

**THE ANALYSIS OF FLOWER E-COMMERCE DEVELOPMENT  
IN CHINA**



**A THEMATIC PAPER SUBMITTED IN PARTIAL  
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**THE ANALYSIS OF FLOWER E-COMMERCE DEVELOPMENT IN CHINA**

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M.M. (HEALTHCARE AND WELLNESS MANAGEMENT)

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**ABSTRACT**

In recent years, live streaming has developed very rapidly in China, touching every aspect of life. Everything from clothing and groceries to fresh-cut flowers can be sourced there. Today, domestic live streaming platforms, community group purchases, and flower E-Commerce (Douyin, Kuaishou, Taobao Live, Tmall, JD.com, and other platforms) are all involved in flower E-Commerce and have a large customer base.

As people's lives are getting better and better, flowers have become an indispensable part of urban life. More and more young generations tend to buy flowers to reflect their quality of life, and flower E-Commerce is becoming a new choice for them to buy flowers. With the optimization of the supply chain and the control of flower prices, the flower E-Commerce market has a lot of space for development. However, as a new model, ensuring timely delivery and quality of flowers is still a challenge for many E-Commerce flower companies.

Based on the development of the flower E-Commerce company "Flower Lover", this research mainly examines how stakeholders in the flower supply chain adapt to the emerging trend of live-streaming sales. The publication offers specific recommendations and actions for "Flower Lover" and distributes them for further research.

**KEY WORDS:** Live Streaming / Flower E-Commerce / Stakeholders / Flower Supply Chain.

27 pages

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## CHAPTER I

### INTRODUCTION

#### 1.1 Background of study

##### 1.1.1 The development and trend of live streaming in China.

In 2020, after the Covid-19 outbreak, live streaming has grown rapidly, and the use of live streaming to sell products has become a trend on social media. Major platforms have encouraged offline retailers to conduct live streaming marketing by simplifying the retailer's onboarding process, launching endorsement programs, subsidizing specific products, and providing training for webcasters to increase viewership of live streaming content. During this time, many traders and companies started to join the platform.

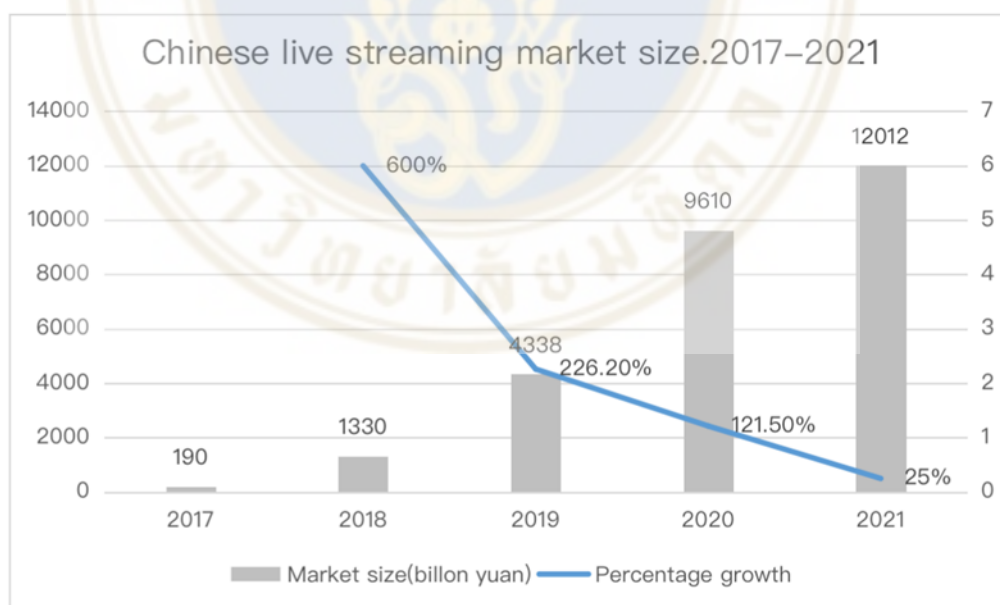


Figure 1.1 Chinese live streaming market size.2017-2021

Data source: [lmedia.cn](http://lmedia.cn)

**Figure 1.1 Chinese live streaming market size 2017-2021**

As shown in Figure 1.1 ( **Luo 2022**), China's live streaming industry's market size is increasing yearly. Notably, this increase reached 9.61 trillion yuan in 2020. With the continuous development and scale of live streaming, selling products through live streaming will become the driving force for the constant growth of various industries in the future.

### **1.1.2 China's current flower E-commerce market size.**

In the environment of consumption upgrading, consumers pay more and more attention to spiritual needs, and with the rapid development of the "Self-pleasing Economy" and "Her Economy", flowers have gradually become an indispensable necessity in life. Based on the data from "Iresearch Report 2022" (**Iresearch.com. 2022**) that the scale of China's flower E-Commerce market in 2021 is 89.69 billion yuan, and it is expected to reach 108.68 billion yuan in 2022. In recent years, the business of flower companies has continued to expand, and the rich flower consumption scenarios have attracted more potential consumers. The flower E-Commerce market is expected to maintain growth in the future.

