

THESIS TOPIC:RESEARCH ON INTERNET MARKETING MODELS OF AGRICULTURAL PRODUCTION BASES IN CHINA—A CASE STUDY OF FUHE AGRICULTURAL COMPANY

JIANG HUI 5817192024

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JIANG HUI

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Advisor:	Q'u chen	Date: 07	/	03,	2017
(A:	ss. Professor. Oiu Chao)				

(Professor: Dr. Vijit Supinit)

Dean of Faculty of International Master of Business Administration

Date: 15 March 201

Siam University, Bangkok, Thai

Abstract

Research on Internet Marketing Models of Agricultural Production

Bases in China-A Case Study of Fuhe Agricultural Company

By: Jiang Hui

Title:

Degree: Master of Business Administration

Major: Business Administration

Advisor: Q'n chen

(Ass. Professor. Qiu Chao)

Owing to the development and application of modern network technique, new energy and vitality has been injected into marketing of agricultural production bases. In this thesis, Fuhe Agricultural Company was chosen as the research object, to discuss Internet marketing models and development of agricultural production bases in China, in order to find out a sustainable development path for Internet marketing of agricultural production bases in China.

Under the guidance of the supply chain management theory, the consumer behavior theory, the relationship marketing theory and service marketing theory, the method of case analysis and the method of literature analysis were used in this thesis, to analyze the current situation of agricultural product network marketing and Internet marketing models, such as the decentralized logistics transaction and distribution model, the multi-form agricultural products trading platform, and large data-based market product development and so on. At present, Internet marketing of agricultural production bases faces the identical network, high cost, different standards, low trust, low security and other difficulties. These difficulties are presented, mainly because the agricultural consumer group has not yet been formed; the Internet marketing is still in its primary development stage; research on Internet marketing development strategies is not systematic; network marketing talent is still lacking; and the Internet business environment is poor. However, with the government's continuous thrust on

the design of agricultural products' e-commerce development, great-leap-forward development of the agricultural product e-commerce scale, and online-and-offline channel integration and innovation for agricultural products marketing, "tri-networks+ Internet of things" has become a new fashion in e-commerce. The localized fresh platform will become a direction for the agricultural products e-commerce transformation, and China's agricultural production bases will usher in the spring of Internet marketing.

Fuhe Agricultural Company, as a microcosm of China's agricultural production bases, just started developing and still runs at a loss, so it should combine with the Internet economy to vigorously develop Internet marketing. According to characteristics of Internet consumers of Fuhe Agricultural Company and an analysis of the current industry environment and internal environment, as a modern agricultural production base with Internet marketing as a new economic growth point, Fuhe Agricultural Company should combine with its own actual situation, optimize the selection of the product catalog model, online store model, Internet group-buying model, B2B marketing model and other Internet marketing model, and take advantage of "Internet+" to create new agricultural marketing methods, in order to open up the blue ocean for agricultural product marketing and promote the sustainable development of agricultural production bases in China including Fuhe Agricultural Company in the "new normal".

Keywords: agricultural production base; Internet marketing; marketing model; Internet+; e-commerce

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摘要

题目: 中国农产品种植基地的网络营销模式研究

——以富禾农业公司为例

作者: 蒋慧

学位: 工商管理硕士

专业: 工商管理

(助理教授. 邱超) の7 / 03 / 2017

现代网络技术的发展与运用,给农产品种植基地市场营销注入了新的生机与活力。本文以富禾农业公司为研究对象,对我国农产品种植基地的网络营销模式和发展进行探讨,力求从中找出我国农产品种植基地网络营销的可持续发展路径。

本文借助案例分析、文献分析的方法,在供应链管理理论、消费者行为理论、关系营销理论、服务行销理论指导下,分析了我国农产品网络营销现状,以及扁平化物流交易集散模式、多形式的农产品交易电商平台、以大数据为基础的市场产品开发等网络营销推广模式。当前,我国农产品种植基地网络营销存在"千网一面"、成本高、标准化不一、信任度低、安全性低等困境,究其原因,主要包括农产品网络消费群体尚未形成,网络营销尚处于初级阶段,网络营销发展战略研究不够系统化,网络营销人才缺乏,网络营商环境不好等因素。但随着政府持续推进农产品电商发展设计,农产品电商规模跨越式发展,农产品网上与网下管道融合创新,"三网融合+物联网"成为新电商时尚,本地化生鲜平台将成为农产品电商转型的方向,我国农产品种植基地迎来了网络营销的春天。

富禾农业公司作为我国农产品种植基地的一个缩影,当前刚刚起步,处于亏损运营状态,需要结合网络经济,大力发展网络营销。根据富禾农业公司网络消费客户特征,以及当前的行业环境和内部环境分析,作为一家以网络营销作

为新的经济增长点的现代农产品种植基地,当前需要结合自身实际,优化选择产品目录模式、网上商店模式、网络团购模式、B2B 营销模式等网络营销模式,并借力"互联网+",创新农产品营销方式,以此开辟农产品市场营销的蓝海,推动包括富禾农业公司在内的我国农产品种植基地在"新常态"下的可持续发展。

关键字: 农产品种植基地; 网络营销; 营销模式; 互联网+; 电子商务



Acknowledgments

How time flies! My happy graduate life is coming to an end. In the final stage of defending my thesis, I will cherish this good time, do a good job for defending the thesis, and take practical actions to mark a good end to my graduate life.

Sincerely thank my supervisor Qiu Chao for his patient guidance in my completion of this thesis.

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I would also like to express my gratitude to all the authors whose research fruits are used as reference in this thesis. Your pioneering and creative work lays good foundation for this research. Please allow me to give my deep thanks.

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CHAPTER 1 INTRODUCTION

1.1 Research Background

With the development of market economy, the improvement of living standards and the rapid development of information technology, especially the emergence and popularization of Internet, the society has ushered in an era of Internet communication. The global sharing of resource information not only improves the work efficiency, but also lowers the cost of production management. With the advent of the digital age, the Internet is no longer limited to the function of media in people's daily life, but has gradually become one of indispensable parts of life for people.

For China as a big agricultural country, agriculture is the basis of the national economy. After the reform and opening up, China has achieved great success in agriculture. However, in order to change from traditional agriculture to modern agriculture and achieve sustainable and stable development of agriculture, Internet marketing is a good and efficient "modern way". Internet marketing can not only develop the domestic market, but also open up the international market and vigorously enhance the position of China in international agricultural market, which will produce great significance to agricultural development in China. Using the Internet for Internet marketing is both an opportunity and a challenge for enterprises and businesses. The impact of Internet marketing on enterprises has become increasingly obvious.

The development and application of modern Internet technology has injected new energy and vitality to the development of agriculture. It should be emphasized that Internet marketing cannot be simply understood as online sales, because building websites to advertise products or taking advantage of the Internet to establish customer relationships is part of Internet marketing.

Fresh fruit, as an important part of agricultural products, has long been playing an important role in people's lives. It can provide the necessary nutrition to people, regulate people's daily lives and improve people's living standards and happiness index. However, most fruits have strict and specific constraints on planting

places, such as soil, temperature, precipitation, sunshine and other objective conditions. Therefore, fruit varieties have obvious geographical and climatic requirements. In the traditional marketing environment, fruit growers can sell their products to different markets through intermediate channels of dealers or bulk cargo buyers. As the storage time of fresh fruits is limited, the growers are quite passive. Once problems appear in the link of middlemen, fresh products may encounter poor sales. The growers have no choice but to store products in various forms, which would increase the sales cost, cause more loss and reduce profits. In serious condition, it would lead to serious economic loss. This is especially the case for fruit varieties with short freshness time and putrescibility. To create good cold chain storage conditions, there will be a substantial increase in costs. However, under China's current production condition, fruit growers generally do not have good chain storage and preservation conditions, which would easily lead to poor sales and rot and cause huge economic losses to fruit growers. In the context that the fruit planting industry in China is generally low-profit and the industry relies on destiny and details to gain profits, such economic losses are even fatal.

In recent years, owing to rapid development of the Internet technology and terminal applications, the planting industry is presented with new opportunities and possibilities to develop. In this thesis, Fuhe Agricultural Company is selected as the research object, to discuss the Internet marketing model and development of agricultural production bases in China, in order to find out a sustainable development path for the Internet marketing of agricultural production bases in China.

1.2 Research Objectives

The agricultural product is the basic element of agricultural production. However, the pace of its development largely depends on the market and circulation. In recent years, Internet marketing and the circulation industry, represented by e-commerce, has made a great contribution to the development of agricultural product trade in China. The Internet marketing model which sizes up the physical truth of China's agriculture and meets demands of featured Chinese agricultural products is bound to take shape and receive wide social attention.

