Research on the Marketing Model of Chinese Agricultural Products 
Under the Background of Internet Plus

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Keywords: Agricultural Product, Internet Plus, Marketing Model.

Abstract. With the development of the agricultural products market from supply shortage to regional, structural and surplus, the supply-side structural reform has penetrated into various industries. Structure of industry and demand for agricultural products are undergoing a great change. Agricultural product trade has taken on new characteristics, changing from offline to online, and then to combination of online and offline pattern. The proportion of arable land and the level of agricultural marketing in China are quite low, which makes our agricultural product face the increasingly fierce competition in the global market and poses a serious challenge on our agricultural products. It is helpful for Chinese agricultural products to study the agricultural marketing model, to strengthen the international competitiveness and accelerate the pace of market-oriented reform.

Introduction

“Internet +” was initially put forward by Yu Yang in the Fifth Yi Dong Internet Exposition held in Yi Guan. In March 2015, Ma Huateng submitted the paper about “Internet +” in NPC and CPPCC, named Suggestions to promote the development of China’s economic and social innovation. In the Third Conference of the 12th Session National People’s Congress meeting, Primer Li Keqiang pressed ahead with an “Internet +” plan for the first time in his government work report. In July, the State Council issued the action on promoting “Internet +” guidance, promoting the combination of Internet and Chinese traditional industries, and expanding the Internet from consumption field to production one.

1. Agricultural Marketing Present Situation in China

1.1 Agricultural production

At present, we have cultivated land area of 135 million hectares, accounting for 14% of our country and area. Mainly concentrated in the black soil of northeast plain, fertile soil is given priority to with brown soil of north China plain, is given priority to with ash soil, known as the “land of fish and rice” said the plains of the middle and lower reaches of the Yangtze River and predominantly purple soil in Sichuan basin. They respectively with unique natural advantages, location advantages of planting or breeding have advantages of agricultural products. According to a 2015 national bureau of statistics, China’s agriculture, forestry, animal husbandry and fishery output value 1.38736 trillion yuan, 93.56 billion yuan and 93.56 billion yuan respectively, 271.26 billion yuan, in 2014, the agriculture, forestry, animal husbandry and fishery output value is 1.38736 trillion yuan, 93.56 billion yuan and 93.56 billion yuan respectively.

1.2 Marketing of agricultural products

First, according to the agricultural marketing practitioners, the current age of China’s agricultural marketing practitioners is mainly distributed between 41 and 50 years old, accounting for 53.6%; followed by 31 to 40 years old, while in 20 to 30 years old accounted for only 5.8%. Among them, 84.7% of those are with high school education and below. Few of them are only highly educated in college and above.
Second, from the “Internet + environment”, according to the China Statistical Yearbook 2015, as of December 2014, the Internet penetration rate reached 47.9%, compared with 2013 increased by 2.1 percentage points, rural Internet penetration rate of 31.6%, compared with 2013 to enhance the 2.8 percentage points, the opening of the Internet broadband business, the proportion of administrative villages as high as 93.5%. China’s mobile phone users the number of 649 million, the annual total of 30 million new Internet users, the proportion of mobile Internet up to 90.1%. Of which the scale of rural Internet users reached 178 million, an increase of 9.5% over the end of 2013, the use of mobile Internet access to rural Internet users reached 170 million. In the “Internet + agriculture” background, Alibaba, Jingdong, a acres of land, Lenovo fertile soil and a large number of electric business giants began to enter the rural market, for the development of power shortage of rural areas continue to inject Internet elements.

2. The Main Problems in the Marketing of Agricultural Products in China

2.1 The concept of agricultural marketing is lagging behind

Farmers in the cultivation of long-term by the “only species, regardless of income” in sales by the “wine is not afraid of alley deep” and other traditional concepts, production from the market, sales in a passive, resulting in agricultural marketing concept lag. We all have off-season awareness, there is no off-season market. Most of the agricultural products in the implementation of extensive positioning - “first-class raw materials, second-class processing, third-class price”, due to agricultural products susceptible, easy to wear and other characteristics, farmers eager to sell agricultural products, accompanied by agricultural production season is sales difficult phenomenon. We need to deeply understand the deep processing of agricultural products, resulting in lower input-output ratio of agricultural products.

2.2 The scope of agricultural product transmission is still limited

Before the emergence of the Internet, due to the regional production of agricultural products, agricultural information related to difficult to pass a wide range. The basic is the local production of local consumption, it is difficult to go out, and it led to the “market saturation” illusion. With the popularity of the Internet, such as “COFCO”, “I miss you” and other large agricultural enterprises with the Internet makes a household name, part of the agricultural products are sold to consumers directly or after processing through the brand advantage. However, the demand for agricultural products is far lower than that of agricultural products. Failed to be acquired by a large number of agricultural products is still difficult to be known to outsiders, agricultural products supply and demand information asymmetry led to the poor sales of agricultural products. By using the Internet to establish a database of agricultural products supply and demand market, to solve the problem of poor integration of agricultural products supply and demand market information.

