The Influence of Cross-Border e-Commerce on Transformation of Salt Enterprises in China

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ABSTRACT. With the increasing development and growth of the global economy and the system reform of the global salt industry, great changes have taken place in the production and circulation mode of salt industry. Under economic globalization, the traditional salt making enterprises are no longer selling only through circulation enterprises, but can also establish their own sales channels through cross-border e-commerce, which has become a direction for the transformation of today’s salt enterprises. Therefore, this paper analyzes the influence of cross-border e-commerce on the transformation of salt enterprises in China, and then puts forward relevant policies and suggestions.

KEYWORDS: Cross-border e-commerce; Salt enterprises; Transformation; Influence

1. Introduction

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2. Development Process of Salt Industry in China

Under the rapid development of globalization and the Internet, cross-border e-commerce has become the direction for enterprises’ transformation. The traditional salt making enterprises are no longer selling products only through circulation enterprises, but can also establish the corresponding sales channels through their
own enterprises. Through the data analysis, we can obtain the needs of the customers, so as to meet the needs of the consumers, improve their consumption experience, and thus improve customer satisfaction. At present, various industries are also constantly realizing industrial transformation through cross-border e-commerce. With the system reform of the salt industry, the enterprises are also paying more attention to the quality of products and the development of new products, and are also actively increasing sales channels. Therefore, China’s salt enterprises should take relevant effective measures according to different advantages and characteristics of their own companies to cope with the problem of rapid transformation of enterprises.

As can be seen from the main product categories of the salt industry companies throughout the country, the company’s operation is basically at the level of meeting the basic needs of people’s life, and the structure of product categories and other aspects are single. Before the system reform of the salt industry, many salt industry companies, as monopolized markets, have little impact on the sales volume and market share of the company. However, with the deepening of the reform, its disadvantages are becoming more and more obvious. Many of the current products cannot meet the consumer’s personalized and differentiated needs, resulting in the consumer’s dissatisfaction with the product and brand, thus greatly reduce the competitiveness of enterprises. After the system reform of salt industry, the market competition is becoming increasingly fierce, and the product is one of the well-deserved core competitiveness. This kind of defect in product domain is undoubtedly the fatal weakness of the enterprise, which makes the enterprise defeated in the fierce international market competition.

After continuous reform and development in recent years, salt industry wholesale enterprises have changed from the traditional salt wholesale enterprises to diversified modern business enterprises. However, under the background of the continuous promotion of salt industry reform and the rapid development of cross-border e-commerce, it is extremely urgent for the salt industry to “go out” as soon as possible, so as to achieve its survival and development in the global market. At present, the speed development of network technology has greatly changed the sales environment and management and administration mode of enterprises. With the intensification of competition in the international market, the consumption-led market is gradually replacing the production-led market. For the cross-border e-commerce management, which is the major form of business operation in the future, the key to winning is to establish an operation mode with the characteristics of the network era of its own company. The development of cross-border e-commerce by salt chain enterprises can provide better and rapid service for overseas customers, promote enterprises to break through the bottleneck of development, enhance the competitiveness of enterprises, constantly expand market share, and take the initiative in market competition.

3. Current Situation of Salt Industry Development in China

According to the survey, the production capacity of salt in China is sufficient, the
price will remain basically stable, and it may decline in some areas. In 2017, the annual output capacity of salt production enterprises in China has reached 62.666 million tons, while the annual demand for salt is only about 10 million tons. The market pattern of supply exceeding demand can keep the price of salt at a relatively low level. After the reform of salt enterprises, the regional restrictions on salt wholesale will be liberalized, the designated salt production enterprises can enter the circulation and sales field, the main body of salt supply will increase, and the circulation and supply channels will be more diversified. Like other consumer goods, the salt will be distributed in a comprehensive way, which will greatly reduce the possibility of supply interruption and rush purchase, and the security of salt supply will be more guaranteed.