Accounting to the data from the "Iresearch Report 2018" (**Iresearch.com. 2018**), 70% of fresh cut flowers come from Yunnan , Most of the customers who buy flowers through Douyin are concentrated in first-tier cities such as Zhejiang and Shanghai. They will buy flowers as gifts for their partners. And they are concentrated in the 26-40 age group, spending between 51-200 yuan each time. For those who use flower E-Commerce many times, there are three main reasons for choosing flower E-Commerce. 62.1% of customers think that flowers E-Commerce is convenient and time-saving, 60.7% of customers think that the price is relatively cheap, and 49.6% of customers think that flowers are fresh and of good quality. In terms of attention factors, users are more concerned about product characteristics (product quality, product type, product update speed, pattern, creativity).

### **1.1.3 The current situation of using live streaming to sell flowers in the Dounan flower market.**

For more than 20 years, Kunming Dounan Flower Market has ranked first in the country in terms of transaction volume, income, cash flow, passenger flow, and export volume. It is also known as the largest cut flower market in Asia. Dounan Flower Market has 80,000 suppliers and growers, nearly 12,000 cooperatives and supply brands, 10,000 intermediaries, and 1,000 shippers. (**baike.Baidu**) These players are the driving force behind the development of the flower industry, bringing huge profits to flower growers and florists.

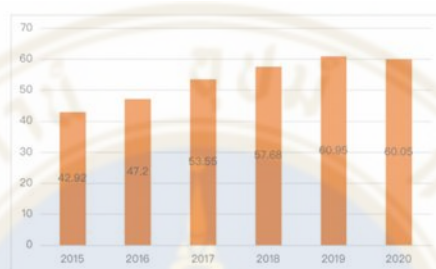


Figure 1.2 Fresh-cut flower transaction volume in Dounan flower market from 2015–2020 ( Billion Yuan)

Data Source: Dounan Flower Electronic Trading center

**Figure 1.2 Fresh-cut flower transaction volume in Dounan flower market from 2015-2020 (Billion Yuan)**



Figure 1.3 Fresh-cut flower trading volume in Dounan flower market from 2015–2020 (Billion Stems)

Data Source: Dounan Flower Electronic Trading center

**Figure 1.3 Fresh-cut flower trading volume in Dounan flower market from 2015-2020 (Billion Stems)**

As shown in Figures 1.2 and 1.3 (**Luo 2022**), the transaction volume of cut flowers in the Dounan flower market has increased year by year, but in 2020, due to the impact of the Covid-19 pandemic, there has been a slight decline in demand, resulting

in a significant drop due to limited logistics in some parts. As a traditional industry in Yunnan, Dounan Flower Market and the local government launched a live streaming support plan at that time to solve the problem of flower sales. Douyin, JD.com, and other mainstream live streaming platform companies have settled in one after another. Build the first “Live Streaming Flower Town” in China. With the political support of the local government, the leading domestic E-Commerce brand "Flower Lover" began to sell flowers on Douyin, combining the live streaming mode with the flower industry, creating upstream and downstream exchanges in the industry chain, and accelerating optimization. Modernize the industrial structure. The new model of live streaming has become a new trend supporting the recovery of the flower industry.

#### **1.1.4 The live streaming platform - Douyin (China Tiktok).**

Douyin is a short-video social platform where everyone can share all kinds of videos. In terms of the nature of transactions, if users want to buy a specific product, they will enter keywords to search on Taobao or JD, which makes online shopping active. On the contrary, the user's purchase behavior in Douyin is largely unconscious or passive. They will unintentionally be attracted to the content in the short video or key opinion leaders (KOLs) product seeding. (Maggie & Huang 2022)

"Products looking for people" is an "Interested E-Commerce" product sales model. Based on algorithms developed by Douyin, the app is able to not only understand customer needs and provide users with content that matches their interests and preferences. For example, if a user watches three to five flower short videos every day for a month or even six months, Douyin's algorithm can filter the content to reflect her strong interest in flowers. In addition, Douyin will classify customers who search for the potted plant as potential flower customers and increase the likelihood that these consumers will be exposed to flower content and products. This shows that E-Commerce can meet all potential consumer needs.

#### **1.1.5 The 3 key factors in flower Live-stream:**

##### **1) People:**

Because the flower industry is a relatively professional industry; therefore, the webcasters and the work team must have a thorough understanding of the industry,

be familiar with the features and highlights of the products, be able to dig out the stories behind the products, and share industry dynamic information, product knowledge, product care techniques. And webcasters must have strong multitasking skills, excellent interactive communication skills, and positive public preferences. The webcaster is responsible for running the store on-site, communicating with fans, displaying products, and developing each on-site theme of the day. In addition, the webcaster is responsible for maintaining an engaging atmosphere in the live room.

