The Application Prospect of F2B2C E-commerce Model in Hubei Province

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Abstract. The rapid development of e-commerce is also helping agricultural products e-commerce diversified developed. Through investigation and study visit, it is found that the development of e-commerce of agricultural products in Hubei province presents such problems as low integration degree of agriculture and Internet, insufficient network promotion degree, and lack of relevant experience of agricultural producers and operators which restrict the development of e-commerce of agricultural products in Hubei province. This paper puts forward the mode of “F2B2C” and analyzes its application prospect and countermeasures, so as to promote the development of e-commerce of agricultural products and help “agricultural products upward”.

The Connotation of “F2B2C” E-commerce Model

“F2B2C” e-commerce model is an e-commerce model in which “agricultural producers and operators” sell agricultural products to consumers through the Internet with the help of “third-party e-commerce service platform”. The third-party e-commerce service platform, as an intermediary, accepts the agricultural products provided by agricultural producers and operators in line with the standards of service providers, conducts packaging design, puts them on the Internet for sale, and feedback consumers' evaluation information to agricultural producers and operators. The three are connected through the “third-party e-commerce service platform” to form a complete supply and marketing chain. Except providing supplies, agricultural producers and operators only need to pay a certain management fee to maintain their operations. The operation mode is shown in figure 1 below:

![F2B2C operation mode diagram](image)

“F2B2C” mode gets rid of the harsh requirements that agricultural producers and operators must have the ability to produce and sell agricultural products in e-commerce. It enables the third-party e-commerce service platform to specialize in platform sales and provide services for consumers. However, agricultural producers and operators can focus on production to improve the quality of agricultural products after the shortage of marketing and operation is supplemented.

Compared to B2C, “O2O” and other traditional business model, the “F2B2C” electric business model shows many characteristics, such as standardization, characteristic and high quality. Compared with other common agricultural model the income is higher. Therefore, it is possible to introduce
third-party e-commerce services, in order to solve agricultural production operator who is not skilled in dealing with Internet marketing issues and problems.

**Development Status of E-commerce of Agricultural Products in Hubei Province**

Under the vigorous promotion and support of Hubei provincial government, the e-commerce of agricultural products in Hubei has developed rapidly. According to statistics, rural e-commerce in Hubei province achieved a total sales volume of 43.59 billion yuan in 2017, an increase of 5.8 times compared with 2014. A large number of agricultural products such as “hairy crabs” in Liangzi lake, “crayfish” in Qianjiang river, “Zigui” umbilical orange “and” lotus root “in Honghu lake have gone to the whole country through the rural Internet. From January to November 2017, Hubei ranked eighth in the national sales list of agricultural products, followed by duck snacks, jujube products, pork, macadamia nuts, beef, oranges, dried bean curd, fish and other products. In addition, Hubei province ranks the fourth among the provinces with the fastest improvement of logistics delivery, next only to Guizhou, Sichuan and Guangxi. With the improvement of logistics delivery, Hubei province has a mature soil for the development of e-commerce of agricultural products. As of September 2018, the province has set up 22 rural Taobao operation and service centers in 17 districts and counties in 7 prefecture-level cities. More than 30,000 people sell agricultural products on TaoBao. For example, “Yongbao uncle”, a rural seller, saw its sales volume reach 2 billion yuan in 2016, ranking 10th in the country.

**Advantages**

Hubei province has excellent Geographical location and convenient transportation. Hubei province, located in central China and the middle reaches of the Yangtze river, is the largest comprehensive transportation and communication hub in central China with complete infrastructure. It is known as “China overpass”. In addition, Wuhan Xingang is the first port with a capacity of 100 million tons in the central region. Hubei's outstanding transportation location is conducive to the circulation of agricultural products, which lays the foundation for Hubei's advantages in transportation and logistics.

There is a good atmosphere for the development of e-commerce in Hubei province. With numerous historical and cultural attractions, it is suitable to develop rural tourism and promote the development of local agricultural product brands. Besides, the long culture and spirit of Hubei province can be conveyed through the combination of rural tourism and sightseeing of scenic spots and historic sites with local featured agricultural products, and the online publicity and marketing can be endowed with cultural significance, which is more conducive to the upward of agricultural products.

The resources of featured agricultural products are rich and diverse. Many geographical indication brands such as Wudang tea and Zigui navel orange have certain competitiveness in the international and domestic markets. In the process of developing agricultural e-commerce, all cities and prefectures have fully relied on the abundant local resources, such as tea in northwest Hubei province, dried products in southwest Hubei province, and aquatic product e-commerce in southeast Hubei province.

Therefore, the unique advantages of location, transportation, good atmosphere, rich resources and other advantages will become the most favorable bridge for the development of agricultural products e-commerce in Hubei province.

**Existing Problems and Solutions**

The primary industry is developed in Hubei province, and there is no obstacle to the offline sales of agricultural products. However, due to the stability of the offline sales model, the development of e-commerce platforms is curbed, resulting in the low degree of integration between the primary industry and the Internet. Although Hubei province has built some agricultural product information platforms, most of them are information-oriented and lack of trading and promotion functions. Compared with the agricultural product platform construction made by other provincial units, the reading amount and promotion degree are also insufficient. In addition, the agricultural production
operators using offline mode for a long time operation, acceptance of online business model is not high. The operation of electronic commerce has certain difficulties in choose products, packaging design, cold chain logistics, after-sale and so on. They need to accept the professional teaching. In terms of the existing resources and experience of agricultural production operators, it is a difficult link.