At present, the e-commerce model and trade subject of agricultural products

show a diversified development trend. This is owing to the change and innovation of transportation channels for agricultural product circulation. China highly values agriculture. In order to solve three issues of agriculture (agriculture, countryside and farmers), China has implemented a large number of farmer-benefiting policies and attracted a number of emerging agriculture-related enterprises or organizations to make agricultural trade. These emerging agricultural products-related enterprises and organizations have gradually become the innovation and trade subject of the featured agricultural products Internet model, and made due contributions to the sale of agricultural products.

Therefore, the marketing of modern agricultural products should be actively integrated into the tide of the e-commerce era, strive to innovate and explore the Internet marketing model which accords with the actual situation of China's agricultural products, in order to boost sales to drive the development of enterprises and agriculture and better help to promote sales of agricultural products, the increase of farmers' income, improvement of the agricultural benefit and rural economic development in China.

The Internet marketing model of agricultural production bases in China discussed in this thesis has gone beyond the category of the traditional agricultural production, because it is a new agricultural production model. Therefore, it is quite necessary to apply modern marketing theories and analyze the policy environment and consumer preference, to develop some targeted marketing strategies.

1.3 Research Significance

2015 is the "Internet +" age. Agricultural production bases of China, as an important industrial base of agriculture, should take advantage of "Internet+" to achieve sustainable development. Sales of agricultural products in China have nothing more than 2 ways: the online and offline way. The traditional way is to rely on the local market, logistics, government or other aspects to sell enterprise-manufactured products locally or transport them to other markets. This way is suitable for small production. However, if production is high, the Internet will be needed.

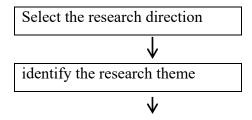
On April 30, 2015, the National Development and Reform Commission issued a report to declare that it was working with relevant departments to develop an

"Internet +" action plan and design to implement the plan through special projects, in order to further simulate the vitality of the Internet economy. According to the "Internet+" action plan proposed by Li Keqiang in the government report, the emphasis of the "No. 1 Central Document" on agricultural informatization and the rapid growth of e-commerce for agricultural products, the integration of the Internet and agriculture was the theme of agricultural reform in 2015. The Internet has entered into the Internet economy era through tools, pipes and infrastructure. The Internet is changing various industries, the government and society. In particular, some underdeveloped traditional industries are possible to use the Internet to achieve great-leap-forward development and reform.

A combination of the Internet with a large system of Chinese agricultural production bases will surely produce a lot of new ideas and playing methods. Many enterprises of the Internet, information technology and other industries have gone across industrial borders. With original agricultural enterprises as the subject, the following new business models can consider the current situation of most agricultural enterprises, make up for deficiencies of the agricultural enterprises, promote the rapid development and upgrading of enterprises, and have more practical significance.

1.4 Research Flow

Based on a long time of literature reading and what teachers have taught, research contents and the theme of this thesis were identified. With the consent of the supervisor, the writing of this thesis began. First of all, the thesis proposal was written. I discussed with my supervisor repeatedly and ultimately completed the final draft. After that, following the general idea in the thesis proposal, I began to write the body part of the thesis. In the thesis writing, I encountered a lot of problems, but eventually completed the writing and translation of the thesis, owing to suggestions and guidance of my supervisor. The research flow of this thesis is shown in the following figure.



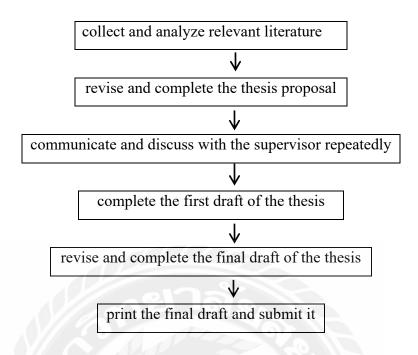


Figure 2 Research flow of the thesis

1.5 The Current Situation and Development Trend of Agricultural Products Internet Marketing in China

1.5.1 The Current Situation of Internet Marketing

In recent years, because the state and relevant departments have implemented the farmer-benefiting policy, the policy of home appliance going rural, the policy of information going rural and other policies, the number of rural Internet users has increased rapidly. According to the "2014 Statistical Report on Internet Development in Rural China" released by the China Internet Network Information Center in June 2015, as of the end of December 2014, the number of rural Internet users reached 177 million, with an increase of 21.01 million and a growth rate of 13.5% over the last year. The number of rural Internet users accounted for 28.6% of all Internet users. The proportion of rural Internet users reached the peak in recent years. As the scale of rural Internet users continued to expand, the gap between rural and urban Internet penetration was further narrowed. China's rural Internet penetration rate reached 27.5%, showed a trend of continuing to increase, and increased by nearly 4% over the last year. Rural Internet users have become an important driving force for China's Internet. Because the urbanization rate has been increasing year by year, some rural and literate Internet users have migrated to urban areas. They are familiar with

both the Internet and productions and sales of agricultural products. This creates favorable conditions for Internet marketing of agricultural products.

In addition, the mobile Internet is the ideal equipment for rural Internet users. Compared with the computer, the mobile phone is more low-priced and easier to operate. Moreover, the mobile network has a wider coverage and lower cost, compared with wired network. Owing to this, the mobile Internet has become the main force for the increase of rural Internet users. As of December 2014, the scale of rural Internet shoppers reached 77.14 million, with an annual growth rate of 40.6%. Among a variety of rural Internet users, the number of rural Internet shoppers had the highest growth rate. The scale of urban Internet shoppers reached 284 million, with an annual growth rate of 16.9%, which was much lower than rural Internet shoppers. The Internet shopping usage rate of rural Internet users was 43.2%, with a 12.1% increase over 2013. Although Internet shopping is an Internet application with the largest gap in the usage by rural and urban Internet shoppers. However, as Internet shopping became popular in 2014, online shopping has gradually spread to the whole country, and the scale of rural Internet shoppers has expanded at an increasingly rapid rate.

As of December 2014, the scale of rural online payment users was 62.76 million, with a 38.1% increase over 2013. The scale of urban online payment users was 242 million, with a 14.4 % increase over 2013. Thus it can be seen that the growth rate of the rural online payment user scale was higher than the urban scale. The online payment usage rate among rural Internet users in 2014 was 35.2%, which was nearly 10% higher than 2013. Business applications of rural Internet users have increased significantly, which has directly promoted the usage of online payment. Online payment has largely penetrated among rural Internet users.

Over the past decade, China's agricultural websites have developed rapidly, and nearly covered almost all aspects of agricultural production, rural economy, farmers and rural life. However, agricultural websites are mainly concentrated in the developed areas, but rarely built in Western areas. However, online agricultural products sales have regional differences in China. Judging from the trading volume of agricultural products in Taobao, the trading volume of developed areas in eastern coastal provinces of China is large, while the trading volume of middle and western areas is small. This indicates that online sales of agricultural products were affected

by economic development in different areas. In economically underdeveloped areas, Internet marketing of agricultural products lags behind, due to constraints of various factors.

1.5.2 Development Trend of Internet Marketing

According to the "2015 No.1 Central Document", the government will "create new models of agricultural products, support e-commerce, logistics, commerce, finance and other enterprises to participate in the construction of agriculture-related e-commerce platforms, and launch comprehensive demonstration of e-commerce going rural.

In the "2015 Report on the Work of the Government", the government made it clear that China should develop an "Internet +" action plan, promote the integration of mobile Internet, cloud computing, big data and Internet of Things with modern manufacturing, and drive sound development of e-commerce, industrial network and the Internet.

In May 2015, the Ministry of Commerce held a national rural e-commerce working conference and pointed out that China should strengthen the top-level design, study and develop an agricultural e-commerce development plan, speed up lawmaking and standard-setting, promote the process of implementing the "E-commerce Law", develop standards for agricultural product online transaction, logistics distribution and payment management, put more efforts to build a logistics and distribution system for agricultural product e-commerce, implement tax policies for supporting the development of logistics enterprises, improve policies for green channels of agricultural products, encourage rural areas to make pilots, and make demonstration to promote reforms. Meanwhile, China should incorporate agricultural product e-commerce into work of establishing e-commerce demonstration bases and e-commerce demonstration enterprises, launch comprehensive demonstrations of e-commerce going rural, cultivate and support the building of specialized agricultural product e-commerce platforms to foster an agricultural product e-commerce market with moderate competition and transparent rules, establish a statistics and credit system for agricultural product e-commerce, create a market environment favorable for the development of the agricultural product e-commerce, strengthen the construction of qualified personnel to provide powerful support and protection to the

development of agricultural product e-commerce, carry out the rural business information service in a deep-going way, expand the scope of service, achieve the normalization of the connection between rural business information service and online purchase and sales of agricultural products, and timely solve difficulties in selling agricultural products.