### **2) Product:**

There are two main categories of flower E-Commerce products: daily flowers and flower gift sets. Daily Flowers is for working women who want to improve their quality of life and meet their needs. They are less familiar with flower varieties but have higher requirements for quality and flowering time. For flower gift sets, the target customers are mainly high-value customers, especially men who want to buy gifts at festivals such as Valentine's Day. They are more interested in the appearance, composition, packaging, and other external aesthetics of the flowers, but the price is relatively not sensitive. The main demand for sales occurs during the festive period.

### **3) Scenes**

An attractive scene is important for the live flower E-Commerce room. This can not only attract more viewers but also stimulate their desire to buy. For example, the "Flower Selection" bouquet was launched in response to the demand for men to send flowers on Valentine's Day, with red and pink roses as the main varieties, allowing men to deliver a bouquet that is more to the liking of women. Furthermore, In order to meet some customers' own needs for flowers, the flower E-Commerce shop focuses on introducing novel flower varieties, adding exclusive styles such as "Broken Ice Blue Rose" and "Mermaid Rose" to meet the differentiated needs of different varieties of flowers.





Figure 1.4 Douyin live streaming room surface explanation.

## CHAPTER II

### LITERATURE REVIEW

This chapter consists of 2 parts. The first part looks at the SWOT analysis used to analyze internal and external factors of the flower E-Commerce business. The second part mentions multi-channel distribution, which was used as the framework for studying key success factors in flower E-Commerce supply chains.

#### 2.1 SWOT analysis

**SWOT analysis:** An overall evaluation of the company's strengths (S), weaknesses (W), Opportunities (O), and Threats (T).

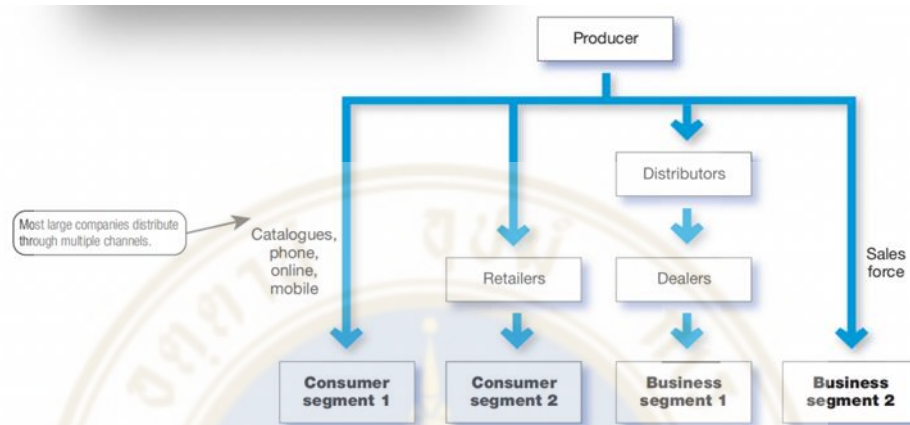


**Figure 2.1** SWOT analysis

As **Figure 2.1** shows, The SWOT analysis assists a company in analyzing its markets and marketing environment in exploring appealing opportunities and threats. It examines the company's strengths and weaknesses, as well as current and potential marketing actions, to determine which opportunities should be pursued. The goal is to match the company's strengths with attractive opportunities in the environment while simultaneously eliminating or overcoming weaknesses and minimizing threats. (**Kotler 2020**)

## 2.2. Multi-channel distribution systems

**Multi-channel distribution system:** A distribution system in which a single firm sets up two or more marketing channels to reach one or more customer segments. The model will show as follows:



**Figure 2.2 Multi-channel distribution system**

As **Figure 2.2** shows, the producer sells directly to consumer segment 1 using catalogs, telemarketing, and online and mobile channels and reaches consumer segment 2 through retailers. It sells indirectly to business segment 1 through distributors and dealers, and to business segment 2 through its own sales force.

Multi-channel distribution systems offer many advantages to companies facing large and complex markets. With each new channel, the company expands its sales and market coverage and gains opportunities to tailor its products and services to the specific needs of diverse customer segments. **(Kotler 2020)**

By using a multi-channel sales system, we can compare the differences between traditional offline and E-commerce trade. Furthermore, we can thoroughly analyze the key success factors associated with each chain in the flower industry.



## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research design**

In order to study how stakeholders in the flower supply chain adapt to the emerging trend of live-streaming sales, qualitative research is a suitable method to understand the flower industry in the “Dounan Flower Market” and the problems faced by “Flower Lover” operating in the E-Commerce platform. This research confirms the credibility of the interviews by conducting in-depth interviews with managers of “Dounan Electronic Flower Trading Center” and the CEO and manager of an E-Commerce company (Flower Lover) and collecting secondary data from the Internet.

