

Research on Hema Fresh Agricultural Products E-commerce Operation Strategy

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Abstract

With the development of the economy, people's living standards continue to improve, and the requirements for food quality and food safety are also constantly increasing. More and more fresh agricultural products e-commerce companies have appeared on the market. Hema Fresh has achieved great success in the Shanghai area. A great success. After Hema Fresh successfully operated in Shanghai, it has been launched in Beijing, Hangzhou, Guangzhou and other cities one after another, providing convenience to consumers. However, Hema Fresh also encountered some problems during its development. This article first analyzes the problems encountered by Hema Fresh in the development process, mainly including: unstable product quality, low logistics and distribution efficiency, single platform partners, etc.; secondly, it uses SWOT analysis method to analyze Hema Fresh's operation process The existing strengths, weaknesses, opportunities, and threats were analyzed; finally, based on the actual situation of Hema Fresh, a series of suggestions and countermeasures were put forward to improve its operational capabilities.

Keywords

Hema Fresh; E-commerce Operations; Agricultural Products.

1. Introduction

In recent years, with the rapid development of e-commerce, people's lifestyles have undergone great changes, and the "Internet +" era has quietly arrived. Traditional agricultural product e-commerce companies have begun to transform, gradually shifting from a pure platform model to self-built logistics systems to enhance corporate competitiveness. Among them, Hema Xiansheng is a typical representative of the transformation of fresh agricultural products e-commerce. Hema Xiansheng has achieved great success in Shanghai and has also been launched in cities such as Beijing and Hangzhou. Hema Fresh has created a new lifestyle with the slogan "fresh ingredients directly sourced from all over the world at 4 a.m. every day". Its characteristics are: 1. Through the combination of online and offline, it breaks the time and space limitations of traditional offline stores; 2. Unlike traditional offline supermarkets, Hema Xiansheng does not have a fixed store location; 3. Hema Xiansheng Fresh products are mainly purchased online through mobile APP. This article takes Hema Fresh as the research object and discusses its operating strategies.

This article summarizes and summarizes the relevant literature at home and abroad through the literature review method. At the same time, the SWOT analysis method was used to analyze the strengths, weaknesses, opportunities and threats that Hema Xiansheng currently has in its operations. It can be seen from the analysis results that there are still many problems in the development process of Hema Fresh. The most important problems are unstable product

quality, low logistics and distribution efficiency, and a single platform partner. These problems will directly affect consumer satisfaction and loyalty to Hema Fresh products. Therefore, Hema Fresh should actively seek solutions in its future development. This article studies the operation strategies of Hema Fresh, aiming to help Hema Fresh solve the current problems and thereby enhance its competitiveness. At the same time, it also provides a reference for other fresh agricultural product e-commerce companies, so that they can continuously improve their operational capabilities, enhance customer loyalty, and obtain better development prospects.

2. Current Status of Hema Fresh

Hema Fresh is an O2O e-commerce platform established in 2016, focusing on providing high-quality fresh agricultural products. It has the following characteristics: First, product quality is guaranteed, because Hema Xiansheng always follows the principle of "only sell in season" and only sells the freshest products in the season. Secondly, logistics and distribution are highly efficient. After successfully operating in Shanghai, Hema Xiansheng expanded to Beijing, Hangzhou, Guangzhou and other cities, and established cooperative relationships with major supermarkets and shopping malls, and has its own warehouse and distribution team to ensure timely delivery. Third, Hema has diversified partners with many large enterprises, such as Walmart, Hema, Yonghui Supermarket, etc. Its product range is complete, with more than 30 major categories and more than 1,000 sub-categories available for consumers to choose from. In addition, Hema's products are affordable and cheaper than supermarkets, but the quality is guaranteed, which attracts many consumers to buy. The platform focuses on user experience and provides store online customer service systems, customer service centers, membership systems and APPs to provide good services and shopping experience. Finally, Hema also provides comprehensive after-sales services to solve consumer problems in a timely manner and protect their rights and shopping experience. These characteristics make Hema one of the most representative fresh food e-commerce companies.