On April 3, 2015, the Ministry of Commerce promulgated the "Key Points of 2015 E-commerce Work", and put forward that China should actively adapt to the new normal of economic development in 2015 e-commerce work. According to the new situation, new features and needs of e-commerce development, "Key Points" identified 16 key tasks in e-commerce work.

Overall, China should comprehensively use the information technology to promote the modernization of product circulation, carry out special actions to promote the normalization of e-commerce development, and implement top-level design for the development of e-commerce in the "13th Five Year".

In expanding the application fields, China should drive e-commerce to go rural, promote the e-commerce application in the service industry, and launch pilots for collaborative development of e-commerce and logistics and express delivery, to promote the healthy development of cross-border e-commerce.

In optimizing the development environment, China should promote the e-commerce legislation, improve the standardization system, speed up the construction of the e-commerce statistical monitoring and credit system, and actively participate in international rulemaking.

The above policies can directly support the development of agricultural product e-commerce in China. However, these policies should be further implemented and produce a synergistic effect, to avoid the recurrence of incoordination between different departments. All the policies touch upon the issue of pilot and demonstration, which will produce a better demonstration effect on agricultural product e-commerce.

CHAPTER 2

LITERATURE REVIEW

2.1 Definitions to Agricultural Product Internet Marketing

Agricultural product Internet marketing refers to a new marketing model that uses the Internet to release and collect information about supply and demand, price and other aspects of agricultural products, applies the computer technology, information technology and business technology to build agricultural trading platforms, relies on production and distribution links of agricultural products in real life and creates online sales channels to improve the public visibility of local agricultural products, improve the quality of service to customers, enhance relations with customers and increase sales. Agriculture-related personnel can keep abreast of market demand through the Internet, summarize and analyze information about the variety, quality, demand and price changes of agricultural products, and directly make agricultural trades on the Internet, so as to provide farmers with greater business opportunities and built a broader sales platform for agricultural products.

Definitions to agricultural product Internet marketing cover following aspects.

First, Internet marketing is part of marketing strategies for agricultural products. In most cases, Internet marketing cannot exist independent of common marketing environment. Therefore, agricultural product Internet marketing cannot exist independent of traditional marketing models such as the farmer's market. Agricultural product Internet marketing is the projection and application of traditional marketing models in the Internet environment.

Second, agricultural product Internet marketing includes, but is not limited to online sales. The main purpose of Internet marketing is to achieve sales of agricultural products. However, Internet marketing is launched not purely for promoting sales. Internet marketing can strengthen the interaction between agriculture-related enterprises and customers, improve the service quality, and enhance brand values. Therefore, Internet marketing can help to effectively promote sales and significantly improve customer loyalty.

Third, the key to Internet marketing is innovation. Internet technology has developed rapidly. Along with the rapid development of Internet technology, the agricultural product network market has expanded constantly and has a broad space for development. On the one hand, Internet operators take advantage of the Internet features to constantly introduce new business. For example, traditional business is impossible to achieve search engines and electronic catalog business types. On the other hand, the telephone direct selling model, which is more efficient, has been surpassed by the Internet direct selling. Moreover, online sales and distribution models, as new marketing models suitable for the new environment, are derived to expand broader marketing channels.

2.2 Basic Features of Agricultural Product Internet Marketing

First of all, agricultural product Internet marketing is not subject to time and space constraints. Because the Internet is global and uninterrupted, the Internet marketing behavior has continuous time for marketing and has an unprecedented wide market. Any marketing idea and marketing method except the Internet marketing is to find target customers in a certain range. However, agricultural product Internet marketing is a marketing model which is not subject to geographical and time constraints. It provides a broader market space and platform to the transaction of agricultural products, and brings more opportunities and convenience to operators.

Secondly, supply and requisitioning parties can make two-way communication. The biggest feature of the Internet is the interaction for information selection. By the Internet marketing means, supply and requisitioning parties of agricultural products can participate in marketing activities and make direct, rapid and effective communication. Customers can have freedom to select their desired agricultural products, while supply parties can supply, improve or develop agricultural products according to customer demands. Information exchanged between supply and requisitioning parties on the Internet is larger in quantity and more accurate than other marketing models. Therefore, Internet marketing, to greatest extent, overcomes the shortcoming of information asymmetry in traditional marketing.

Thirdly, agricultural product Internet marketing is low-cost and high-efficiency. Internet marketing has characteristics: being unconstrained by space

and time, the wide range of information dissemination, high speed, large information amount and vivid image. These characteristics can help to improve the marketing efficiency of agricultural products and greatly reduce the propaganda cost of agricultural product marketing. Agricultural product Internet marketing has basic features, such as two-way communication and timely feedback and so on. These features can help to avoid the waste caused by blind production and transportation in the traditional transaction of agricultural products, and save costs in circulation links. All these can largely lower operating costs and improve profits of agricultural products. Customers can go beyond time and geographical constraints in the world to seek their desired agricultural products based on their own demands and preferences, and make horizontal comparisons among different sellers and products, and then make the best choice. This can not only simulate market competition, but also greatly save the time and cost of consumers.

2.3 Theories of Agricultural Product Internet Marketing

2.3.1 Theory of Supply Chain Management

Supply chain refers to the connection of links or business connection before products are sent to customers. It is a process in which the subject of each link controls the information flow, material distribution and capital flow to change raw materials into products through the link of producers and deliver the products to customers through wholesalers, transport warehousing and other links. This process is just like a chain to connect suppliers, producers, distributors, retailers and customers in series to integrate into a whole. The idea of supply chain management is to stand at the customer's position to promote the collaboration between enterprises to achieve the highest overall efficiency and greatest benefits of the supply chain. Successful supply chain management can coordinate all links and integrate all production and business activities, so as to achieve seamless integration of various links from the initial production to the final consumption.

For the Internet marketing issue of agricultural production bases in China discussed in this thesis, the Theory of Supply Chain Management can help to deal with the complex and changeable external environment in sales of agricultural products in China and solve the problem of poor coordination between various market

participants. Through the initial plan, correct operation, labor Department-based coordination and timely adjustment and optimization, the supply chain system is designed to achieve the purpose of delivering desired products to customers at the appropriate time, in an accurate quantity, state and place and at the smallest cost. However, in practice, great difficulties are presented in taking correct action in each step, so 2 conditions must be satisfied. On the one hand, enterprise managers should be able to have real-time access to all the necessary information. On the other hand, enterprises should be able to win full trust and make full cooperation with other enterprises. Based on the actual situation of the Internet marketing for agricultural production bases in China, this thesis applies the Theory of Supply Chain Management to develop strategies for eliminating information bottlenecks of agriculture-related enterprises and improve poor coordination of the supply-demand behavior in the transaction process.

2.3.2 Theory of Customer Behavior

Consumer behavior refers to a variety of actions taken by customers to acquire, use and dispose consumer goods or services. It includes the decision-making process which comes before and determines these actions. The consumer behavior is a whole and a process. Acquiring or buying is just a stage of this process.

The propensity to consume can be divided into the average propensity to consume and the marginal propensity to consume. The average propensity refers to the ratio of total consumption to the total disposable income, while the marginal propensity refers to the ratio of the consumption increment to the disposal income increment. In general, the consumption and disposal income have a function relationship. With the increase in the income, consumption increases accordingly, but the marginal propensity declines.

For Internet marketing issue of agricultural production bases in China discussed in this thesis, the Theory of Customer Behavior indicates that consumers purchase goods for utility maximization and the greater the utility of goods is, the higher price consumers are willing to pay.

According to the Theory of Consumer Behavior, when enterprises decide the time of starting production, they will first consider how much utility products can bring to consumers. Utility is psychological feeling, depending on the preferences of

consumers. Therefore, if enterprises want to produce salable and high-priced products, they must analyze the psychology of consumers and meet the preference of consumers. However, consumer preferences first depend on consumer fashion. Consumer fashion varies in different times. To succeed, an enterprise should not only understand the current consumer fashion, but also excel at discovering the future consumer fashion, in order to understand the consumer preference and preference change from the consumer fashion and timely develop products which can meet the preference. Therefore, when developing products, enterprises should identify a specific group of consumers and develop products according to preference of the targeted consumers.

According to the Theory of Consumer Behavior, the marginal utility of a product will decline. If a product increases only in the number, the marginal utility that the marginal utility brings to consumers would diminish, and the price that consumers will be low. Therefore, products of an enterprise should be diversified. Even if an enterprise releases products of the same category, but not the same products, the marginal utility would not decline. The principle of diminishing marginal utility enlightens that enterprises should make innovation and produce different products.

