Agricultural Sightseeing Park, production factors include human resources, natural resources, knowledge resources, capital resources and infrastructure. Among them, natural resources, geographical location, climate conditions, workforce are basic innate elements. Difficult to change or not able to change, they are key elements in the initial stage of construction. Sufficient funds, the high quality talents, advanced high-tech elements are essential acquired dispositions. It takes a long time for the formation of these elements which are hard to copy, so they are important influence factors for every stage of the construction of the sightseeing Agricultural Sightseeing Park.

(2) The enterprise strategy. The management strategy, efficiency of the strategy, and the ability to sell have direct influence on the formation of the industry competitiveness. Business strategy includes strategic planning, resource allocation and implementation capacity, and the ability to integrate funds, financial resources, equipment and social networks. Organizational management ability involves the organizational structure of the Agricultural Sightseeing Park area, information communication, management system and so on, which is an important factor to decide its core competitiveness. Marketing ability involves Agricultural Sightseeing Park marketing process, marketing network and sales channel management and control, market planning, brand, brand awareness and brand reputation, etc., which directly determine the size and level of the agricultural park to grasp the market initiative.

(3) Planning. The existing agricultural tourism activities of our country are mostly spontaneously developed driven by market demand. Most investors lack the thorough regional orientation, function orientation, market development plan, the investment decision and development schedule, which results in the randomness and blindness for the investment and development. The lack of
planning may leave the scenic spots unharmonious and repetitive, leading difficulties for the investment, management, and coordination.

(4) The application of new technology. The adoption of new and high technology for the industrialization of agricultural is the only way to improve the traditional agriculture in China. Agricultural Sightseeing Park with high-tech knowledge are comparatively competitive.

(5) Regional industry environment. In order to improve the comprehensive competitiveness of Agricultural Sightseeing Park, the key is to create an industrial environment that benefits the formation, development, enhancement and upgrade of advanced production factors.

(6) Demand conditions. Holiday tourism has gradually become a way of life for many people, thus the demand for sightseeing agriculture tourism has risen. According to a survey in Wuhan, 90% of the citizens hope to go to the suburbs for vacation, and nearly a third of people are willing to spend weekends on suburban tourism. The multi-demand for citizens to go the rural area and the nature to experience and participate in agricultural activities, and to buy and harvest fresh agricultural products ensures the development of sightseeing agriculture.

Empirical Research for Sightseeing Agriculture Based on Sanlifan Town of Luotian County

The Subject of Study

The reason we choose Sanlifan town of Luotian county in Huanggang is that as an important part of Dabie mountain tourist zone, it is highly representative among rural areas in the Dabie mountain. Due to the limitation of time, money, energy and objective reasons, we only choose one specific town in Luotian for investigation. With well-developed tourism industry, Sanlifan is a representative town in Luotian county. Sanlifan also has very typical characteristics. It has 43 villages with relatively serious polarization in terms of tourism development: some villages have better conditions for tourism, thus have highly-developed tourism industry; some villages are in remote area where unable to obtain good resources, so these villages are less-developed like other poor villages in Luotian and the sightseeing tourism industry is barely developed. Sanlifan’s economy can somehow reflect the economic condition of the whole Luotian county.

Located at the eastern foothill of the Dabie mountain and by the upstream of the Bashui river, Sanlifan town is at east longitude 115 ° 16 ' and north latitude 30 ° 50 '. The national event, "Bring Science and Technology to the Countryside" was held here in 1999. The town covers an area of 203.5 square kilometers, has 43 administrative villages and a total population of 64000. Being the conjugate choke points in and out of the Dabie Mountain, Sanlifan is a transport hub connecting Henan, Hubei, and Anhui, the Ma-Yang highway crosses the region. In 1995, it was identified as one of the 56 towns for the experimental comprehensive reform in Hubei province. At the end of 1998, it was identified as National Modern Rural Poverty Alleviation and Development Demonstration Area by the State Council Poverty Relief Office. In 2002, it was named “Civilized Town” by Hubei Provincial Party Committee and the Provincial Government. It has 25,000 residents, six province-owned, city-owned and county-owned enterprises, 78 town-owned enterprises, 38 private-owned enterprises, and 850 individual businesses. The town has 870 million yuan of industrial and agricultural output value and 2500 average net income per capita in 2015.

The Factors That Influence Sightseeing Agriculture in Sanlifan Town

In 2007, Sanlifan has a total of 100,000 person-time of tourists, receiving more than 20 million tourism and related industries income. Sanlifan town income per capita from tourism poverty alleviation is more than 700 yuan, accounting for 33% of the net income per capita of farmers. 65% of the poor become rich through tourism poverty alleviation. Tourism has become a pillar industry for Sanlifan to get rid of poverty and become rich.

