

Thinking and Discussion on the Development of Chinese Medicinal Materials Sales APP

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Abstract: Traditional Chinese medicinal materials are a key part of the Chinese medicine industry, but as far as the Chinese medicinal materials markets is concerned, the quality of Chinese traditional medicinal materials needs to be standardized. Nowadays, Chinese traditional medicinal materials are more and more recognized by the current people. In some families, some medicinal materials are often used as health care products. In recent years, the status of traditional Chinese medicinal materials in China has been gradually promoted under the promotion of policies. With the development of Internet + strategy, the traditional Chinese medicinal materials network trade industry has also ushered in a good development opportunity. This paper takes the Chinese medicinal materials sales APP as an example, based on the current development, uses SWOT analysis to evaluate it, and puts forward suggestions for future development.

1. Chinese Medicinal Materials Market Status

In early 2012, the Ministry of Commerce set up an analysis system for key varieties of Chinese medicinal materials, collecting and publishing relevant information on key varieties of Chinese medicinal materials. According to the analysis report on the circulation market of Chinese medicinal materials in 2017, we can get a general understanding of the market situation of Chinese medicinal materials in 2017. In mid-2017, the market price of Chinese medicinal materials was stable as a whole, which was significantly lower than the price increase in 2016, and some varieties have changed greatly due to the influence of market, climate and capital. Most of the raw materials of Chinese medicinal materials belong to agricultural products, so they are greatly affected by climate and region, and their market prices fluctuate greatly. The price fluctuations in these markets bring more benefits to the intermediaries, while the price reduction is more harmful to the farmers. First of all, Chinese herbal medicine has certain professionalism as a medicinal material. Even when it comes to the medicinal materials market, it is sometimes difficult to judge the inferiority of medicinal materials when purchasing medicinal materials. Secondly, the entry threshold of the raw material market of Chinese medicinal materials is very low. The sale of raw material market of Chinese medicinal materials is different from that of pharmacies, and there is no need for rigid regulations such as practitioners. Finally, the middlemen lack supervision. In order to make profits, they store goods maliciously, resulting in imbalance between supply and demand in the market, and the price fluctuates dramatically. Therefore, more and more people are choosing pharmacies to buy medicines, directly from the origin or contact suppliers to avoid purchasing medicines through intermediaries as far as possible.

2. Current Situation of Online Sales of Chinese Medicinal Materials

Driven by the "Internet +" environment, it has injected more vitality into the field of traditional Chinese medicine. In the aspect of Chinese medicinal materials, it breaks the restriction of time and space, achieves a broader trade scope, and can collect, count, integrate and share data of medicinal materials in various regions, and constructs a big data link of Chinese medicinal materials trade. The

application of big data can not only more intuitively reflect the market situation of traditional Chinese medicine trade, but also provide more convenient, personalized and intelligent services for both suppliers and demanders.

According to the survey, the development of online marketing platform for medicinal materials is not perfect. In the current app application market, the number of downloads of this kind of app is less, the attraction to customers is small, and the content and function of app are relatively single. On the online web marketing platform, the information is more confused, and there are many kinds of advertisements, which are often large-scale wholesale medicinal materials, and it is difficult to meet the needs of individual users. At present, online market transaction has the characteristics of convenience and efficiency, but it is not popular nowadays. However, with the development of the Internet, and with the precedent of "Taobao" and "Jingdong" online purchase consumption mode, people have a higher degree of acceptance of this consumption mode. And this kind of online trading mode can effectively save manpower and material resources, is the trend of the development of the times. Such online purchases of medicinal materials will develop rapidly and have great potential.

3. SWOT Analysis on the Development of the Chinese Medicinal Materials Sales APP

3.1 Main Advantages (S) Analysis.

1) App has a wide range of coverage and can break the time and space constraints

The cultivation of Chinese herbal medicine is susceptible to the influence of regional environment, which will lead to uneven distribution of resources. Taking Sichuan as an example, there are more than 5000 resources of Chinese herbal medicine in Sichuan Province, accounting for 39% of the whole country, of which there are more than 4600 plants, accounting for 50% of the resources of Chinese herbal medicine. While in Hainan, where the climate is relatively hot, there are also different resources of Chinese herbal medicine, such as clove and patchouli. In the traditional way of medicinal materials trade, it usually takes 2-3 days to find the optimal purchase plan. But through app, we can quickly query the resources of medicinal materials in various regions, break the time and space restrictions, and purchase more medicinal materials more directly and quickly.