2.3.3 Theory of Relationship Marketing

In 1985, American marketing scholar Barbara Bund Jackson first proposed the notion of relationship marketing, which is honored as "a reform of traditional marketing" in the field of Western public opinion and seen as a major development trend of marketing in the 21st century. Meanwhile, relationship marketing lays a solid theoretical foundation for CRM.

The so-called relationship marketing is a marketing model of enterprises to build, maintain and promote their customers and partners to achieve goals of various parties, thus establishing relationships of balancing interests of various parties, in order to achieve profits. The essence of relationship marketing is to understand customer demands and build an interdependent relationship of cooperation with customers through two-way communication with customers and maintain long-term stable development of this relationship to maximize interests of customers and enterprises.

Relationship marketing highly values the importance of the relationship.

That is to say, enterprises should build good relationships with customers through customer service, close customer contact, high-degree customer participation and high commitment to customers, take customers as their permanent friends and partners, and build reciprocal partnerships with customers.

Relationship marketing has features, such as two-way communication, win-win cooperation, intimacy and control and so on. For enterprises, relationship marketing can increase sales, reduce costs and bring free advertising through good mouth-to-mouth spread. For customers, relationship marketing can bring benefits from trust, social benefits and special treatment benefits.

2.3.4 Theory of Service Marketing

Service marketing refers to a series of activities launched by enterprises in marketing to fully satisfy customer demands, with the premise of fully understanding and satisfying customer demands. The service marketing theory, as an element of marketing mix, had not truly attracted people's attention, till the late 1980s. Owing to the progress of science and technology and significant improvement of social productivity, industrial upgrading and specialized development of production has been accelerating. On the one hand, the service content of products, that is, the service intensiveness, has been growing. On the other hand, with the improvement of labor productivity, the market has turned into the buyer's market. Along with improvement of consumers' income, their consumer demand has gradually changed. The demand level has been elevated accordingly, and the demand has been diversified.

At present, research on service marketing is conducted from 2 perspectives: marketing of service products and marketing of customer service. The essence of service product marketing is to study how to facilitate the exchange of services as a product, while the essence of customer service marketing is to study how to use services as a marketing tool to promote the exchange of tangible products. Whether it is product marketing or customer service marketing, the idea of service marketing is to promote favorable exchanges through customer satisfaction and loyalty and eventually achieve the improvement of marketing performance and long-term growth of enterprises.

Compared with traditional marketing models, service marketing is a marketing idea. In service marketing, service is the object of enterprise marketing.

However, traditional marketing is just a means of sales. In traditional marketing, the product is the object of enterprise marketing. In traditional marketing, a deal is completed once customers purchase products. Although after-sale service is provided, it is just a function to solve after-sale maintenance of products. However, according to the service marketing theory, after consumers purchase products, it just indicates the beginning of the sales work. Enterprises focus on the successful scales of products, but pay more attention to consumers' experience in purchasing their products and enjoying service. This can also be interpreted from Maslow's Hierarchy of Needs. Self-respect and self-actualization are the highest need of human. Service marketing can precisely provide self-respect and self-actualization to customers (or people). However, traditional marketing can just satisfy psychological or safety needs of consumers.

2.4 Review of Related Literatures

In recent years, domestic and foreign scholars have made a lot of research on agricultural product Internet marketing. They have conducted specialized research from the historical development of agricultural product Internet marketing, talent cultivation, product standardized production, marketing models, supply chain management, brand construction and other perspectives, which provide a reference for agricultural product Internet marketing in China.

(1) Research on the Agricultural Product E-commerce Model

In the United States, the large-scale agricultural product website-based trade model in the context that the Internet penetration in American farmers is quite high, and the agricultural product futures model represented by the Chicago Futures Exchange as the world's largest agricultural futures market are adopted. In the UK, the farm B2B e-commerce model represented by high agricultural informatization and modernization is based. In Japan, the agricultural product e-commerce model represented by the agricultural product e-commerce wholesale market, the online agricultural product supermarket and agricultural product electronic exchanges is applied. At present, in theory and practice, various national governments and scholars have made effective explorations on the development of agricultural product e-commerce and developed agricultural product Internet marketing models which

conform to and have special national characteristics. In view of the current situation and problems in agricultural product Internet marketing in China, the successful experience of foreign countries has provide great reference for jointly carrying out the infrastructure construction, standardization, personnel training, multi-platform trading and marketing model exploration for agricultural product Internet marketing and accelerating the pace of building agricultural product e-commerce in China.

(2) Research on the Supply Chain of Agricultural Product Internet Marketing

Foreign developed countries highly value the circulation of supply chain of agricultural products, and advocate that in the supply of agricultural products, various countries should vigorously develop advanced methods for supply chain management, create appropriate supply chain circulation models for the actual situation of agricultural product Internet marketing in their countries, and apply advanced management methods to achieving the purpose of increasing farmers' income and improving benefits of agriculture. This provides a new way of thinking for the marketing of China's special agricultural products and the increase of farmers' income.

(3) Research on Related Factors of Internet Marketing

Based on a comparison of Internet marketing models in China and foreign countries, Zhang Jian (2010) analyzed commonly-seen Internet marketing models in China, and believed that the current Internet marketing environment of China develops rapidly, but still has many deficiencies, so China should strengthen the innovation and integration of relevant factors and links in Internet marketing to optimize Internet marketing models of China.

Li Junmin et al. (2007) argued that the future competition in agricultural product will be the competition between supply chains, so China should learn from advanced supply chains of agricultural products in foreign countries and accelerate the construction of supply chain information for agricultural products. At present, China enjoys advantages, such as the support from the organizational system, optimization of national macro-control, and strategic cooperation of agricultural products and other industries.

Gong Pu (2012) made a systematic study on the influencing factors of

agricultural product Internet marketing in China, and concluded that China's agricultural product supply has changed from the original national shortage to the present structural oversupply, thus leading to difficulties in agricultural product sales. With the rapid development of Internet technology, the agricultural product Internet marketing model has been gradually improved. This model provides a good way to solve problems of agricultural products. Therefore, China should fully rely on and effectively use the Internet media, and combine with agricultural production, safety guarantee control, logistics and distribution and other powerful offline resources, to achieve dynamic integration of online sales with offline services.



CHAPTER 3

RESEARCH METHOD

3.1 Research Object

This thesis takes the Fuhe Agricultural Company as a case, follows the idea of "putting forward problems, analyzing problems and solving problems", analyzed Internet marketing models of agricultural production bases in China, and put forward ideas of solution, on the basis of analyzing the current situation and solving problems.

3.2 Research Framework

Under the guidance of the supply chain management theory, the consumer behavior theory, the relationship marketing theory and the service marketing theory, this thesis analyzed the current situation of agricultural product Internet marketing in China, promotion models of Internet marketing, and the difficulty, cause and development trend of agricultural production Internet marketing in China. Moreover, a case study was made of Fuhe Agricultural Company. According to characteristics of Internet customers of Fuhe Agricultural Company and based on an analysis of the current industry environment and internal environment and the current situation of Fuhe Agricultural Company, the model of optimizing the product category selection, the online store model, Internet group-buying model and B2B marketing were put forward. Moreover, "Internet +" should be fully used to create new marketing methods of agricultural products, in order to open up the blue ocean of agricultural product marketing and promote the sustainable development of Fuhe Agricultural Company and other agricultural production bases in China in the new normal.

The technical route of this research is shown in the following figure.

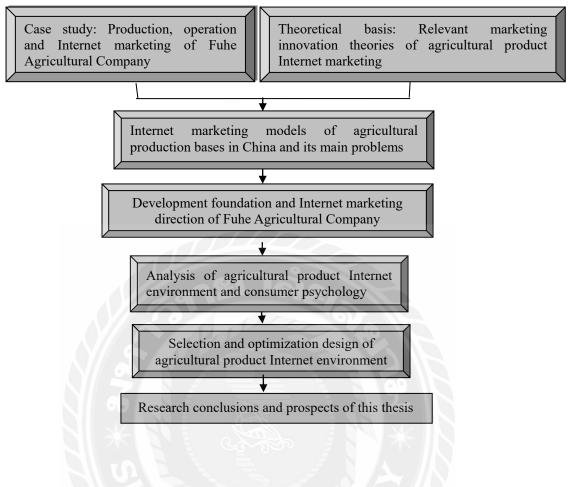


Figure 1 Technical route of this research

3.3 Methods of Data Collection

In order to improve the performance of this thesis, following research methods are adopted.

(1) Social Investigation

Social practice is an important foundation for research of this thesis. In particular, the thesis is based on a case study. Therefore, it is essential to go deep into the front line of Fuhe Agricultural Company, adopt the method of field investigation to interview with front-line marketing personnel and ordinary personnel and listen carefully to their real thoughts, make an objective and comprehensive summary of the current operation of Fuhe Agricultural Company, and improve its Internet marketing models.

