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Status and Countermeasures for the Green Marketing of Agricultural Products Processing Enterprises in Yinchuan City, China

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Abstract Based on the overview and characteristics of agricultural products processing enterprise in Yinchuan City, green marketing status of agricultural products processing enterprise in Yinchuan City is introduced from the aspects of product strategy, pricing strategy, distribution strategy and promotion strategy. Problems in the green marketing of agricultural products processing enterprise are analyzed, such as the obvious contradiction between the processing demand and the raw materials, low level of comprehensive utilization of resources, no common demand for green consumption in Yinchuan City, weak strength of enterprise and no concept of green marketing, poor macro-control and insufficient input, neglecting the environmental production of materials during marketing, and insufficient input of enterprises in professional marketing personnel. In order to improve the green marketing ability of enterprises and the development of agricultural products processing enterprise in Yinchuan City, the following countermeasures are put forward: green marketing strategy (mainly including cultivating the green marketing strategy for enterprises, gathering of green information, and strengthening the marketing strategy of target market) and green marketing policy (mainly including green products policy, green price policy, green channel policy and green promotion policy).

Key words Agricultural products, Green marketing, Marketing strategy, Green environmental protection, China

1 Overview and characteristics of agricultural products processing enterprise in Yinchuan City, China

1.1 Overview of agricultural products processing enterprise in Yinchuan City Through the intense competition of market economy, there are already 36 thousand agricultural products processing enterprises in Yinchuan City, along with 120 specialized cooperative economic organizations in rural areas, 12.6 thousand peasant brokers, 37 farm produce markets, and about 4 billion yuan of annual sales volume. A circulation system of agricultural products is formed with leading enterprise, specialized cooperative, large marketing household, wholesale market, rural cooperative organization, and peasant broker as the main bodies. During the construction of circulation system of agricultural products, Yinchuan City has vigorously developed agricultural products processing leading enterprise and order agriculture, reduced the market risk of agricultural products, and actively adopted the order mode of "company + peasant household" and "company + cooperative + peasant household". According to the statistics, order area of high-quality grain in the whole city is more than 80 thousand hectares; fresh milk order reaches more than 95% of the total output; orders of aquatic food, vegetable, and beef and mutton are more than 80%, 45% and 30% of their total outputs, re-

spectively, which effectively ensures the interests of farmers. During implementing brand strategy and improving the market competitiveness of agricultural products, there are 107 production sites for pollution-free products, 139 product certifications, and 28 green products certificate enterprises in Yinchuan City. At the same time, the "green channel" of fresh agricultural products should be vigorously implemented in order to ensure the unblocked transportation of agricultural products. Yinchuan City uses 1 million yuan special fund to support the Dingbei West Celery Cooperative, Taqiao Shunmin Vegetable Cooperative and other 8 specialized cooperative economic organizations engaged in agricultural products circulation. And 10 agricultural products supermarkets are built or rebuilt, as well as 10 centers for clean vegetable distribution, in order to promote the preliminary formation of agricultural products circulation system^[1].

1.2 Characteristics of agricultural products processing enterprise in Yinchuan City

1.2.1 Rapid development of processing enterprise; more scale enterprises; and improved technical equipment. Total industrial output value of agricultural products has a growth rate of 9%. Wool, dairy, and food industry companies have introduced a complete production line or key equipment from foreign countries in order to achieve the advanced level of technical skill in China. Among the 28 key enterprises and 28 non-public-owned key enterprises in autonomous region, there are 6 and 8 agricultural products processing enterprises, respectively. A total of 110 agricultural products processing enterprises have more than 5 million yuan of operating income. Yinchuan City has already formed more than 10 types of agricultural products processing industries with more than 30 kinds of products.

1.2.2 The driving effect of famous brand. In recent years, Yinchuan City has emerged a number of national and provincial famous brand products, which promote the upgrade of industry product, such as Shengxuerong, Xiajin dairy, Xixiawang grape wine, Ningxiahong wolfberry wine, Saibeixue flour, Baixin, Xingtang rice industry, Northern starch, Qianxi and Xinxinyue monosodium glutamate, Nashi, Jinghe, and Pinghuile Islamic beef and mutton, showing the driving effect of famous brand in Yinchuan City.

1.2.3 The new pace of industrialization management. A number of leading enterprises have established a community of interests with the farmers in the form of "company + base + farmer". Forefront Medical Technology, Xingtang Rice Industry, Huanghe Rice Industry, and Reclamation Group Rice Industry have signed 8.7 thousand hectares farmland contracts with the farmer. Dehydrated vegetable enterprise has signed an order of 4.8 thousand hectares farmland. 14 enterprises in Litong District have signed 9 300 milk cards with bases and peasant households, accounting for 90% of the total milk households. At present, industrial chains of dehydrated vegetable, dairy, oil, and cashmere processing in Yinchuan City are extending.