#### **3.2 Data collection and Methodology**

In order to gain a deeper understanding of the flower industry and E-Commerce business, semi-structured interviews were conducted with the CEO and manager of the company's "Flower Lover" and the manager of the Dounan Flower Electronic trading center. They have good operational experience in flower trading and live streaming. The interviews were conducted at the Dounan Flower Electronic Trading Center Office and the "Flower Lover" office, each lasting about 30 minutes. Responses were recorded and speech was recorded. The manager's personal background is as follows:

**Manager 1:** Mr. Wang (Male)

**Interview date:** Jun 10, 2022.

**Location:** Office in Dounan Flower Electronic Trading Center.

**Duration:** 30 mins.

**Personal information:** Mr. Wang is 45 years old man, who lives in Kunming. He works as a manager in the Dounan Flower Electronic Trading Center. He has worked in the

Dounan flower market management team for around 20 years there. He has a wealth of operating experience in both the flower operation team and the electronic trading center.

Manager 2: Mr. Zheng (Male)

**Interview date:** Jun 15, 2022.

**Location:** Office in “Flower lover”.

**Duration:** 30 mins.

**Personal information:** Mr. Zheng is 30 years old and lives in Kunming. He is the manager of the "Flower Lover" company's operations team. He is responsible for product selection and webcaster training within the organization. He has extensive experience in organizational management.

CEO: Mr. Lee (Male)

**Interview date:** Jun 15, 2022.

**Location:** Office in “Flower lover”.

**Duration:** 30 mins.

**Personal information:** Mr. Lee is 25 years old and lives in Kunming. He is the founder and CEO of Flower Lover. He has worked as an assistant for an internet influencer with 10 million followers. He has extensive experience in live streaming and corporate management.

### 3.3 Instruments

#### 3.3.1 Interview questions

**Table 3.1 Interview questions**

<b>Topic</b>	<b>Question</b>
<b>Interviewees' Background</b>	<ol style="list-style-type: none"> <li>1. What are the motivative factors for making the decision on doing live streaming?</li> <li>2. When was your company established?</li> <li>3. What is the organizational structure of your company?</li> <li>4. What is your role in the company?</li> </ol>
<b>Questions for the expert</b>	<ol style="list-style-type: none"> <li>1. Does government policy support live-stream? If so, what is the content?</li> <li>2. What are the advantages of live streaming flower selling?</li> <li>3. What are the weaknesses of live streaming flower selling compared to traditional offline flower selling?</li> <li>4. How do you motivate your audience to become consumers?</li> <li>5. How do you work with logistics companies to deliver products to customers as quickly as possible?</li> <li>6. What is the bottleneck of online sales of agricultural products?</li> <li>7. Can you explain the whole process of live streaming flower selling?</li> <li>8. How live streaming helps the flower industry to reach more customers?</li> <li>9. Does Douyin have access regulations?</li> <li>10. How long does an account can be run to generate profit?</li> <li>11. How can live streaming help the real economy and employment during Covid-19?</li> <li>12. How to deliver flowers to customers?</li> <li>13. Are there obstacles to boosting flower sales through live streaming?</li> <li>14. Do you need to do quality control processes for upstream resources?</li> </ol>

## CHAPTER IV

### FINDING ANALYSIS

#### 4.1 SWOT Analysis of Flower Live E-Commerce Business

##### 4.1.1 Strength

###### *Reduce upstream production costs, prioritizing downstream end uses.*

The combination of the flower industry and the live stream marketing model reduces the interconnection of flower sales, allows flower farmers to contact consumers directly, reduces costs, and benefits consumers. When explaining the cost to get a customer, Mr. Zheng said, *“Although live streams are more expensive to get customers than offline sales, the platform will provide certain support while increasing flower sales due to its traffic advantages. In fact, the marginal cost of each flower is almost the same.”*

###### *Promote consumption and employment.*

With the continuous improvement of consumers' consumption level, flowers are increasingly favored by consumers as a light luxury product. Through live streaming of flowers, consumers are attracted by beautiful pictures and low prices, which greatly stimulates their desire to buy, thereby increasing sales. Also, due to Covid-19, many people have entered the live streaming industry and combined it with the real economy. Mr. Wang said *“ Since 2020, a large number of young people from the non-flower industry have come to Dounan flower market, to broadcast live flower E-Commerce directly to the customers. Most of them choose the flower category for live streaming E-Commerce because Yunnan has the advantages of flower production, low price, and low entry barriers, and flowers are products that are relatively highly accepted by customers and easy to enter.”* This promotes the development of the real economy and gives young people more entrepreneurial opportunities.