2.1. There are Many Types of Products, But There are Quality Problems

Hema Xiansheng currently has more than 30 major categories and more than 1,000 sub-categories, including vegetables, fruits, seafood, meat, eggs, etc. There are many types of products. Consumers can choose their favorite products to purchase on the Hema Xiansheng APP, but because fresh agricultural products are highly perishable and have a short shelf life, it is difficult for consumers to judge whether their quality is up to standard. For this reason, Hema Xiansheng adopts the principle of "only selling in season" in product selection, and only selects the freshest products of the season for sale. However, since fresh agricultural products are fresh and fragile products, there are many difficulties in transportation and Quality problems can easily occur during storage. For example: A consumer purchased live and frozen shrimps from Hema Online, but after receiving the goods, he found that the heads of the live shrimps were rotten and the frozen shrimps had also deteriorated. The same situation happened to another consumer who purchased an "all-meat" meal but discovered that a piece of meat had gone bad when eating it. The reasons for the quality problems in the above cases are Hema's irregular management, low level of fresh agricultural product planting technology, poor management, and lack of quality control management of fresh agricultural products.

2.2. Poor User Experience

Hema Fresh is a fresh food e-commerce company. Its user experience is very different from other fresh food e-commerce companies. From the perspective of user experience, Hema Fresh has the following problems:

First of all, in terms of product selection, Hema's products have fewer types and low quality. According to surveys, Hema Xiansheng's product categories only have more than 30 major

categories and more than 1,000 sub-categories. Such product categories cannot meet the needs of different consumers. In order to attract consumers to buy and expand its sales market, Hema Xiansheng will open a branch in every city. However, due to the small number of branches, Hema Xiansheng is difficult to meet consumer demand in a short period of time. In addition, Hema Fresh Food will produce a large amount of packaging, cartons and other waste during delivery. These garbage will pollute the environment and bring huge harm to people.

Secondly, in terms of customer service, Hema Xiansheng failed to put customers first. User service refers to an attitude and behavior reflected by merchants in providing various high-quality services to consumers. Although Hema Fresh does a good job in customer service, it does not put users first. For example: Hema Xiansheng once apologized to consumers because they encountered problems when using the Hema Xiansheng APP and were unable to shop normally. This has made consumers more dissatisfied with Hema.

Finally, in terms of product quality, Hema Fresh has not guaranteed product quality. When many consumers complained to Hema about quality problems with Hema products, Hema used the excuse "we only sell seasonal fresh products" to shirk responsibility. Although this is a small problem, it also reflects problems such as the quality of Hema Fresh products, insufficient protection of customer rights, and imperfect after-sales service.

2.3. Incomplete After-sales Service

According to relevant data, the main problems that Hema Fresh has encountered during the product delivery process include damaged products, rotten products, and missing products. The emergence of these problems has caused consumers to have a series of problems when communicating with merchants, resulting in reduced customer satisfaction and the inability to fulfill promises to customers. In addition, Hema Xiansheng still has imperfect after-sales services. Its after-sales services are mainly divided into two types: online customer service and customer service center. Online customer service is mainly used for customer consultation and handling after-sales issues; while the customer service center is responsible for handling all after-sales issues. According to the investigation, due to the small number of service personnel, the online customer service cannot respond to customer questions in a timely manner. At the same time, Hema Xiansheng has not established a complete user evaluation system and cannot effectively evaluate and supervise users.

In addition to the above problems, Hema Fresh also has certain risks. First, there are risks when it comes to product distribution. Since Hema Xiansheng does not operate its own products, but uses third-party logistics companies to complete the delivery work, if the third-party logistics company has problems and cannot deliver the goods to consumers, it may cause a crisis of trust among consumers in Hema Xiansheng. Secondly, there is the issue of product quality. Since Hema Xiansheng belongs to an emerging field, there are many uncertain factors in its development process.