2 Green marketing status of agricultural products processing enterprise in Yinchuan City

2.1 Status of product strategy Product strategy mainly means that enterprises realize its marketing target in the forms of tangible and intangible products suitable for the consumer of target market, including the combination and usage of variety, size, style, quality, packaging, feature, trademark, brand, service measures and other controllable factors related with products. Green marketing advocates the green consumption consciousness and encourages people to consume green products. Agricultural products processing enterprise are required to consider the protection and usage of resources and energy during the design, to adapt the clean production process, less or no waste technology during production, to consider the easy recovery and disposal of products during wasted stage. However, the existing agricultural products processing enterprises in Yinchuan City produces few green products. Even in the enterprises which can produce green products, they are always chasing after luxury and exquisite product packaging, and simply do not consider the environment protection. At the same time, Yinchuan City has not yet formed a wide range of demand for green agricultural products. Most consumers have not established the concept of green marketing and still accept the traditional marketing concept. Because products can not understand the concept of green products accurately enough, consumers have a muddy concept of green marketing, which narrows the green consumer market^[2].

2.2 Status of pricing strategy Pricing strategy mainly means that enterprises realize its marketing target in the form of making price and alterable price according to the market rules, including the combination and usage of basic price, discount

price, allowance, payment term, commercial credit, and other pricing methods and pricing techniques.

Raw materials for agricultural products processing enterprises are agricultural products. Agricultural products have the characteristics of large amount, large volume, strong seasonality, and difficult preservation. Therefore, enterprises have to spend more money for the transportation and fresh-keeping of agricultural products. Meanwhile, green marketing requires that the product is of environmental protection, the product is benefit to people's health, and the enterprises have higher technology content than other ordinary agricultural products processing enterprises. Therefore, agricultural products processing enterprises have higher production cost for green marketing. According to the investigation, price of green agricultural byproducts are usually 20% – 100% higher than other non-green foods, but their sales volume is less than 1/3 of the similar non-green food.

2.3 Status of distribution strategy Distribution strategy mainly means that enterprises realize its marketing target in the form of rational selection of distribution channels and organization of commodity circulation, including the combination and usage of channel coverage, commodity circulation, intermediaries, branch setting, storage transportation and other controllable factors related with distribution.

At present, agricultural products processing enterprises in Yinchuan City still use the traditional method in distribution channel, and have considered neither the simplified distribution link from the green characteristics of products, nor the control of secondary pollution in distribution process. At the same time, agricultural products processing enterprises have not formed a distribution system with orderly division and rigorous organization. Agricultural products processing has the disadvantages of disjunction between production and marketing; and there lacks effective division and cooperation among agriculture, industry and trade enterprises.

2.4 Status of promotion strategy Promotion strategy mainly means that enterprises realize its marketing target in the form of using various means of information dissemination to stimulate the purchasing desire of consumer and promote the product sales, including the combination and usage of advertising, personal selling, sales promotion, public relation and other controllable factors related with promotion.

Promotion of agricultural products processing enterprises in Yinchuan City is in an old way, without considering the green marketing from the green characteristics of products. Some enterprises producing green products have not made enough efforts to publicize green marketing, and lack the guidance of customer in the consumption of green products. Agricultural products processing enterprises have a low awareness of product brand in both management and advertising. Promotion of agricultural products adopts the traditional method, only focusing on local characteristics but neglecting the brand image. Therefore, the consumer rarely knows the information of products and lacks the brand awareness when choosing agricultural by products.

3 Problems in the green marketing of agricultural products processing enterprise in Yinchuan City

Transition from traditional marketing to green marketing in agricultural products processing enterprise meets the requirements of the construction of socialist modernization. However, due to the inadequate market competition at present, market subject has paid too much attention to the immediate interests and the micro interests. Besides, neither legal nor system is perfect. Thus, green marketing has not completely replaced the traditional marketing concept, which brings some problems in the green marketing of agricultural products processing enterprises in Yinchuan City.

3.1 Obvious contradiction between the processing demand and the raw materials; low level of comprehensive utilization of resources Raw materials can not meet the processing needs, lacking the special high-quality raw materials for its development. Development scale of enterprises is affected due to the dispersed production, small scale and low standardization degree. Some enterprises almost throw away the by-products in production without utilization, which is not only a waste of resources, but also pollutes the environment.

3.2 No common demand for green consumption in Yinchuan City Yinchuan City is located in the western area, with backward development and relatively low per capita consumption level. There are few people having green consumption concept, and residents usually pay more attention to the price of commodity, but neglect its value. People with low cultural quality and living standards in the suburbs are still being detained in the traditional marketing concept, leading to the oversupply of green products.

3.3 Weak strength of enterprise and no concept of green marketing Most enterprises are small in scale, with relatively backward production equipment, high production cost, unstable quality and low management level. Production and operation of enterprises are still guided under short-term and micro efficiency, but neglect the long-term interests of society and the protection of environment. Some enterprises show a lack of understanding in the consumption demand variation due to green demand, the difference in the competitiveness of enterprises caused by green problems and so on. Although some enterprises have realized that the green marketing can open up a new market, they dare not to apply it and remain hesitant due to the high cost and existing risk. Some enterprises can not afford green marketing due to their long-term deficit.

