

# Research On Business Model Innovation Of Internet + Agricultural Products

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**Abstract.** "Internet +" refers to the full play of the Internet in the allocation of resources and is a combination of the Internet's innovative achievements and the industries in our country, to enhance the competitiveness, productivity and creativity of various industries, and to form a wider range of new economic form based on Internet. "Internet +" agricultural products are not the simple addition of the Internet and agricultural products, but the Internet and agricultural products to carry out the depth of integration, and promote the process of agricultural modernization. Traditional agricultural production relations can be decomposed and reorganized by the Internet, so as to create more market opportunities, so for agricultural products, the "Internet +" is definitely the future trend.

## Introduction

On March 5, 2015 Third Session of the Twelfth National People's Congress, Premier Li Keqiang for the first time proposed to develop "Internet +" action plan in the "Government Work Report"[1]. Popular speaking, the "Internet +" is the Internet + traditional industries, but this is not a simple combination of the two, but the collision of the traditional industry and new thinking, is to fully play the role of the Internet in the allocation of resources and is a combination of the Internet's innovative achievements and the industries in our country, to enhance the competitiveness, productivity and creativity of various industries, and to form a wider range of new economic form based on Internet. "Internet +" action plan will focus on promoting the integration of innovative information technology and modern manufacturing, manufacturing services industry and other industries with cloud computing, Internet of things, big data as the representative of the new generation of information technology, grow new industry, build new industrial growth point, to provide the environment for public entrepreneurship, innovation and peoples, to provide support for the intelligent industry, enhance the new driving force of economic development, promote the upgrading of the quality and efficiency of national economy.

## The Agricultural industry development status

Agricultural products industry is one of the most traditional industries, it presents a strange phenomenon related to geographical areas: in rural or remote areas, the environment is good, the product quality is guaranteed, but the price is very cheap, farmers income is also very low; and in big cities, the environment is bad, the product price is high, but not very good quality assurance. China's traditional agricultural products industry, there are two major current situation:

First of all, the lack of agricultural products brand. Although our country has some of the brand of agricultural products with regional characteristics, such as Gannan navel orange, Nanfeng

orange, Wuyuan green tea, etc., but little is an independent enterprise brand. Therefore, our agricultural products are still in the stage of selling raw materials, no brand, no packaging, no classification, have good sales but cannot sell the ideal price.

Secondly, the added value of agricultural products is low. It is well known that the premium capacity of different industries, different kinds of products is different, we in daily life can often see the advertisement of cosmetics, clothes, liquor, a price of thousands of clothes, but it costs a hundred; a price of hundreds of thousands of bags, but cost two thousand dollars,, these products have strong ability of the premium, has enough capital to do advertising[2]. And in contrast, agricultural products on the lack of advertising, premium capacity is clearly insufficient.

### **Why should we implement the “Internet+” of Agricultural Products?**

First of all, the traditional agricultural products trading sales area is generally narrow. Most of our agricultural products are sold in the stalls, shops for small operators, therefore, their sales area is generally limited to small geographical area. However, the size of the sales area to some extent determines the size of the agricultural market potential[3]. By comparison, the market scope of agricultural products online transactions is the province, domestic, and even domestic and foreign. Equivalent to the sales area is the province, the country and even the whole world. The sales area of the online trading market is wider than the traditional agricultural trade.

Second, the object of traditional agricultural trade is relatively simple. Under normal circumstances, the object of traditional agricultural trading more biased in favor of the consumer responsible for the purchase of agricultural products, such as housewives, hotel procurement personnel. But agricultural embark on the Internet, it means that the object of their consumption is more diversified; the young group is more likely to participate in the transaction of agricultural products, which to a certain extent, expand the consumption of agricultural products.

Finally, the traditional agricultural products transaction is facing various levels of the increase link. Although fruit and vegetable shops have appeared in people's daily lives in the form of the store, but the Internet can help farmers realize direct links, can be more direct and time-saving, based on the protection of quality of agricultural products, eliminating unnecessary intermediate link, for consumers, is to save money and effort.