3. Problems in Hema Fresh Food Operations

Hema Fresh's products mainly include fruits, vegetables, meat, poultry and eggs. Due to the particularity of its fresh agricultural products, the quality of the products is unstable and it is easy for quality problems to occur, causing consumer dissatisfaction and affecting the company's reputation and image. There are still some problems in the supervision of the quality and safety of agricultural products in our country. Hema Xiansheng is a new e-commerce company, and its logistics and distribution system is not perfect. Hema Fresh generally uses third-party logistics distribution methods. Since its distribution method adopts the "store-distribution center" model, it has caused problems such as high logistics costs and low distribution efficiency. Because Hema is a new e-commerce brand, it has attracted many

investors and Internet companies to participate in its platform construction. Hema Xiansheng chose to cooperate with different platforms during the platform construction process. Although doing so can broaden its platform traffic sources and increase its popularity and influence, there are also certain risks.

3.1. Cooperating with JD.com to Reduce the Quality of Hema Products

Hema Xiansheng cooperates with JD.com. This is good news for Hema, but it is not good news. Because of its cooperation with JD.com, JD.com will provide Hema with many high-quality products. JD.com itself also has some high-quality products, and JD.com also has a very good reputation in the e-commerce industry. However, after Hema cooperates with JD.com, product quality will decline, which will affect consumers' trust in Hema. Since Hema Xiansheng cooperates with JD.com, JD.com can provide Hema Xiansheng with a large number of high-quality products. In order to obtain better returns, Hema Xiansheng will lower the quality of the products in order to obtain more profits. In addition, after Hema Xiansheng cooperates with JD.com, if Hema cannot guarantee the quality of its products, then Hema will lose the trust of consumers. If Hema wants to maintain its good image and reputation in the market, it must ensure that the quality of all its products is reliable, safe, and high-quality. Therefore, if Hema chooses to cooperate with JD.com, the quality of its products will tend to decline. Therefore, Hema Xiansheng needs to ensure that the quality of all its products is reliable, safe and high-quality after cooperating with JD.com.

3.2. Cooperating with Hema Xiansheng and Forming a Competitive Relationship

Hema Xiansheng cooperates with platforms such as JD.com and Meituan Waimai because they all have their own customer groups and have formed a competitive relationship. Currently, Hema has cooperated with JD.com and became a partner of JD.com, and Hema has become one of JD.com's important customers. Since both platforms have their own customer groups, there will be a certain degree of competition.

Hema Xiansheng adopts a combination of "online + offline" model. "Online" refers to the Hema Fresh APP; "offline" refers to the fact that it has set up a large number of stores and distribution centers in major cities, forming a nationwide supply network of fresh agricultural products. The Hema App has four functional modules: "I want to buy" and "I want to play". Among them, the "I want to buy" module can meet consumers' online shopping needs; the "I want to eat" module is the main function for consumers to shop offline; and the "I want to shop" module mainly provides consumers with the experience of shopping in a supermarket. ; and the "I want to play" module provides consumers with entertainment, leisure, relaxation and other functions. It can be seen that the Hema Fresh APP not only includes the sales of fresh agricultural products and catering services, but also provides many functions related to the sales of fresh agricultural products and catering services. It cooperates with multiple platforms, which not only broadens the traffic sources of Hema Fresh platform, but also reduces the operating costs of Hema Fresh. However, due to its large number of partners, it will create some unnecessary competitive relationships. If Hema cannot reasonably plan and manage its partners, it will easily cause competitors to imitate, thus affecting the operating results of its platform.

4. Hema Fresh SWOT Analysis

Advantages: Hema Fresh has the advantages of combining online and offline, has a relatively complete logistics and distribution system, a complete range of goods, rich categories, and guaranteed quality of fresh products. At the same time, Hema Fresh also has its own unique advantages.

Weaknesses: The logistics and distribution system is imperfect, there are fewer types of products sold, product quality cannot be guaranteed, and it lacks its own brand advantage.

Opportunities: Hema Fresh is facing fierce competition in the market and consumer demand for fresh agricultural products is increasing. At the same time, due to the continuous development of agriculture and the advancement of urbanization, consumers have increasingly higher requirements for food quality and food safety. As an e-commerce company of fresh agricultural products, Hema Fresh must seize opportunities to continue to grow and develop.