***Open up new sales methods and create new flower shopping experiences.***

Through live streaming, webcasters can not only promote products but also contact customers in real-time. The live stream of the interactive flower shopping experience improves consumers' understanding and participation in the product and shortens the distance between them and flowers. The Douyin platform was chosen because its users are very active, it spreads fast, and it has a significant advantage in traffic, while still having relatively easy access requirements. Explaining how long an account can generate profit, Mr. Zheng said: *"A new Douyin account can be opened and withdrawn in an average of one month. If the operations and webcasters are better, it can be opened within a week. With better management, the account can live stream for 5 to 6 hours, and the income can be around 500,000 yuan."*

***Live stream helps agricultural products gain online influence.***

Live streaming has transformed agricultural products that could only be sold offline in the past into a combined online and offline sales model. In addition, it supports the government's efforts to empower farmers and reduce poverty. The Covid-19 outbreak froze the flower market in Dounan and severely damaged many flower growers. Live streaming can not only help farmers solve the problem of backlog of flowers, but also promote Yunnan's characteristic agricultural products and create online influence. When explaining how live streaming helps the flower industry to reach more customers, Mr. Wang said *"In the past, it was difficult for people in fourth- and fifth-tier cities and remote areas to get to know and buy flowers due to channels and transportation, but now they can easily access and buy flowers through live streaming."*

#### **4.1.2 Weakness**

***Streaming quality varies.***

With low entry requirements, most webcasters are untrained florists living their own style. In the era of rapid development of the Internet, it is difficult for consumers to judge the quality of products through the screen. Maybe consumers see the perfect product on the live stream, but when the product is in their hands, the difference is too great. As a short-lived product, flowers are damaged during packaging and shipping, resulting in inconsistent product quality.



***Live stream sales are not sustainable.***

Compared with offline channels, the live stream mode is transient. It can only sell goods when the webcaster is online, which can quickly spread traffic and generate sales. However, the live streams of the Douyin platform lack accurate customers and are difficult to achieve to generate loyal customers. Sales fluctuate with the frequency of live streams, Mr. Zheng also explains the access regulation of the live streaming industry, he said *“This is difficult to maintain if an account does not develop a large fan base within a certain time frame. Because the Douyin platform won't push traffic for accounts that don't do well, this leads to a lot of companies that can't run anymore because of the cost spend.”* Once the Douyin account does not have a strong fan base, not only will the goods not be sold, but the account can even be terminated.

***Supply chain of the flower industry is not perfect.***

The live stream of agricultural products reduces intermediate traffic, allowing consumers to buy agricultural products at lower prices. However, the biggest problem with selling agricultural products through live streaming is logistics. With the increase in sales, sellers face the problem of how to deliver products to customers as soon as possible, and it is difficult to avoid flower damage during long-distance transportation, resulting in increased after-sales service costs. Compared with traditional transportation, the currently developed cold chain transportation can reduce the loss of flowers and improve customer satisfaction. However, due to many uncertainties in the supply chain, live streaming flower delivery needs to choose the optimal supply chain. This has resulted in companies having to bear the high cost of flower delivery. Mr. Lee explained the logistics part, he said *“Shipping flowers costs twice as much as shipping other items. Although cold chain logistics has been developing, air freight is still the first choice to reach customers because of its high efficiency. On the one hand, the speed delivery could help us to win good comments from customers and reduce after-sales costs. On the other hand, it also earns our account a good reputation because the Douyin platform is very strict in terms of quality control of flowers. If a customer complains to us about the quality of the flowers, our account may be restricted and we have to pay the customer a large amount of compensation.”*

### 4.1.3 Opportunities

#### *Political support from the central government.*

In July 2020, 13 ministries and commissions, including the National Development and Reform Commission, issued guidelines to support diversified and independent operations that require the development of new retail formats, such as live streaming, and encourage the coordinated development of live streaming by government and businessmen to improve the level of live streaming. (**gov. cn 2020**). The introduction of policies to support the development of the live streaming industry is regarded as one of the new business models to promote development, which will not only help release the vitality of live streaming development, activate the consumer market, and increase employment. But it will also help to create a good live stream environment, innovate the supervision model, and encourage the standardized and healthy development of new service delivery methods.

#### *Political support of local governments.*

On April 18, 2020, the Party Committee of Chenggong District, Kunming City, and the provincial government jointly launched the “Dounan Flower Industry Live Streaming Support Program” to support flower enterprises and create the first “Live Streaming Flower Town” for China's flower industry. (**Chinanews.com 2020**)

#### *5G technology.*

With the advent of 5G technology, it is possible to reduce live stream delays and improve the interaction between network webcasters and users. Moreover, with the development of AR and VR technologies, the live streams market will grow significantly in the future. Live streaming can bring innovative experiences to consumers.