In 2009, Luotian county has a total of 800,000 person-times of tourists, receiving tourism income of 235 million yuan. Among them, Sanlifan town has 2500 beds for tourism and more than 1500 tourism industry practitioners.
In early 2010, the county Party Committee and the County Government put forward the objective to "create strong tourism county, famous tourism town, and 4A scenic spot". The same year from January to August, Sanlifan welcomed 270,000 tourists, receiving nearly 100 million yuan comprehensive income, which had increased by 25.2% and 26.8% compared to that of last year. In 2010, Sanlifan town successfully passed the evaluation of “provincial town of beautiful environment and provincial town of tourism”, named by the provincial government the "hot spring town of Hubei province" and the first batch of "famous town of the Hubei tourism". Sanlifan’s exponential economic growth highly differs from that of traditional agriculture. Its core competitiveness has its unique feature.

The Mechanism That Influence the Sightseeing Agriculture of Sanlifan Town

(1) Demand conditions. With the increase of urban residents’ income, leisure time, life pace and competition, people are becoming more and more eager to return to nature, to enjoy the fresh idyllic scenery and simple rural life. Therefore, there is growing needs for experiencing the sightseeing agriculture.

(2) The location, transportation, and infrastructure. Located in the Dabie mountain foothill, Sanlifan successfully hosted “Bring Science and Technology to the Countryside” in 1999, and three consecutive sessions of “Dabie mountain science and technology festival", which helps to build a bridge to “scientifically get rich” and “scientifically improve production” for the east of Hubei and the whole Dabie mountain area. This is because Sanlifan is vital for the transportation in and out Dabie Mountain. It is a key spot connecting Hubei, Anhui, and Henan, with 318 state road crosses through.

(3) The investment and revenue. We’ve done a survey about villages, restaurants, families that run sightseeing tourism businesses in Sanlifan. The mode to stimulate development by investment, and trolling investment bring virtuous cycle for the development of sightseeing agriculture in Sanlifan, which can also benefit enterprises for the expand of market and services.

(4) Good planning. Sanlifan has good planning at the beginning of the development of sightseeing agriculture. Under the general land use structure, it has overall arrangement and reasonable layout of sightseeing Agricultural Sightseeing Park, which makes the whole town become an organic entity with “front shop and back yard”.

(5) The government support. Sanlifan thoroughly adopt policy platform provides by the government, and it gained great support from both city government and county government in the recent 5 years.

(6) The right to use construction land. The development of comprehensive sightseeing Agricultural Sightseeing Park requires the construction of related supporting facilities, in order to provide tourists with good services when they enjoy and experience rural scenery and green products. Because construction land usually can obtain higher input-output rate than agricultural land, the economic benefits of sightseeing Agricultural Sightseeing Park largely relies on the acquirement of construction land use permission. Sanlifan town use its unique opportunities for development to gain substantial construction land permissions.

(7) Strategy. Sanlifan invented the operation strategy for “natural scenery” and “agriculture and tourism combining”. It created a cycling development mode includes plantation, breeding, tourism, vacation and leisure, realizing efficient utilization of resources, the protection of ecology, and the development of economy. It has become a comprehensive agricultural industrialization base with multi ecology system.

(8) Marketing strategy. The sightseeing agriculture of Sanlifan built its brand of “green, organic and sustainable” even at the beginning of its development. It has operation strategy focusing on branding. In fact, the brand “Sanlifan of Luotian” has brought sensational effects for the economic development of Huanggang, propelling the development of related industries, such as “Sanlifan beach festival” “Sanlifan chestnus fectival”. It even bring development for the industry centralization and economic development of adjacent areas.
Organization and management. Business monomer formed a certain scale agglomeration, guide the formation of effective management, interest coordination, self protection, and common development of the cooperative organization. It helped the formation of specialization. If every family runs a hotel or a restaurant, we run into homogeneity competition.

    The Sanlifan town has formed a good industrial chain. With close cooperation of enterprises on every nodes of the chain, the town optimizes efficiency, reduces internal transaction cost and external competition pressure, which lead to the maximization of overall interests. All enterprise under the group adopt the mode of enterprise operation, park management, professional development, thus ensure the operation optimization of the whole Agricultural Sightseeing Park and its comprehensive competitiveness.

Conclusion

Based on Porter's diamond model, we can conclude a framework model of comprehensive Agricultural Sightseeing Park competitiveness which includes 8 influencing factors such as government, opportunity, the factors of production, the enterprise strategy, good planning, application of new technology, regional industrial environment and demand conditions.

For the manager of sightseeing agriculture and operator of the area, in order to help the efficient and healthy economic development of comprehensive sightseeing Agricultural Sightseeing Park, they should combine policies of guiding and regulation. The key is to create benign area environment. On the one hand, they should provide more policy support for sightseeing agriculture, enhance related laws and regulations, expand the finance channel of sightseeing agriculture to drive the construction of sightseeing Agricultural Sightseeing Park itself; one the other hand, they should raise net income per capita to increase the demand for agricultural tourism.

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