Threats: Hema Fresh faces threats from other competitors, such as well-known e-commerce platforms such as JD.com, Taobao, and Meituan. Hema Fresh lacks its own characteristics in the operation process, and also faces the threat of consumers' increasing attention to the quality and safety of agricultural products. In the context of the rapid development of the Internet economy, whether Hema Fresh can seize opportunities and challenges has become the key to its development and growth.

4.1. Advantages

It has a complete logistics and distribution system. Hema Fresh has a relatively complete logistics and distribution system and advanced logistics and distribution technology to ensure that goods can be delivered on time and consumers can receive goods in a timely manner.

Hema Fresh has advantages in product types that traditional e-commerce does not have. Traditional e-commerce only provides a single category of fresh agricultural products, while Hema Fresh not only provides traditional fresh agricultural products such as fruits, vegetables, and aquatic seafood, but also provides a wide range of products such as other snack foods, kitchen supplies, and household items.

Hema Fresh attaches great importance to product quality in its business operations and has established an advanced agricultural product testing laboratory and quality control system to ensure that all products comply with national and international standards. Consumers can feel confident when purchasing Hema Fresh products, ensuring that consumers can eat fresh and healthy fresh agricultural products.

4.2. Disadvantages

The distribution scope is limited and the logistics and distribution system is imperfect. Hema Fresh's logistics and distribution system is relatively weak. Currently, it has only established relatively complete logistics and distribution systems in first-tier cities such as Beijing and Shanghai, while the logistics and distribution systems in other regions have not yet been fully established. This has led to Hema's Xian's delivery range is limited in various regions. At the same time, since fresh agricultural products are perishable commodities, once problems occur during the logistics and distribution process, it will cause huge losses to consumers. In addition, Hema Fresh's logistics and distribution system needs to be further improved.

There are fewer types of products for sale and product quality cannot be guaranteed. At present, Hema Fresh mainly sells fruits, vegetables, meat, seafood, etc. However, these products are already relatively mature in the market. As a new type of fresh agricultural products e-commerce company, Hema Fresh sells fewer types of products. At the same time, because Hema Fresh adopts a combination of online and offline sales, consumers are more inclined to purchase fresh agricultural products through online channels.

Lack of its own unique brand characteristics. At present, the development of Hema Fresh in my country is still in its infancy, and its brand characteristics are not yet obvious. Although Hema Fresh has great advantages in product categories, it still lacks in brand building of fresh agricultural products. In addition, Hema Fresh still needs to strengthen its marketing and publicity.

5. Suggestions and Countermeasures to Improve Hema's Fresh Food Operations Capabilities

(1) Optimize the supply chain and reduce product costs. Optimizing the supply chain is the key for Hema Fresh to improve its operational capabilities during its development. Hema Fresh can take various measures to optimize the supply chain and reduce product costs. First of all, Hema Fresh can establish cooperative relationships with large enterprises to reduce logistics costs. Secondly, Hema Fresh can cooperate with other companies to strengthen communication and contact with suppliers, establish stable supply relationships, and reduce product costs.

(2) Improve logistics efficiency and improve the distribution system. Hema Fresh's delivery method is realized through self-operated logistics. Therefore, Hema Fresh needs to improve logistics efficiency and optimize the distribution system. First, Hema Fresh can establish its own logistics distribution center to improve logistics efficiency; secondly, Hema Fresh can cooperate with some express companies to strengthen cooperative relationships with express delivery companies, thereby reducing logistics time.

(3) Establish a supply base for self-owned brand agricultural products. Hema Fresh can establish its own production base through acquisition or cooperation with farmers. However, there are many disadvantages in establishing a self-branded agricultural product supply base: first, it requires a large investment; second, it will reduce product quality; third, product prices will be affected by market conditions. Therefore, Hema Fresh can establish its own production base in various ways to reduce costs, improve product quality and lower prices.

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