### 4.1.4 Threats

#### *Offline consumption dominates.*

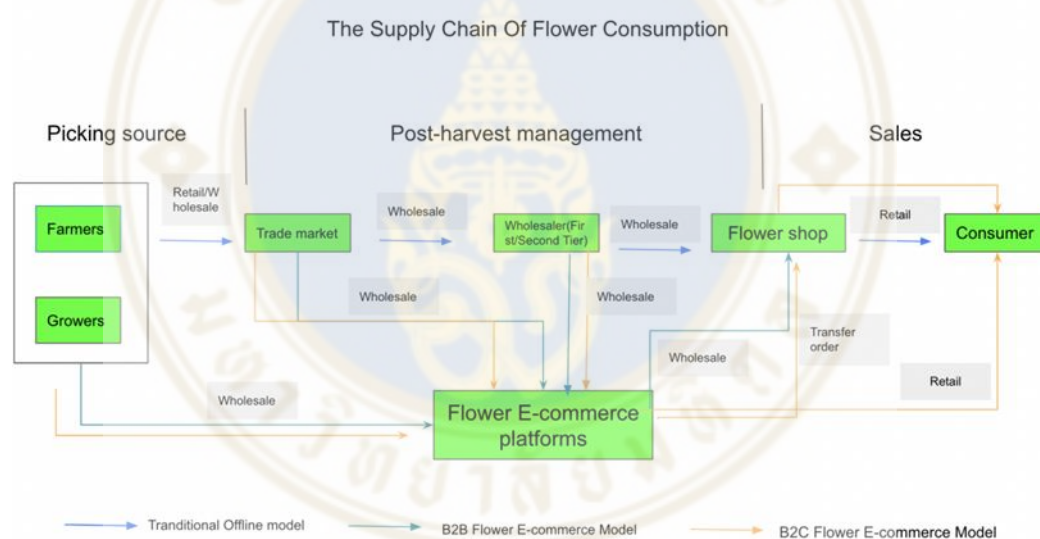
Many wholesalers and retailers have limited flower sales and can only meet offline demand. Therefore, they do not sell flowers through live streaming. On the other hand, consumers prefer to buy flowers offline because flowers are perishable and easily damaged during shipping. Explaining the obstacles to increasing flower sales through live streaming, Mr. Zheng said, “*Middle-aged women prefer to buy flowers through offline*

*channels because they can see real flowers when buying them, which reduces the risk of getting poor quality flowers. On the other hand, there are very few people in this age group who like to play Douyin ."*

***Consumers lack a personalized live streaming experience.***

Through live streaming, most consumers may only buy a bunch of various flowers and cannot enjoy the fun of customizing bouquets. Although live streams can increase sales, it is difficult to meet the different needs of consumers, and shoppers can personalize their flowers in brick-and-mortar stores, but not through live streams.

## 4.2 Distribution channel and deep analysis of each chain.



**Figure 4.1 The Supply Chain Of Flower Consumption.**

### 4.2.1 Comparison between traditional offline model and E-commerce model.

The traditional distribution channels of the flower trade are generally concentrated offline. Flowers are distributed to all parts of the country from farmers, through commercial markets, first- and second-tier wholesalers, etc. After a long time, the flowers are seriously damaged, and the average wholesaler on each floor in the middle increases the price by 15% to 20%. Florist-to-consumer retail chains have at



least a 60% premium after deducting labor, space, and loss costs and operating at breakeven, with the ultimate cost borne by consumers. The consumer bears the final cost. (Ireseach.com. 2018)

The flower E-Commerce model directly connects flower growers and florists/consumers shortening the loop connection and using digital solutions to start the whole chain transformation. This shortens the intermediate distribution chain, and transforms and optimizes the entire chain through digital solutions to meet the pain points of upstream and downstream players. This improves profit margins for flower growers and florists, providing consumers with higher quality flowers and the consumer shopping experience.

- Farmers generate more income by reducing intermediate markups, which can encourage them to import new varieties and advanced planting techniques. On the other hand, they can forecast order volumes and establish production accounting data.

- The flower shop could save the operation cost, and less warehouse waste, and the online system provides a management system to improve operating efficiency.

- Consumers get lower prices for flowers, reducing the time cost of shopping.

#### **4.2.2 The key success factors to match the growth of flower E-Commerce.**

##### ***- Farmers or Growers***

- **Improve the product quality:** As a flower source, good quality control is essential. For farmers, a quality product means it can be sold at a favorable price. The traditional wholesale model may not have high requirements for the quality of flowers, but as a product with e-commerce as a sales channel, due to product loss in the logistics process and high consumer expectations for products. Good quality is one of the most important success factors, quality also affects the sales of flowers and their reputation. When I interviewed the question about quality control, Mr.Lee said to me, "*The quality of upstream flowers is very important, and they have strict processes to select suitable partners. Because if they want to control the cost of after-sales service and the reputation of the company, they need to find the best flower resources.*"

- **Rationalising the use of land resources:** Compared to the relatively concentrated production area model in other countries, the flower industry in China is planted now "small, scattered, and disarray." In 2016, there were more than 600,000 individual flower farmers in Yunnan, 99.7 percent of the total. There are only 2,136 big flower farms, which stand for only 0.3% of the industry (**Iresearch.com. 2018**). A large number of individual flower growers is related to the history of industrial development in the region since the establishment of China. The rural land management policy has gone through several stages and developed into a common household production contract responsibility system. Nowadays, the government encourages farmers to transfer their arable land rights to large-scale enterprises with continuous planting and machinery to improve yield and quality.