(2) Literature Analysis

As an important content of marketing, agricultural product Internet marketing has won great attention from Chinese and foreign scholars. In this thesis, relevant literature is reviewed and analyzed to provide great foundation and support to this research.

(3) Case Analysis

Internet marketing models of agricultural production bases are related to many marketing theories, but they should be ultimately applied in specific practice. Fuhe Agricultural Company is selected as an important carrier of this thesis. On the basis of analyzing a specific case, this thesis combines with first-hand materials and puts forward appropriate application—and practice program, in hope of promoting the sustainable development of the Internet marketing of agricultural production bases in China.

CHAPTER 4

RESULTS

4.1 Current Operating Situation of Fuhe Agricultural Company

4.1.1 Introduction to Fuhe Agricultural Company

Fuhe Agricultural Company was established in 2010. The company relies on scientific research support of Peking University, engages Professor An Lijia as the chief technical advisor, and develops into one of leading blueberry enterprises in China, with a good starting point and high-standard construction. The company has 2 production bases: the Lishui Base in Jiangsu and Fengyang Base in Anhui, with a total area of about 1,500 mu. The company has built seed breeding bases with an annual output of 10 million seedlings, planted seedlings in nearly 10,000 mu, owned a professional and technical team with dozens of personnel, and become an agricultural and biological high-tech entity integrating "production, learning and research" into a whole. At present, Fuhe Agricultural Company has established an improved blueberry variety demonstration garden, with a nearly 500-mu blueberry planting nursery, 500-mu greenhouse and 500-mu open field. In 2011, they would enter the harvest period. Adhering to the concept of "green, organic and healthy life", Fuhe Agricultural Company has provided blueberry products certified by the European organic certification organization BioAgricert.

4.1.2 Current Production and Operating Situation of Fuhe Agricultural Company

In order to have a more comprehensive understanding of the production and operation of Fuhe Agricultural Company, work was done to collect data about production and marketing of the company from 2013 to 2015, sales of the Nanjing Sales Department (base fruits) from 2013 to 2015, and harvest and sales of the Lishui Blueberry Base in 2015, as shown in following tables.

Table 1 Production and marketing of Fuhe Agricultural Company (2013-2015)

Base	Production (ton)	Average price (yuan)	Total sum (10,000
Buse	Troduction (ton)	riverage price (yuaii)	yuan)

		2013	2014	2015	2013	2014	2015	2013	2014	2015
	Nanjing Sales Departme	16.04	17.83	23.71	32.11	23.9	26.23	103.0	85.23	124. 36
Fengy ang	Fengyang Base	27.87	47.49	70.37	5.08	13.3	13.03	28.32	126.3	183. 45
	Total	43.91	65.32	94.07	-	-	-	131.3	211.5	307. 81
	Growth rate	1	49%	44%			-	-	61%	46%
	Nanjing sales Departme nt	1.69	6.72	8.30	32.11	23.9	26.23	10.83	32.14	44.3
Lishui	Lishui Base	0.56	8.16	44.91	43.77	8.41	10.79	4.90	13.73	96.8 7
	Total	2.25	14.88	53.20	116	\$- //) -	15.73	45.87	141. 22
	Growth rate		563%	257%			-	-	192 %	208
Nanjing sales Department		17.73	24.55	32.00	32.11	23.9	26.23	113.8	117.5 7	168. 72
Total	Total		80.20	147.2	15.93	16.06	15.24	147.0 8	257.6	449. 03
Growth	rate	-	74%	84%	-	1%	-5%	-	75%	74%

Table 2 Sales of the Nanjing sales Department (base fruits) (2013-2015)

Custom	Sales amount (Jin)			Average price (Yuan)			Total sum (Yuan)			
er	2013	2014	2015	2013	2014	2015	2013	2014	2015	

Nanjing									
Group									
purchas	1828.	1795.	7910.	52.60	55 42	14.25	96154.0	99490.	350023.0
e and	00	00	00	52.60	55.43	44.25	0	00	0
direct									
sales									
	4519.	1158	13050	32.89	19.40	22.26	148619.	224868	290514.0
Lvhai	00	9.00	.70	32.89	19.40	22.20	00	.00	0
Shangh	14856	1340	12432	31.27	21.87	19.14	464592.	293147	237957.7
ai	.00	4.00	.00	31.27	21.67	19.14	00	.00	6
Guangz	10944	1386	19656	34.00	27.89	30.85	372140.	386548	606468.0
hou	.00	0.00	.00	34.00	21.09	30.63	00	.00	0
	1800.	720.0		15.07	12.79		27130.0	9208.0	
Beijing	00	0		13.07	12.79	1 60	0	0	-
Shenya	1512.	7 . 8	2160.	19.79		14.93	29925.0	_	32256.00
ng	00	3 80	00	17.77		14.73	0	_	32230.00
Shenzh	J IL	7164.	288.0	0.00	22.67	34.72	0.00	162427	9999.96
en	$\mathbb{R}^{ \mathcal{A} }$	00	0	0.00	22.07	34.72	0.00	.00	7777.70
Hangzh		576.0		2000			_	_	_
ou		0	Ur	JIV	ER) '	_	_
Dandon	_		5712.	AT A		19.03	_	_	108711.6
g			00			17.03			0
Qingda	_	_	2796.	_	_	18.32	_	_	51220.92
o			00			10.52			31220.72
Total	35459	4910	64004	32.11	23.94	26.23	1138560	117568	1687151.
10111	.00	8.00	.70	<i>J</i> <u>2</u> .11	25.71	20.23	.00	8.00	24

Table 3 Harvest and sales of Lishui Blueberry Base in 2015

	Customer	Form	Sales amount (Jin)	Unit price	Amount (Yuan)	Payment methods	Remark s
Lishui Base	Selling through the base's own channels	Box-packed fruits	702	59.53	41792.49	Spot exchange	
	Selling through the base's own channels	Unpacked fruits	53424	11.54	616466.00	Spot exchange	
	Selling through the base's own channels	Inferior-qual ity fruits	11722	3.65	42817.00	Buyer buying on credit	The base will urge the govern ment and other departm ents to pay for fruits
	Selling through the base's own channels	Box-packed fruits	866	60	51960.00	Buyer buying on credit	The base will urge the govern

						ment
						and
						other
						departm
						ents to
						pay for
						fruits.
						Zhang
						Qinghu
						a
a 11:		16)				promise
Selling		Dr.				d that
through	Unpacked fruits	9333.4	11.43	106668.00	Buyer buying on credit	he will
the base's						pay
own						money
channels						before
						August
711 67			10/	> \\\\		20,
311/2		100				2015.
Picking in	Picked fruits	567	51.05	28945.00	Spot	
the base	Ticked ituits	307	31.03	20743.00	exchange	
Giving as	Box-packed	321		0.00	_	
presents	fruits	321		0.00		
						9,850
_						Jin was
Storing						
Storing fresh						stored
	Enogon finite	10010	8 00	20020 00		stored in the
fresh	Frozen fruits	10010	8.00	80080.00	-	
fresh blueberry	Frozen fruits	10010	8.00	80080.00	-	in the
fresh blueberry in	Frozen fruits	10010	8.00	80080.00	-	in the Zhongli

							House.
	Loss	-	2869	-	0.00	-	
	Shanghai	Box-packed	4368	18.47	80676.96	Spot	
	Yuqian	fruits	4300	10.47	00070.50	exchange	
Nanjin	Nanjing	Mixed fruits	6048.7	17.05	103151.24	Spot	
g Sales	Lvhai	Wiixed ituits	0040.7	17.03	103131.24	exchange	
Depart	Group						
ment	purchase	Box-packed	6176	42.05	259688.67	Spot	
	and direct	fruits	0170	12.03	237000.07	exchange	
	sales		าล				
	Subtotal	ANE	89814.4		968728.49	_	
	of Lishui		0,01111	700	900720119		
	Subtotal						
	of		16592.7	3- 2	443516.87	-	
	Nanjing				4		
	Total		106407.1	3	1412245.36	-	
	income				1112213.30		

As can be seen from the above data, although the production and operation of the company were improved year by year, the company was still at a loss. For example, the production of the company greatly increased in 2015, compared with 2014. The growth rate of the Fengyang Base was 44%, while the growth rate of the Lishui Base was 257%, which doubled over the last year. The sales volume of the Nanjing Sales Department increased by 40%. In terms of the average price, the average price of the Fengyang Base in 2015 was slightly lower than 2014, but the Fengyang Base could basically level out the average price. However, the average price of the Lishui Base increased by 2.38 yuan /jin, while the average price of the Nanjing Sales Department had the most significant increase. The average price of the Nanjing Sales Department in 2015 increased by 24% and amounted to 23.9 yuan. The group-purchase price played a great role. In addition, the supply of the take-out picking base was improved greatly in 2015 over 2014. The Wholesale Department overcame great difficulties to ensure the supply of goods. Compared with 2014, the

sales cycle of the Nanjing Company was significantly stretched and the trade volume of fresh blueberry was greatly improved in 2015. Moreover, the picking and group-purchase department could start from no experience, make breakthroughs and open up a new prospect of picking and group purchase, to lay a good foundation for the future harvest.