The social environment is changing with each passing day, the aging of population is getting worse and the residents’ property income is continuously increasing, thus people’s consumption ideas and consumption patterns are constantly updated. After meeting the basic needs, people have a higher pursuit of the improvement of quality of life, disease prevention. The new scientific concept of using salt for disease prevention and fitness is gradually accepted by people. There are more and more exuberant demand for high-grade, convenient and nutritious salt products. The functional demand of people for salt products has not only been satisfied with the general seasoning, but also has a longer extension and higher pursuit for nutrition, health care and other aspects. Variety salt have emerged at the right moment, which means, based on the original salt, it can change its shape, quality and taste by artificially adding new elements or substances, or through other special processing, so that the new product has new unique functions in addition to seasoning. The emergence of variety salt has greatly enriched the product system of salt market, changed the single product pattern in the traditional salt market, satisfied the consumers’ demands for improving the quality of life, and also become a new growth point of economic benefit of salt enterprises. Variety salt has a history of one hundred years in the world. Japan, the United States and other developed countries have taken the lead in the development of high-end and variety salt, and introduced a large number of variety salt, including healthy and low-sodium salt, vegetable washing salt, bath salt and so on, which are popular with the consumers. The variety salt market in these countries is relatively mature and the demand for variety salt is strong, which has become an important part of the operating benefits of salt enterprises. It also provides relevant opportunities for salt enterprises in China and enables them to establish their own sales channels and form a complete industrial chain through cross-border e-commerce. In recent years, the salt companies in Shanghai, Tianjin, Chongqing, Jiangsu, Zhejiang, Guangdong, Anhui, Heilongjiang, Guizhou and other provinces and cities have been brave in innovation and practice, and actively explore new business models to transform the traditional salt business model. Cross-border e-commerce + salt industry is also a major direction for the future development of major salt enterprises.

In order to adapt to the new requirements of the development of cross-border e-commerce, the salt enterprises will transform from the conventional thinking behavior of traditional business model the managers from the managers at the decision-making level to ordinary employees at the executive level. Under the influence of themonopoly system for a long time, the practitioners in salt industry still continue some traditional thinking model and behavior mode of planned management and seller’s market. After the development of cross-border e-commerce, the managers and employees of salt enterprises can dynamically understand the needs of the consumers through cross-border e-commerce websites in time, and promote them to form the thinking model of buyer’s market under the international market. Moreover, the development of cross-border e-commerce will promote everyone to constantly learn to supplement computer applications and network marketing knowledge to improve their professional skill and ability, thereby shifting the focus from enterprise internal affairs management to the needs of customers; regularly publishing the commodity information through cross-border e-commerce websites, so that the consumers can obtain content of interest in time. And adjust the sales strategy according to the market demand information collected through network interaction.

A reasonable business process is the key for an enterprise to achieve efficiency and benefits. The development of cross-border e-commerce can promote the business process of salt enterprises to be reasonable and perfect. At present, the professional division of labor in the headquarters and various departments of most salt enterprises are not clear, so the relevant business processes are not standardized and unified. After applying e-commerce, chain enterprises apply the electronic tools to the whole process of procurement, sales, customer service and the whole industrial chain. Each professional department within the enterprise is responsible for different division of labor. The sales department is responsible for selling the goods to the consumers and timely replenishing the goods according to demand. The purchasing department is responsible for contacting the suppliers and purchasing the goods, while the logistics system of the enterprise is responsible for the distribution and transportation of the goods, and the various departments rely on the network information transmission for communication and negotiation. With the help of the network, the enterprise can quickly and efficiently deal with the information flow among various departments, so as to make the work of each department more standardized and simplified. Therefore, the development of cross-border e-commerce can promote the enterprise business processes develop towards a cost-saving and efficiency-improving way.

5. Conclusion

The salt is a necessity of life, which has a great impact on people’s life and attracts high social attention. At present, the system reform of salt industry has
entered a critical period and is growing vigorously. Therefore, the major enterprises should, in accordance with the characteristics of the salt industry market, make a good job of the company’s planning, fully realize the huge business opportunities brought by the rapid development of the cross-border e-commerce, quickly change their ideas, enhance their awareness of the information and network, accelerate the information process, and adapt to the rapid development of the current society as soon as possible.

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