### **The existing obstacles of innovative “Internet +”Agricultural Business Model**

Now many agricultural enterprises have realized the importance of innovation of "Internet +" agricultural business model, but innovation is not easy, there are a lot of obstacles.

First of all, the shackles of the traditional B2C thinking. Traditional B2C thinking that the establishment of a B2C electricity supplier platform, through the guide flow, the customer will shopping on online. However, there is essential difference between agricultural products and other products, because customers in the purchase of agricultural products, to buy not only products, but a healthy life, so the electricity supplier of agricultural products need to display the story behind products, the planting base, picking experience, logistics experience, can be traced, supply chain visualization, etc., so the traditional B2C thinking will restrict the way the Internet of agricultural products.

Secondly, the lack of uniform standards for agricultural production and quality standards, product standards, packaging standards, distribution standards, acceptance criteria, quality standards and other development is not perfect, all kinds of agricultural products business standards

are uneven, Unable to reassure consumers to buy agricultural products.

Again, the lack of integration of the procurement base integration. The commercial value of the integration of the procurement base is not only the guarantee of quality, but also the important way of brand, intensive purchasing and collaborative demand, of course it also is an important means of to reducing costs, reducing waste, obtaining profit. However, the current focus on China's agricultural electricity supplier base consolidation is not enough, many produce only electricity supplier base is oriented procurement and cooperation, cannot form a strategic synergy of supply and demand. However, at present, the attention to the integration of the base is not enough, a lot of the electricity supplier of agricultural products is cooperating with the base through the way of oriented procurement, cannot form a strategic synergy of supply and demand.

Finally, the development of fresh agricultural products logistics industry is not enough, the development of fresh technology, storage capacity, distribution strength is uneven, especially cold chain logistics capacity is not enough. Cold chain is a problem that cannot be avoided for agricultural products sales, you not only to build a storage room, but also to be equipped with refrigerated and frozen functions of delivery vehicles, as well as cold storage tank and constant temperature equipment, otherwise fresh, good quality product, delivered to the customer's hands will become a commodity with problem[4]. The investment of cold chain is not generally accepted by the agricultural products enterprises. The enterprises should face the problem of continuous investment in assets and long return period of investment. And few agricultural products business enterprises understand the cold chain logistics, and can set up their own cold chain logistics team. Therefore, the socialization of the cold chain logistics team, intensive, professional management has become an urgent need of the agricultural product resources.

### **The "Internet +" new model of Agricultural Products"**

Currently, there are three kinds of business models of the "Internet +" agricultural products can be used for reference:

First, take the road of platform. The establishment of agricultural specialties museum, as a unique distribution platform, with the support of the government and the cohesion of its own system, a collection of small sellers in the region for common development[5]. For loose and not standard professional small sellers to provide professional training services, to integrate upstream and formulate a unified supply procurement standards, and unified operation and management by the platform professional team, in accordance with unified packaging, unified distribution, unified sales and other standardized operations, The implementation of this model of the enterprise like a regional Shopping Mall, they are a service provider, the sale is "standardized."

Second, take the road of integration of resources. Now local governments are encouraging agricultural enterprises to take the road of the Internet, then the business can take full advantage of the government's support, set up E-Commerce Association in the region, Combine the local truth to build local characteristics of agricultural products, and sell in the online store. In addition, companies can recruit young sales staff, to their professional micro marketing training, and through microblog, wechat and other free social media to sell agricultural products.

Third, take the road of the brand. The brand operation of agricultural products, and combined with local characteristics to take a good brand name, and directly entered the flagship store, the professional third party to carry out the operation, show the product brand, its main charm in the whole industry chain to carry out standardized operations, unified procurement, unified packaging,

unified operation, unified distribution, unified sales and many other standardized attempt.

## **Conclusions**

Agricultural products seems far from the Internet, but the "Internet +" agricultural products has unlimited potential and possibilities. Internet + is not to change the natural attributes of agricultural products, but the use of the Internet to the agricultural products and demand market docking, the Internet and agricultural products to the depth of integration, to promote agricultural modernization process, through the Internet trading platform to reduce the sale of agricultural products in the middle part, so that consumers and producers direct docking, reduce costs, increase farmers' income, create new development ecology, promote economic development in china.

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