2.3 The construction of information network is weak

Internet in China started late, in the north and other economically developed areas were exploded every year to develop. But in the mainland, the development of poor areas has been very slow, and most of these areas are agricultural production areas. Internet + era of the arrival of agriculture want to achieve a breakthrough in the development of key lies in the marketing of agricultural products, and agricultural marketing and the degree of integration with the Internet is closely related. Increasing the penetration rate of the Internet and rural Internet coverage is still a difficult task in parallel with the reform of the agricultural industry.

2.4 Sales channels long, many links, low efficiency, high cost

The diversification of agricultural products is used for production and sale by most farmers. Some farmers directly through the county, township (town) farmers market directly to consumers to deal with; some farmers through multi-storey agricultural products sales brokers, to achieve the transfer of agricultural products, and agricultural products to all levels of wholesale markets, retail
market; order, there is no standardized sales channels to the middle of a larger speculative space, not only to extend the time from the producer to the consumer, but also increased the cost, efficiency greatly reduced. Beneficiaries only middlemen, the high cost of agricultural products to consumers, while farmers can not achieve high income, so shorten the sales channels of agricultural products, expand the circulation of agricultural products to improve its market radiation is extremely important.

3. Suggestions on Improving the Marketing of Agricultural Products in China

3.1 Speed up the system construction, promote the “Internet +” and the depth of integration of agriculture

To speed up the system construction has become the promotion of “Internet +” and the depth of the integration of agriculture is imperative.

First of all, all levels of government to speed up the development of the region for the “Internet +” and the depth of the integration of agricultural guidance, focusing on the purchase of electricity to buy electricity platform, agricultural production precision intelligent management platform, agricultural products platform construction; second, through a series of policy support, such as tax incentives, low interest rates or even interest-free loans, technology research and development subsidies, etc., to guide industrial and commercial enterprises to actively participate in the “Internet +” and the depth of integration of agriculture, the formation of “Internet +” and the depth of integration of agriculture. Finally, through television, newspapers, text messages, WeChat and other forms of vigorously promote the “Internet +” and the depth of the benefits of integration of agriculture, the “Internet +” and the depth of agricultural integration into hundreds of millions of farmers conscious action for the “Internet +” and the depth of integration of agriculture to provide the driving force.

3.2 Vigorously cultivate new farmers, to provide talent support for the “Internet +” and the depth of integration of agriculture

“Internet +” and the depth of agricultural integration is the use of Internet technology and information technology to guide the process of agricultural production, decision-making process is the use of Internet technology to promote the process of precision agricultural production, management is the use of Internet technology to improve the process of circulation of agricultural products, traditional agriculture. After the “revolution” of rebirth, we must speed up the cultivation of “new farmers”, promote the “Internet +” and the depth of integration with agriculture, through policy development to actively guide the students village officials, return home entrepreneurs, rural youth rich leader. And so become the use of Internet technology leader, driven family farmers, cooperatives and ordinary farmers have Internet thinking, master Internet technology and applied to the agricultural production and management of all aspects of training a group of both Internet technology, but also understand the agricultural production complex talent for the “Internet +” and the integration of modern agriculture to provide intellectual support.

3.3 Using Internet technology to transform the whole industry chain of agriculture and promote the transformation of traditional agriculture to modern agriculture

“Internet +” and the depth of integration of agriculture, should focus on the integration of the entire agricultural industry chain and not just one of the links. First, the Internet technology will be applied to the whole process of agriculture, including breeding, cultivation, irrigation, harvesting and other links, forcing “fine agriculture” to help the agricultural output efficiency; secondly, the use of Internet technology to agricultural procurement, agricultural sales. The whole process, effectively reduce the cost of agricultural production “floor” to improve the efficiency of agriculture, help farmers increase. Finally, the Internet technology will be applied to the whole process of quality and safety supervision of agricultural products, help the quality and safety of agricultural products to ensure that the national “people’s livelihood” and “the quality of agricultural products, the safety of the tongue”.

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3.4 Increase capital investment, to provide financial security for the “Internet +” and the depth of integration of agriculture

“Internet +” and the depth of agricultural integration, financial investment is the foundation. First of all, all levels of government to establish the “Internet +” and the depth of the integration of agricultural long-term mechanism to ensure its development potential, it is recommended that governments at all levels of financial support for agriculture, land transfer and other projects a certain percentage of investment “Internet +” and the depth of the integration of agriculture, and the central government’s investment to the central and western regions tilt, any units and individuals can not be misappropriated, offenders must study; second, the proposed “Internet +” and the depth of the integration of agricultural development fund to encourage and guide social capital investment “Internet +” and the depth of integration of agriculture, broaden the “Internet +” and the depth of the integration of agricultural sources of funding channels; finally, for the construction of non-public welfare, in accordance with the “who benefit from who invest” principle, to benefit farmers appropriate part cost, to promote the “Internet +” and the depth of agricultural integration of diversified sources of funding.

References