Although the company made great achievements, its task is still arduous. According to financial data of Fuhe Agricultural Company, the company and its production bases were still at a loss of operation. It is still unknown when the early investment can be recovered.

The production and revenues of the production bases increased, but bases were still at a loss in the current year. Although the increase in the production and revenue of the bases was quite significant, the current production and revenue were still far away from the expectation, and the bases were still at a loss. The loss of the Fengyang Base in the current year was still 20%, while the corresponding figure of the Lishui Base was 25.71%. The main cause of the loss was that the production failed to reach the expected volume. The production of the Fengyang Base was 360 jin per mu, while the production of the Lishui Base was 550 jin per mu. For the bases with 5 years of field planting, this production is not ideal. Therefore, how to improve the quantity and quality of fresh fruits is a problem that Fuhe Agricultural Company has no choice but to face.

The Sales Department has made great achievements, but its brand building, team building and team management are quite chaotic and unplanned, and quite urgent to be improved, which are reflected by the following aspects.

On the one hand, the brand management is the foundation of the Wholesale Department. However, in practice, brand management was not implemented according to the scheduled direction, that is, labeling high-quality fresh blueberry with the Lanbeirui Brand and low-quality fresh blueberry with the Pureblue Brand. However, the Wholesale Department did not follow this direction. All fresh blueberries were labeled with the Lanbeirui Brand. As a result, in the wholesale and group-purchase market, the Lanbeirui Brand changed from a high-quality brand into a synonym for poor-quality blueberry. Meanwhile, some low-quality products are caused for improper picking materials. However, the improper materials could have

been adjusted in the production link, but were not well adjusted for various reasons. Therefore, it is quite essential to make good information communication and coordination with the bases.

On the other hand, the sales team grew rapidly, but did not make any team building and management. In the sales team, except 2 experienced employees, the other members are inexperienced. Some of them joined in the sales team in June. These new colleagues are new comers to the agricultural industry. However, they have worked from dawn to night, willingly borne the burden of hard works, and spared no pain and effort, to make a great contribution to sales of the company. However, because the sales team has been established just for a short time, team building must be made before the next sales season.

First of all, good training work should be done. Training work should include: industry training, blueberry product training, sales skills training, and appropriate management training. Some necessary training should be provided to make up for pre-season sales.

Secondly, it is necessary to make team cultural construction. This construction is not only targeted for the sales team, but also suitable for the entire company. Therefore, the sales team should carry out collective activities and sports as many as possible, strengthen mutual understanding through the activities, and strive to build a powerful and cohesive team.

Thirdly, the sales system building should be strengthened. Without rules, a company would have no system and get no basic protection for its development. At present, the sales system of Fuhe Agricultural Company is still immature. In particular, the most basic customer framework agreement, the customer statement of account, external briefing charges and other accounts would not be provided, unless the company urges the Wholesale Department to provide. Worse still, accurate data is not provided even several weeks after the completion of a deal. Such imperfect and hysteretic aspects bring great obstacles to daily operation and business decision-making of Fuhe Agricultural Company, and even put the company in a huge financial risk.

4.1.3 Analysis and Thinking of Data about the Cost and Sales

(1) Analysis and Thinking of Data about the Cost and Sales of the

Fengyang Base (the 5th Year of Field Planting)

Table 4 Cost and sales of the Fengyang Base (the 5th year of field planting)

Picking area of the current year (mu)		551
Newly-planting area (mu)		22
Total operation revenue(Yuan) (including 35% sales volume of Nanjing)		3,078,096.63
Non-operating revenue		347,140.00
Total revenue (yuan)		3,425,236.63
Production of the current year (ton)		94
Production per mu (Jin)		341.20
Cost	Total cost	¥4,329,482.37
	Production cost	¥1,556,608.35
	Production cost/total cost	35.95%
	Non-productive cost	¥2,772,874.02
	Non-productive cost/total cost	64.05%
Cost per mu	(yuan)	¥ 7,555.82
Total earnings		-904,245.74
Loss of the current year		-20.89%

Analysis of the Above Data and Questions involved:

① In the 5th year of field planting, the base was still at a serious loss in the current year. This data covered the 35% sales deduction of the Nanjing Sales Department. If this part is deducted, the loss will be greater.

Questions for Thinking:

- a) In which year can the base break even in the current year?
- b) How many years can the base recover the total investment after the field planting?
 - c) If the profit comes from the income increase and expenditure cutting,

how can the base do to increase the profit?

② In the 5th year of field planting, the production of the base was 340 jin per mu, which was still low. This value was just 17% of the expected value (2, 000 jin per mu) for the field planting. Moreover, the plot area of blueberry trees with week tree vigor is large, so the base faces risk of having to stop production before profit making. The loss of the total investment on the tree-reduced plot has become an inevitable outcome.

Questions for Thinking

- a) In the next few years, whether the increase or decrease in the production per mu can be predicted, and why?
- b) How many years will be needed to reach the ideal production per mu according to the current tree vigor, and what will be the highest production per mu and when will be highest production per mu achieved, if the ideal production fails to reach?
- c) As congenital deficiencies and defects in field planting have caused many problems of the land for growing field groups, whether the base can refine the management to make up for the deficiencies and defects, and how much space is left for refining the management?
- ③ The cost per mu was 7,555 yuan in the current year. The management cost accounted for 64%, the majority of the total cost.

Questions for Thinking:

- a) As the normal tree maintenance cost is ? Yuan/mu, whether the maintenance cost has room for decline, and how much space is left?
- b) Whether the management cost occupies a too large proportion, and whether it is possible to analyze the management cost of each item to find controllable items?
- c) Whether the proportion of the production cost is too small, whether it is necessary to simply increase the total investment, in order to improve the proportion of production cost, and whether it is possible to achieve some effect through a rational arrangement of farming and application of material-using methods and measures?

- d) Whether it is possible to arrange the budget of production means in a semiannual period, list the cost, and establish a system?
- ④ The financial cost was over 500,000 yuan, accounting for 16.5% of the revenue. For ordinary enterprises, a higher-than 10% profit is considered to make rapid growth.

Questions for Thinking

- a) Whether the financial cost can be used for the financial clearing and accounting, and whether it is possible to make some adjustment?
 - b) Whether it is possible to reduce the financial loan principal?
- (2) (1) Analysis and Thinking of Data about the Cost and Sales of the Lishui Base (the 5th Year of Field Planting)

Table 5 Cost and sales of the Lishui Base (the 5th year of field planting)

Picking area of the current year (mu)		191
Newly-planting area (mu)		52
Total operation revenue(Yuan) (including 35% sales volume of Nanjing)		1,412,245.36
Non-operating revenue		98,402.00
Total revenue (yuan)		1,510,647.36
Production of the current year (ton)		53
Production per mu (Jin)		554.97
Cost	Total cost	¥2,033,502.00
	Production cost	¥891,447.00
	Production cost/total cost	43.84%
	Non-productive cost	¥1,142,055.00
	Non-productive cost/total cost	56.16%
Cost per mu	(yuan)	¥ 8,368.32
Total earnings		-522,854.64
	11	l l

Analysis of the Above Data and Questions involved:

① In the 5th year of field planting, the base was still at a serious loss in the current year. This data covered the 35% sales deduction of the Nanjing Sales Department. If this part is deducted, the loss will be greater.

Questions for Thinking:

- a) In which year can the base break even in the current year?
- b) How many years can the base recover the total investment after the field planting?
- c) If the profit comes from the income increase and expenditure cutting, how can the base do to increase the profit?
- ② In the 5th year of field planting, the production was over 550 jin per mu, which was still low. It was just 27% of the expected value (2, 000 jin per mu) for the field planting.

Questions for Thinking

- a) In the next few years, whether the increase or decrease in the production per mu can be predicted, and why?
- b) How many years will be needed to reach the ideal production per mu according to the current tree vigor, and what will be the highest production per mu and when will be highest production per mu achieved, if the ideal production fails to reach?
- c) As congenital deficiencies and defects in field planting have caused many problems of the land for growing field groups, whether the base can refine the management to make up for the deficiencies and defects, and how much space is left for refining the management?
- ③ The cost per mu was 8,368 yuan in the current year. The production cost accounted for a large proportion of the total cost. If the newly-planting area is deducted, how much is the cost per mu?