- **Introduce advanced technology to support production:** Currently, there are still problems such as single variety, backward facilities, and low efficiency in flower planting in China, and the production of cut flowers can best reflect the characteristics of modern agriculture - High quality, high efficiency, and intensive. Flower planting should fully rely on scientific and technological progress, and use new technologies such as plant cultivation, flowering control cultivation, factory gardening, soilless substrates, and post-harvest storage and preservation to give full play to modern and refined agriculture.

- **Boosting growing efficiency with modern greenhouses:** The low efficiency of individualized and decentralized cultivation structures is first reflected in the development of varieties, the stability of mass production, and product quality. Traditional farmers are generally less educated, less able to take advanced planting techniques, and have a bias against the market and consumer psychology. In addition, they are constrained by economic conditions that limit infrastructure investment, resulting in low levels of mechanization that affect planting efficiency. By comparison, modern temperature-controlled greenhouses produce twice as much. Standardizing and improving yield and quality will be easier. Mr. Wang explained the fundamentals of how greenhouse technology increases flower productivity and quality, he said " *Using greenhouses for flower cultivation can not only allow farmers to effectively control environmental factors such as temperature, light, humidity, carbon dioxide concentration, etc., and produce high-quality flower products, but also break through*

*the seasonal restrictions of flower growth and achieve annual flower production and supply. In addition, flowers that are not suitable for local cultivation can also be introduced and cultivated using greenhouse facilities to create suitable environmental conditions. The use of modern greenhouses with a variety of environmental control devices can maintain a good microclimate in the greenhouse so that the flowers grow well and the quality is good.”* This technology will be the foundation to drive the development of flower E-commerce.

- **Government**

- **Increase investment in technology and build a big data center for the flower industry:** Through the integrated analysis of the data, It could serve as a basis for the government to build industrial policies, support market development, and lead flower farmers to plant flowers, On the other hand, it can also provide the most effective help for flower farmers to understand the market. Mr. Wang said *“The Dounan Digital Cloud Flower” data center was founded in 2002, and it has kept 20 years' worth of transaction data on more than 40 categories and 1,000 different varieties of flowers in its data warehouse. These data provide strong support for the growth of the Dounan Flower Market.”*

- **Encourages the development of the industrial zone model:** Establish a comprehensive industrial zone, the main component of which is the development of cut flowers, green seedlings, and potted plants, as well as a technology research center, standardized planting center, logistics distribution center, and leisure tourism functions. Attracting excellent companies to the zone, promoting employment, promoting companies on a large scale, and promoting the model of cooperation between the government and companies. Mr. Wang also introduced the next step in the establishment of an industrial zone in Dounan Flower Market, he said *“In the next step, the industrial zone will compete with world-class flower trade markets such as Aalsmeer in the Netherlands, consolidate the core position of the flower industry trade, improve the flower trade service system, strengthen the technical support of flowers, and promote the development of “flower + tourism” and industrial integration.”*

- **Organizing live-streaming training:** In order to encourage the development of local flower businesses and support rural rehabilitation, live streaming training should be organized. Local farmers or villagers should be given the opportunity

to learn about live streaming through theoretical learning and live-streaming courses. Mr. Wang explained the local government's support for live-streaming training, he said *“The local government regularly organizes local farmers and villagers to go to “Kunming Dounan Flower Live Livestreaming Base” for training, showing them how to make agricultural products videos, how to live broadcast products online, and how to operate agricultural products online.”*

- **Promote the cultivation of fine varieties of flowers.** Promote the construction of a technology innovation platform for the flower industry, and improve the technology system for the flower industry. Encourage and support flower enterprises to develop, cultivate and introduce new flower varieties suitable for Kunming's climate characteristics, and reduce flower production costs. Strengthen the collection and conservation of plant germplasm resources and breed selection. Encourage and support flower enterprises to integrate brand assets, create trademarks, and apply for national patents.

- *Flower E-commerce company*

- **Positive response to the National “ Rural Vitalization“ Project:** The Covid-19 pandemic has significantly reduced offline flower orders, and sales of farm-grown flowers are still lagging behind. E-commerce companies should combine their own advantages in resource integration, logistics and distribution, and technological empowerment, and create a specific online channel to support farmers. Mr. Zheng gave an example of this, he said: *“In order to effectively alleviate the huge impact of Covid-19 on the flower market, in 2021, “Flower Lovers” launched the “Love For Famers” campaign, which was very successful. It not only responded to the government's policies to support farmers but also effectively solved the sales problems faced by flower growers.”*