3.4 Poor macro-control and insufficient input Agricultural products processing enterprises in Yinchuan City lacks necessary macro-guidance and information services. Some production structures lag behind the change of market demand and consumption structure. Government has not developed enough measures to support the development of green marketing. As a new marketing idea, green marketing plays an important role in coordinating the interests of enterprise, consumer and society. And the support of government is also needed. There lacks the long-term and overall plan and support for agricultural products

circulation by government. Compared with the overall input in agricultural production, special investment in circulation of agricultural products processing is less in Yinchuan City, and input proportion is significantly lower.

3.5 Neglecting the environmental production of materials during marketing; insufficient input of enterprises in professional marketing personnel Many enterprises use the promotion modes such as color page delivery, causing resources waste, but having not achieved the desired publicity. Green marketing requires that product packaging and materials should meet the environmental requirements. However, most processing enterprises do not consider the environmental protection of raw material and only pursue for the exquisite and luxury packaging. Green marketing needs professional talents, but the quality of marketing personnel is generally low in agricultural products processing enterprises. And investment in talent cultivation by enterprises is insufficient.

4 Suggestions for improving the green marketing of agricultural products processing enterprises in Yinchuan City

At present, agricultural products in Yinchuan City are at the initial stage of development. Agricultural products processing enterprises have the problems of low level of awareness, decentralized production and operation, delayed implementation of standards, low quality of products, weak market development, and not standardized management. Thus, the following measures can be adopted in order to realize the green marketing of agricultural products processing enterprises in Yinchuan City.

4.1 Green marketing strategy

4.1.1 Cultivating the green marketing strategy for enterprises. Green marketing takes into account the interests of the consumer, enterprise, society and ecological environment. This requires that the enterprises should offer education and guidance for consumers, establish the concept of green consumption of agricultural products, actively accept the green agricultural products, resist the non-green products, improve the green concept of marketing personnel, take sustainable development as the guidance, voluntarily use the green production technology for agricultural products, make great efforts to develop green products, and realize the clean production of agricultural products. At the same time, government should cultivate professional green managers for agricultural products, establish green management concept of agricultural products, and strengthen the support, monitoring and management of green marketing of agricultural products.

4.1.2 Gathering of green information. Most agricultural products processing enterprises are uninformed, having slow response to external change. In the information age, there are a lot of green business opportunities. Enterprises should start from the market, collect related green information, adopt corresponding measures, carry out in-depth study on the authenticity and feasibility of information, offer green competition information for enterprises, and develop green marketing in order to

provide adequate and timely information.

4.1.3 Strengthening the marketing strategy of target market. Agricultural products processing enterprises in Yinchuan City should firstly carry out effective market segmentation according to the income, lifestyle, attitude, and other segmentation variables. Secondly, enterprises should select residents with relatively high green consumption awareness and achieve the effective market diffusion. Finally, enterprises can adopt the positioning mode, such as interests positioning and user positioning, according to the types of processing products^[3].

4.2 Green marketing policy

4.2.1 Green products policy. Enterprises develop green technology, use surrounding advantages, actively cooperate with research institutes and agricultural colleges, improve the information gathering capability and technology development capability, strengthen the green technology cultivation of farmers in green agricultural base in order to improve production quality, use green packaging with low consumption, develop green materials with characteristics of reuse, recycling and biodegradability. At present, green packaging in Yinchuan City is still at the initial stage. The main material for packaging is plastic, which is quite adverse to the environmental protection ideas of green products. Enterprises should strengthen and use the green packaging materials^[4].

4.2.2 Green price policy. Enterprises should implement green agricultural products price according to the strategy of satisfactory pricing, carry out prices fluctuating in response to market conditions, adopt the demand-oriented pricing method by combining with the market demand for green agricultural products based on the expected profits of enterprises. At the same time, enterprises should adopt some pricing techniques, such as psychological pricing and differential pricing.

4.2.3 Green channel policy. A smooth green channel is the key to implementing green marketing. When selecting green channel, enterprises should select the intermediaries with high green reputation in order to maintain the image of green agricultural products, establish shoppe or exclusive institution for green agricultural products marked by the back-to-nature decoration in order to help consumers to identify and purchase green products, set reasonable supply and distribution center and

simplify the supply distribution system and link, establish sales network with comprehensive coverage, and enhance the market share of green agricultural products.

4.2.4 Green promotion policy. Enterprises should establish a good green image, maintain close relations with environmental protection departments, actively participate in the various affairs related to environmental protection in order to expand the company's green impact, use various media to propagandize their own behaviors in the green fields, take concrete actions to strengthen the impression of green product in the public, and establish special management organization to supervise the implementation and development of green marketing of enterprises.

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(From page 13)

employment of rural youth. At the same time, the government should take the urban public supply as guide and push forward the integration of migrant workers and cities.

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