Questions for Thinking:

- a) As the normal tree maintenance cost is ? Yuan/mu, whether the maintenance cost has room for decline, and how much space is left?
- b) Whether the management cost occupies a too large proportion, and whether it is possible to analyze the management cost of each item to find controllable items?
- c) Whether the proportion of the production cost is too small, whether it is necessary to simply increase the total investment, in order to improve the proportion of production cost, and whether it is possible to achieve some effect through a rational arrangement of farming and application of material-using methods and measures?
- d) Whether it is possible to arrange the budget of production means in a semiannual period, list the cost, and establish a system?
- (3) Main Problems in the Current Production and Sales of Fuhe Agricultural Company

After nearly 3 years of operation, Fuhe Agricultural Company basically completed the goal, showed good performance in management, developed a basically smooth business flow, trained new employees, and established its teams. However, the company still has many problems or deficiencies and need to invest efforts to develop Internet marketing models.

Fengyang Base:

First of all, the blueberry size is small. Why? It is caused by aridity, inconvenient irrigation, or damage to the tree body. It is necessary to find possible causes and solutions to the problems. Secondly, owing to the poor experience in greenhouse management and the lack of control over temperature and humidity, the production is low. Thirdly, the packaging efficiency should be improved. Moreover, sorting methods and staff training are deficient.

Lishui Base:

First of all, its experience in large-scale production was lacking; the preparation was inadequate; much work was done in advance. The sorting machine was not tested in advance. After the picking work began, the sorting machine was found to break down and need maintenance. Moreover, work of transforming the office into workshop did not start, till the official picking.

Secondly, the division of labor among staff was not clear, and the business flow was not smooth. The workshop management was mainly in the charge of newly-hired graduates, which did not receive effective guidance and training. Problems occurred in the temperature and humidity control, production flow, storage and transportation and other links, so the product quality was quite unstable. Before the production, no effective planning was made, and no effective coordination was made of management personnel. As a result, in the first few days of production, all things were in a rush and muddle. In the later stage, the on-site sales situation was improved, because most of products were bulk fruits.

Thirdly, product positioning was unclear and the standard was unknown. It is still unclear as how to position packed fruits and bulk fruits and develop sorting standards.

Fourthly, no sufficient picking and sorting training was provided. Blueberry was not picked by varieties. In the early stage, red blueberry was large in quantity, and the sorting was chaotic. Moreover, because relevant personnel was unfamiliar with fruit characteristics, PET-boxed fruits which were not full pre-cooled were packed into 2-kg gift boxes and covered with box lids. After fruits were picked and put into boxes, the boxed fruits were directly put in storage, and box lids were not removed for the ventilation. This led to more problems to the fruited. Boxed fruits had high requirements for each production link. Because of the above-mentioned problems, more customer complaints were generated. This, in turn, would affect the enthusiasm of producing boxed fruits.

Fifthly, the base was subject to constraints of objective conditions, such as rain and site problems.

Nanjing Headquarter:

It had unclear positioning, insufficient communication and poor convergence between various links. Its sales channels were not effective enough. Financial data was inaccurate, and the cost control was not strict enough.

4.2 Analysis of Internet Consumers of Fuhe Agricultural Company

4.2.1 Structure of the Internet Consumer Group

According to the "2012-2016 Report on the Industry Investigation of the

Online Shopping Platform in China and Forecast of Its Prospects" by the Intelligence Research Center, in terms of the age distribution, people of the 20-40 age group accounted for the majority (49.1%) of Internet users. In terms of the income distribution, people of the less-than-2,000-yuan income group accounted the largest proportion (34.6%) in the Internet users, while people of the 2,000 to 5,000-yuan income group accounted the second largest proportion (34%). In terms of the gender distribution, female Internet users were the active group of online shopping. Among online shopping users, the proportion of female was higher than male. Female accounted for 50.8% of all online shopping users and gradually increased in number. However, in the online shopping of large-scale products, the proportion of male was higher than female.

According to survey data of iResearch in December 2013, among China's Internet payment users, young people of the 18-35 age group accounted for the majority (75.5%). North China, East China and South China were the most densely-distributed areas of Internet payment users. The proportion of Internet payment users in the 3 areas was 28.4%, 24.5% and 18.3%, respectively. According to the analysis of iResearch, North China, East China and South China were the most economically-developed 3 areas in China. In the 3 areas, the Internet industry and financial industry were well-developed, providing industrial and technical basis for the generation and development of Internet payment modes. In addition, among Internet payment users in China, users with undergraduate education accounted for 50.3%; users with college education accounted for 26.8%; users with high school (secondary) qualifications accounted for 11.0%; and users with master and higher education just accounted for 9.1%.

Based on the above data, the following conclusions can be drawn:

First of all, in terms of the age structure, young people are still the most active group of online shopping users. However, as people who were born after the 1980s and 1970s have gradually become middle-aged crowd, the age distribution of Internet consumers has gradually expanded from the 20-40 age group to the above-50 age group. However, people born after the 1980s and 1970s are the consumer group with the greatest purchasing power. The quality and taste of online products will be what people born after the 1980s and 1970s give more attention.

Secondly, people with college education are the main group of online shopping. This is because these people have good education and more willingness to accept new things. Internet surfing requires some skills, such as registering accounts, opening online banking, and typing to use Alibaba for bargaining. College students are the main force of online shopping. They have independent bank accounts. Online special goods are rich in variety. People can purchase personalized goods with low prices on the Internet. With the passage of time, college students born after the 1970s and 1980s have become white-collar workers. They retain the habit of online shopping. In busy life, they do not have time to go to the vegetable market. Therefore, they are the main force of online consumers of agricultural products.

Thirdly, among online shopping users, female users account for the majority, but the consumption amount of male users is higher than female users. This is because electronic products are mainly purchased by male shopping users, while daily household items are mainly purchased by female shopping users. Therefore, in the online sales of agricultural products, consideration should be given to characteristics of female white-collar workers.

Fourthly, in the eastern coastal developed area, owing to its superior financial environment and Internet user foundation, the online shopping market has been gradually mature and saturated. With the improvement of the income level in inland areas and the rapid development of logistics network, the majority of inland cities have further expanded their online shopping market, and become the main driving force of the online shopping market in China.

4.2.2 Psychology of Internet Consumers

Many people believe that consumers choose online shopping, mainly because online products are cheap and fine. However, this idea has obviously failed to keep up with the development of the times. According to a report of ChinaNews, the Hong Kong Trade Development Council investigated the consumer behavior of middle-class consumers of Chinese Mainland in the first half of 2013, collected 1,600 samples (with an average monthly income of 16,000 yuan) in some cities of Chinese Mainland, and found that 83% of the respondents once had online shopping, while this figure was 32% a few years ago. This trend shows that the price may not be the

most important cause of online shopping. Many people choose online shopping, because of the great convenience, rich varieties of online products, and access to special products.

On the "11.11 Online Shopping Festival" of 2014, a new trend of online consumption has developed and caused attention of e-commerce. This trend is the "brand first and low-priced second". This indicates that Internet consumers have become increasingly rational and mature, and such rationality and maturity will inevitably urge consumers to highly value consumer experience other than the price, pay more attention to the quality of online products and branding, and bring more diversified enjoyment to Internet consumers.

The psychology change trend and characteristics of Internet consumers are as follows.

(1) Pursuing the Fashion

Young people account for the majority of the Internet consumer group. Young people are characterized by youthful vitality, active thinking, great curiosity and fantasy and willingness to adventure. With characteristics reflected by the consumer psychology, young people are fond of pursing the fashion, trying new ways of life, and purchasing new products.

(2) Highlighting the Independence and Personality

College students born after the 1980s and 1990s are more personalized, unconventional and independent than any other generation. Such psychology of highlighting independence and personality is reflected in the online shopping.

(3) Pursuing Convenience and Efficiency

The pace of modern urban life has become faster and faster. Consumers cherish their time more. With great convenience and high efficiency, online shopping can greatly save time and labor costs. Without going out, after people place an order online, goods would be delivered to home. In addition, the network provides all-day services, without time limit. Consumers can place orders and purchase goods in any time. This is quite attractive to young people who do not have regular work and rest time.

(4) Focusing on Spiritual Enjoyment

Many people purchase goods for reducing pressure. Owing a desired thing

can bring consumers a sense of achievement, thus producing spiritual enjoyment. Online shopping enables consumers to shop freely in a quiet and peaceful environment, relax themselves and avoid the poor attitude of salesmen in traditional stores or poor shopping environment. Moreover, because rich varieties of products are provided on the Internet, consumers are easier to find their desired products.