- **Build a professional team:** Flower E-Commerce involves fragmented work such as live broadcast, procurement, sorting, packaging, and delivery. It requires a professional team and a clear division of labor to become more efficient and faster. When explaining the structure of “Flower Lover”, Mr. Lee said, *“The fact that the company has achieved a certain level of influence in a short period of time has a lot to do with the composition of the team. Most of the staff at “Flower Lover” have*



*experience in E-Commerce related areas, and the recruitment requirements are very high.”*

- **Emphasis on professional training** : The lack of talents is the main factor restricting the rapid development of flower E-commerce, and the flower industry should pay special attention to the cultivation of E-Commerce talents. On the one hand, flower E-Commerce companies should strengthen cooperation with colleges and universities, and both sides should jointly cultivate E-Commerce talents. Universities can enrich students' theoretical knowledge, and flower E-Commerce companies can strengthen their practice. Only talents promoted by both parties can become the decisive force for the development of flower E-Commerce. In addition, each flower E-commerce company should increase the attraction of talents, improve the treatment, and attract excellent E-Commerce talents from other industries to join.

- **Improve service quality**: Improving the company's service quality and meeting consumer demand is the key to the future development of flower E-Commerce. The flower E-commerce environment determines that users can only experience the value of flowers based on the quality of flowers and related services and the way users interact with online flower shops. Therefore, in addition to quality control, flower E-Commerce companies should also improve service quality in order to cultivate more fans and increase customer loyalty to the company.

- *Logistic company*

- **Establishment of a logistics information trading platform**: Logistics is the most important link in the flower industry's chain of distribution. The establishment of an effective logistics information trading platform can bring together the same logistics needs of different transactions, realize the effective connection of flower production, market, and consumption, and integrate information resources, all of which contribute to improving logistics efficiency and greatly reducing logistics costs.

- **Strengthen cold chain logistics infrastructure construction**: Construct cold chain logistics and flower storage facilities, and create a cold chain logistics process. This is a large investment project with a high cost and technology content, and the local government should provide financial support. At the same time,

flower logistics companies should actively incorporate advanced technology and talent to increase logistics levels.



## **CHAPTER V**

### **CONCLUSION & RECOMMENDATIONS**

#### **5.1 Conclusion**

The study of this research work is to analyze the development of flower E-Commerce in China. The research is based on SWOT analysis and multi-channel distribution system chain, and an in-depth analysis of Chinese flower E-commerce companies and the Dounan flower industry. The writer conducted qualitative research using interview techniques to understand the findings for each relevant factor mentioned by the interviewees. The writer interviewed 2 young E-Commerce entrepreneurs who own and operate E-Commerce businesses, as well as the manager in charge of the “Flower Electronic Trending Center”. The selected interview interviewees have extensive experience and knowledge in their respective industries. So these data and content are very helpful for my research.

The writer analyzed the interview data to identify 4 key success factors that interviewees felt must be present in flower E-Commerce to be successful. These 4 factors involve 1) Farmers 2) Government 3) Flower E-Commerce companies 4) Logistics companies.

The first factor is on the farmer's side. Firstly, farmers need to be aware of the importance of flower quality, quality is the most important factor in the minds of consumers, so flower sales are based on the quality of flower products. The second is to actively cooperate with the government's land policy, transfer arable land to large-scale flower enterprises, and improve yield and quality through mechanization. Finally, encourage farmers to use modern greenhouse techniques to increase flower yields.

The second factor is on the government side. Firstly, the government should increase investment in technology and establish a big data center for the flower industry. Secondly, build an industrial zone, integrate resources, and focus on driving the development of the flower industry chain. Then cultivate live streaming talents, let local flower farmers and villagers understand the Internet, and encourage them to sell flowers

and other agricultural products through online channels. Finally, promote the construction of the flower industry scientific and technological innovation platform, encourage flower enterprises to introduce, cultivate and develop new flower varieties, and provide support for them to create trademarks and apply for national patents.

The third factor is the flower E-Commerce companies. First, flower E-Commerce companies should actively respond to the national "Rural Revitalization" project and use their own technological advantages to help farmers sell more flower products. The second is to build a professional team with a clear division of labor to improve efficiency. Further, strengthen the training of professional talents, and cooperate with colleges and universities to jointly cultivate professional and living talents. Finally, improve the service quality and meet the different demands of online flower consumers.

The fourth factor is the logistics companies. First, build a logistics information trading platform. Integrate information resources, improve logistics efficiency, and greatly reduce logistics costs. The second is to strengthen the construction of cold chain logistics infrastructure. because it requires large capital investment, so I recommend a government-enterprise cooperation model to solve the financial problem. Finally, it is necessary to actively absorb advanced technologies and talents to improve the level of logistics.

## **5.2 Recommendation**

With the increasingly fierce competition in the flower E-Commerce market, product homogeneity has become one of the more obvious problems. "Flower Lovers" needs to find its own positioning, and refine its classification and operation. At the same time, efforts will be made to upgrade and transform the entire flower E-Commerce chain. Researching the perfect combination of upstream and downstream markets is the next area where they especially need to invest.



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