As for these kinds of question, “unbalanced economic development” and “lack of experience” and others, agricultural production operators put high-quality agricultural products on the specialized platform to seek united marketing, management, packing and after-service under the mode of “F2B2C”. They effectively integrate the characteristic agricultural products within a certain range and arrange professionals to sell on the united platform, which will solve the problem effectively that agricultural production operators is not skilled in internet marketing.

Application Prospect Analysis of “F2B2C” E-commerce Model in Hubei Province

Policy Support
The no. 1 document of the provincial party committee of 2017 focuses on “deepening the structural reform of agricultural supply side”, and requires that the agricultural industry system and operation system should be optimized by focusing on improving the quality of agricultural supply and taking institutional reform and mechanism innovation as the fundamental approach. China strongly supports the development of e-commerce of agricultural products, and provides a series of preferential policies and corresponding subsidies. The development of e-commerce of agricultural products is conducive to the dissemination and sharing information of agricultural products. It accelerating the transformation and upgrading of China's primary industry, expanding the sales of agricultural products, and reducing circulation costs. The platform construction can be supported and rewarded by policies, providing a better future expectation for the “F2B2C” model.

Broad Market Prospect
The “F2B2C” e-commerce model combines the high-quality agricultural products industry with the modern e-commerce platform and scientific marketing model, closely follows the pace of Internet modernization, and is more difficult to be eliminated where the network is increasingly popular.

With the improvement of living standards in modern society and the increasing demand of people, they have put forward better, fresher and safer requirements for agricultural products. So that not only the local agricultural products, but also the characteristic agricultural products of other regions have certain attraction to consumers. The emergence of e-commerce of agricultural products just meets this demand: “F2B2C”, as an emerging e-commerce model of agricultural products, has a broad market prospect in the rising period of the development of Internet e-commerce in China.

The Supply Side of Agricultural Products in Hubei Has the Corresponding Conditions to Undertake the “F2B2C” Mode
In the mode of “F2B2C”, agricultural products with high quality, characteristics and “e-commerce characteristics” are required to supply to the third-party platform, which has higher requirements for the supply sources of agricultural products.

There are several mature agricultural operator for the third party platform to choose as partners. So far, the development of Hubei province agriculturist has reaching a high level. For example, Xiaogan Chunhui and Hefeng group have strong strength to expand the family farm, and based on the demand of electricity characteristics to complete the simple processing of products. From the perspective of operation level, quite a few family farms have complete production records, high degree application of new technologies, and the initiative to contact e-commerce.

It can be said that the development of agricultural products in Hubei province has reached a relatively developed stage, and it has enough strength to undertake the mode of “F2B2C” platform construction and maintain a stable development trend.
How to Apply the “F2B2C” E-commerce Mode on the Third-Party Platform

**Standardized production.** Standardized production is of indelible importance to the upward of agricultural products. The platform in “F2B2C” mode would unify the production standards of agricultural products and sell them centrally, forming a concerted word-of-mouth network and evaluation feedback system. The systems integrates the original loose production mode, conducts unified quality appraisal, standardizes planting and test, and provides unified production test certificate. Unqualified products are not allowed to be sold on the platform. Strict, accountable, transparent and standardized production system is better for agricultural products sell on the internet.

**Brand marketing.** The core of “F2B2C” model is to build a unified platform and brand. It could gather more areas of agricultural products under one unified system. In the e-commerce market, brand is one of the reference standard that affect customer’s selection of products. If the brand management did a good job, is more advantageous to survive under the circumstances of electric business development.

**Consumer demand investigation.** The “F2B2C” mode will meet the needs of customers, establish a complete evaluation and suggestion feedback system, timely collect the latest needs of consumers, record the commodities favored by consumers and their preferences in different seasons. Analyze and apply them to the latest marketing decisions. Through active communication with customers to obtain first-hand market information, it pursuit sustainable development.

**Successful Cases**

Hubei Er qiao culture development co., ltd. was established in Jiayu county in December 2015. In January of the next year, the company established the cultural brand “Er qiao jia”, began to integrate the best local products and crops of jiayu county. It started to issue the scale based on the cultural inheritance of Jiayu county. Since 2009, “Er qiao jia” has been engaged in woodcarving industry and played an active role in promoting the local cultural tourism in Jiayu County. After the propaganda of Jiayu lotus root in the “Gifts from Nature” of the “A Bite of China”, agricultural products in Jiayu County gained widely promotion. Then “Er qiao jia” built agricultural products platform in the “F2B2C” mode and was determined to build itself into the preferred brand of agricultural product packaging in Hubei Province.

The main management model of “Er qiao jia” is to integrate the characteristic agricultural products, unify packing and propaganda, endow them with unified brand, which could strengthen the reliability and good reputation. The mode processes steady sale websites and supply channels. Its operation has been proved a great success. It has established cooperation with large offline retailers, such as Carrefour, RT-MART, Wal-Mart and so on, and possesses steady development prospects.

**Summary**

The development degree of e-commerce of agricultural products in Hubei province is enough to lay a solid foundation for the “F2B2C” mode. Today, with the popularization and promotion of e-commerce, the “F2B2C” mode, a new operation mode combining platform as intermediary and Internet, has sufficient business expectations and development prospects.”F2B2C” mode, on the basis of retaining the original advantages and potential of agricultural e-commerce in Hubei province, solves the problems and deficiencies encountered in the development of agricultural e-commerce in Hubei province. Properly solves the problems such as advertising, logistics, cold chain and packaging that producers and operators are not good at, so that operators can focus on production and improve product quality. However, because “F2B2C” mode has certain requirements for the supply of required agricultural products, general agricultural products cannot achieve the purpose of promotion and sales through this mode. It will open up a road among selected high-quality agricultural products in Hubei province. However, the e-commerce approach and necessity of general agricultural products still need to be explored.
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