2) App content is rich, sales diversified

The medicinal material sales app is not only based on the sales of Chinese medicinal materials, but also can be packaged and packaged according to the needs of users, providing users with more personalized services; it can create a forum for users to identify the efficacy and use of Chinese medicinal materials, and even have a circle and space for communication. It can introduce Chinese medicine doctors, medicinal materials experts to provide consulting services, answer questions and even network consultations; the concept of cultivating medicinal materials for family meals can be introduced. Nowadays, more and more people are paying attention to traditional Chinese medicine health care and medicinal dietary therapy. There is a fixed demand for some medicinal materials. By introducing the concept of medicinal materials cultivation, users can gradually be guided to accept the new concept of cultivation at home. App can build a more perfect trade service circle of Chinese medicinal materials by means of Internet technology.

3) Trade information in the medicinal materials market is more precise

Through the use of big data, it can provide immediate market consultation, timely understand the market dynamics of medicinal materials, access to information, and ensure that buyers and sellers can obtain the equivalent information. At present, the market transaction of medicinal materials is chaotic, which will make the prices of some medicinal materials extremely unstable. Through the intervention of APP in the sale of medicinal materials, we can easily understand the market supply and demand situation, ensure the stability of sales, broaden more sales channels, from medicinal materials companies, consumers to individual farmers, reduce the middleman price difference, and strive for market balance.

3.2 Main Disadvantage (W) Analysis.

1) Higher cost

The first 1-2 years of app development and operation are the promotion stage. It is necessary to accumulate users, cultivate user habits and run-in with the market. It is free for all users, that is to say, there is little income. After reaching a certain user base and popularity, more businesses can have advertising revenue and service fees for platform entry. Therefore, there is a certain financing risk in the early stage of operation. Because the financial cash flow of this project is not very high, and now with the risk of income reduction and cost increase, there is a certain risk threat in the balance of cash flow.

2) App software development has technical risks

The development of software products is an organic combination of engineering technology and personal creation. In the process of software development, the needs of each stage should be clarified. The software requirement is to ensure that the software correctly reflects the user's important documents for the use of the software. Exploring the software requirements is the starting point of software development, but the software requirements will run through the entire software development process. Software management needs to control and manage the change of software requirement. On the one hand, ensuring that changes in software requirements do not cause changes in software engineering, resulting in software not being completed on time; at the same time, it is necessary to ensure that the developed software can be accepted by users. Software management needs to control the progress of every stage of the software. It is easy to waste time if the management is too fine, and it is easy to cause software defects if the management is too rough [1]. The balance between them is difficult to grasp, and there are technical risks in the development of APP software.

3) It is difficult to build a strong and trusting relationship between buyers and sellers.

The quality of Chinese medicinal materials is the embodiment of the use value. Chinese medicinal materials are closely related to health. Because they can't see the material object, it is difficult for buyers to judge the quality of Chinese medicinal materials. The quality of Chinese medicinal materials is difficult to identify, and for most ordinary people, it is impossible to distinguish between true and false only from the appearance. When the buyer receives a medicinal material that does not conform to the description of the photo, etc., it will reduce the trust; some sellers lack integrity and seek benefits through the platform.

3.3 Major Threats (T) Analysis.

1) Offline competition is relatively large

With the improvement of social infrastructure, the rational allocation of community health service centers and pharmacies has brought great convenience to the masses. At present, most people prefer to go to the pharmacy to get medicine in person. They can not only get the necessary drugs in time, but also consult the pharmacy staff, and the quality of drugs has been greatly guaranteed. For the middle-aged and old people, online purchasing is not easy to operate, and offline purchasing of Chinese herbal medicine is the main way, so they have strong competitiveness.

2) The market of Chinese medicinal materials has risks

Chinese medicinal materials have dual attributes of both agricultural products and medicines. The production of Chinese medicinal materials generally belongs to agricultural production activities. Compared with industrialized production, the quality control of Chinese medicinal materials has more influencing factors. Therefore, it is difficult to supervise and control the quality of Chinese medicinal materials. On the one hand, Chinese medicinal materials are essentially agricultural products, which are greatly affected by natural and market price fluctuations, and the industry operation has certain risks. On the other hand, the drug attributes of Chinese medicinal materials determine the high requirements of production management norms. Therefore, whether Chinese medicinal materials can guarantee the standardized production of Chinese medicinal materials industry, the stability of quality and supply of Chinese medicinal materials, have a great impact on the development of Chinese medicinal materials market.

3) Obstacles to the Development of Traditional Chinese Medicine Sales

Due to problems such as the cultivation and processing techniques of Chinese medicinal materials, the quality and efficacy of Chinese medicinal materials are not the same. The reputation of Chinese medicinal materials is vulnerable to influence. At present, the non-standard cultivation of drug farmers and operators results in the substandard content of effective ingredients and unstable quality of medicinal materials. Moreover, the enterprises that produce Chinese medicinal materials in China are generally small in scale, uneven in quality, lack of strict regulations in production management and planting of medicinal materials. Although the state has issued GMP, GSP and GAP successively, the emergence of such phenomena has not been completely eliminated [2]. At the same time, the sale of counterfeit inferior medicinal materials and the irregular cultivation of pesticide residues have also hindered the development of Chinese herbal medicine market.

3.4 Opportunity (O) Analysis.

1) Government policy support

In the 2018 national Chinese medicine work conference pointed out that the development of Chinese medicine should work hard to stimulate the vitality of development, promote the integration development of Chinese medicine and the Internet, adapt to the trend of convergence of information technology and human production and life, vigorously develop "Internet +" Chinese medicine, improve the construction of information infrastructure and information resources, strengthen the construction of Provincial TCM data centers, promote the construction of Chinese medicine projects in the national health insurance informatization project, and strive to achieve data sharing, data fusion, process optimization, mode innovation, and management intelligence, so that people can see Chinese medicine more conveniently[3]. At the same time, the new medical reform in the field of traditional Chinese medicine has been further promoted. Chinese medicine has been listed as the national essential medicine catalogue, and Chinese medicine will occupy a more important position in the lives of residents.

2) The Popularization of Mobile Payment Creates Market for APP Sales

China's Internet penetration level has been increasing year by year. According to the 41st China Internet Development Statistics Report issued by China Internet Information Center (CNNIC), by December 2017, China's Internet users had reached 772 million, with the Internet penetration rate reaching 55.8%, which exceeded the global average level by 4.1 percentage points and 9.1 percentage points over the Asian average. Among them, 97.5% are mobile netizens, and online mobile payment habits have been formed [4].

3) Comply with the trend of the "Internet +" era

"Internet +" is a new form of Internet development under the age of innovation, breaking the traditional consumption concept. The purpose of the "Internet +" plan is to give full play to the advantages of the Internet and integrate the Internet with traditional industries to make full use of resources and achieve greater economic benefits. The combination of the Internet and Chinese medicinal materials to promote the smooth development of Chinese medicinal materials network trade is only a small step, and the establishment of a large database based on the Chinese medicinal materials industry is a must.

4) Social needs

With the development of the economic level, the needs of the masses are also diversified. The awareness of health care and disease prevention is increasing. The demand for the use of traditional Chinese medicines is also increasing. The development of Internet trade in traditional Chinese medicines is not limited to the trade in medicines, but based on Internet technology, more services can be realized, such as medicinal meals, health care and health care services, which can tap a larger economy benefits. For various reasons, such as the change of human disease spectrum and the limitation of chemicals, the demand of the international market of Chinese medicinal materials is increasing year by year, so the international and domestic markets of Chinese medicinal materials are very optimistic.

5) Improvement of Logistics Environment

With the rapid development of the modern logistics industry, and the application of logistics management methods. The logistics infrastructure such as transportation, satellite communications, and telecommunications networks are gradually improving, and the government has increased the support and supervision of Chinese medicinal materials logistics. Provide a good logistics environment for Chinese medicinal materials APP [5].

4. Conclusion

With the enlargement of the scale of traditional Chinese medicine industry and its development towards more standardization, it can be foreseen that there will be more room for development in online sales. However, due to the large scale and large investment of developing APP for sale of Chinese medicinal materials, in addition, the sales market of Chinese medicinal materials already has a more authoritative business platform, so it is difficult for newly developed APP to gain a foothold in the market. We can start from small individual households, including growers, small purchasers, etc. The most important thing is to make full use of the advantages of innovation, develop more service chains related to traditional Chinese medicines, family medicines planting, etc. For example, the use of Chinese herbal medicines to guide planting is an innovative entry point. Today, there is not much interest in the concept of planting medicinal materials in the family, and it is possible to use this propaganda to enter the market and obtain certain development opportunities. How to operate APP well, the key is to have core competitiveness and create its own unique services, which is very important for the sustainable development of APP.

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