(5) Low Price of Online Shopping

Both in the traditional and Internet marketing, the price is one of factors to be considered by consumers. A variety of discounts are provided to consumers, to satisfy the consumer psychology that they gain material benefits from the discounts.

4.2.3 Factors Affecting Decision-making of Internet Consumers

(1) Perceived Benefits of Online Shopping

The perceived benefits of online shopping include: satisfying individualized needs of consumers, providing consumers with convenient and efficient modes of shopping, meeting consumers' motives to pursue novel things, and providing consumers with cheaper goods. When perceived benefits of consumers are higher than the purchase costs, the purchase behavior will occur. Moreover, due to the characteristics of online shopping, the effect after the purchase of consumers will be greatly expanded. To be specific, when consumers are satisfied with the online shopping experience, they tend to repeat the purchase in a short period of time. However, if consumers are dissatisfied with the online shopping experience in an online store, they may not shop in the online store, or even terminate the online shopping.

(2) Attractiveness of Online Stores

Attractiveness of online stores mainly comes from 2 aspects. One is the good website design of online stores. All people love beautiful things, so a beautiful website can attract the attention of consumers, thus transforming some information seekers into real purchasers. The other one is the convenience of online store product search. The convenience of the website design can lower the time cost of consumer shopping, and improve perceived benefits of consumer shopping.

(3) Comprehensiveness of Product Information

In online shopping, consumers cannot personally sense the color, aroma,

taste or shape of agricultural products, but can just judge the characteristics and quality of products directly through word description, picture and video. Therefore, comprehensive information for online products can reduce consumers' doubt and promote successful transactions.

(4) Credit of Businesses

In the online shopping, consumers usually focus on reference to the credit level of businesses. As the online shopping process is virtual, consumers cannot immediately get goods after online payment, which brings great credit risk to consumers. Although the newly-revised "Consumer Protection Act" stipulates that online consumers can enjoy the service of "returning goods without reasons within 7 days". The Internet third-party payment platform can help to reduce the credit risk. However, the online shopping changing or refunding process is quite complex. Therefore, consumers often give up the changing and refunding service, to avoid the complex process.

(5) Popularity of Shopping Websites

With the blow-out development of online shopping, various types of shopping websites have come out like mushrooming. Good and bad online shopping websites are intermingled, so consumers are difficult to choose among them. To avoid being deceived and minimize the risk of shopping, consumers tend to choose well-known websites. Well-known websites can provide more mature supporting facilities for online shopping, bring better environment experience of online shopping, and provide more secured services.

(6) Price Factors

The price factor is an important factor for consumers to choose online shopping. Running online stores, businesses can save the store rent, utility charges and other basic costs, and reduce the cost in intermediate sales links. Therefore, people can purchase desired products in online stores at a lower price than offline stores. This can explain why many people choose to shop online.

(7) Online Evaluation

In order to reduce the risk of shopping, the vast majority of consumers will refer to product evaluation of other consumers, before online shopping. Online stores often beautify products and provide false information, while third-party evaluation can provide consumers with more objective information.

(8) Cultural Factors

Different cultural atmospheres have a great impact on customer online shopping. Cultural factors will have an unconscious impact on individuals and various social aspects, thus affecting consumers' shopping behavior and psychological activities. In the traditional conservative cultural atmosphere, consumers have low acceptance to online shopping. In an open and inclusive cultural atmosphere, consumers are more willingness to choose online shopping.

4.3 Analysis of the Existing Internet Marketing Model of Fuhe Agricultural Company

4.3.1 Existing Internet Marketing Model of Fuhe Agricultural Company

According to the above analysis of its production and operation, Fuhe Agricultural Company just started to develop the Internet marketing. It just posted several pieces of supply and marketing information and online advertising on some agricultural industry information websites. Other businesses can contact the company only through the phone and QQ released on the Internet. However, some contact information is invalid. The content of web advertising updates slowly, so many businesses cannot contact the company and gain some limited information about the company through the Internet. Therefore, the businesses fail to well understand the company's products and show little confidence in cooperation with the company.

Thus it can be seen that Fuhe Agricultural Company has not really realized the importance of Internet marketing. The company simply equates Internet marketing with the building and use of information release platforms, so it does not fully use network resources. Due to its weak awareness of Internet marketing and the backwardness of Internet technology, the company does not know how to use the network resources for product marketing and does not update relevant network information timely, so much of its network information is invalid, but still shown on the Internet. Worse still, the company lacks technical personnel for network marketing, management, maintenance and information updating. As the benefit of the company

from Internet marketing is almost zero, the company leadership has little awareness of Internet marketing. In addition, for some objective reasons, Internet marketing basically has no practical significance. As a result, the company not only wastes Internet resources, but also loses a lot of opportunities to win customers.

4.3.2 Analysis of the Industry Environment for Internet Marketing of Fuhe Agricultural Company

(1) Agricultural products have a great strategic position in China

China is a great power in the production, circulation and consumption of agricultural products. In 2014, grain production achieved "increases" for 11 consecutive years, and the production of other agricultural products also increased. According to statistics, in 2014, China's agricultural production in 2014 reached 1.946 billion tons, is still the world's largest producer of agricultural products. According to statistics, China's agricultural production reached 1.946 billion tons in 2014, so China was still the largest country of agricultural production. Meanwhile, China is also the largest trading country of agricultural products. In 2014, China's grain import and export volume exceeded over 100 million tons; the import volume of soybean was 71.4 million tons; the import volume of grain (corn, wheat and rice) was 19.52 million tons; the import volume of tuber (mainly dry cassava) was 8.67 million tons. If the 5.41 million tons of corn lees were included into the food category, the grain import was 106 million tons. China is also the largest consumer country. It consumes a large amount of agricultural products, including some agricultural products imported from other countries. As the 1.4 billion population has huge consumption, China has become the largest consumer of agricultural products. As a result, the logistics quantity of agricultural products in China is large, but small compared with the logistics quantity in the whole society of China. In 2014, the logistics quantity of China's agricultural products was 3.3 trillion yuan, accounting for only 1.5% of the overall social logistics quantity.

(1) Agricultural e-commerce is an important part of rural e-commerce

From 2003 to 2011, China's grain production achieved "increases" for 11 consecutive years, and so did the farmers' income. From 2012 to 2015, the increase in the total retail sales volume of consumer goods in rural China was greater than that in

urban China for over 40 consecutive months. Third and fourth-tier cities have become hot places for investment. Many retail enterprises and e-commerce enterprises expanded their market in small cities and towns. In 2014, the number of China's Internet users reached 649 million, and the Internet penetration rate amounted to 47.9%. The number of mobile Internet users reached 557 million, accounting for 85.8% of the total Internet users. Among Internet users, the number of rural Internet users accounted for 27.5%, and the scale of rural Internet users reached 178 million. In 2014, China made great progress in rural e-commerce. China had 31,000 agriculture-related e-businesses, of which nearly 4,000 launched agriculture-related trade. Thus it can be seen that China's rural e-commerce showed a trend of vigorous development.

Over the past 20 years, China's e-commerce has boomed in 3 fields: books, clothing and 3C. And the agricultural e-commerce is expected to boom. At present, the "2 supers-multi powers-minority" special e-commerce structure for agricultural products has been formed. The so-called "2 supers" refer to Ali and Jingdong as 2 e-businesses of agricultural products; "multi powers" refer to various e-businesses with great competition; "minority" refer to high-growth e-businesses of special agricultural products. According to statistics, since 2010, the average annual growth rate of the agricultural product sales on the Ali platform was 112.15%. The sales volume of agricultural products was about 3.7 billion yuan in 2010, and was expected to exceed 80 billion yuan in 2014. In 2013, the growth rate of Taobao fresh products (including aquatic products, meat and fruit) amounted to as high as 194.58%, and ranked first among all categories sold on Taobao. In 2013, the scale of fresh product e-commerce transactions in China was 13 billion yuan, with an increase of 221% over the last year. And its scale was expected to reach 26 billion yuan in 2014, with an increase of 100%.

(3) E-commerce of agricultural products has been greatly promoted by the policy system of China.

In 2014, the "Central Document No.1" once again made the statement of "strengthening the construction of e-commerce platforms for agricultural products", thus further promoting the rapid development of agriculture-related e-commerce. Since 2014, Chinese governments have introduced following documents related to

agricultural product e-commerce.

First of all, the "Several Opinions on Promoting Healthy Development of the Circulation in Domestic Trade" introduces 13 specific policy measures from 4 aspects: promoting the development of modern circulation modes, strengthening the construction of circulation infrastructure, strengthening the reform and innovation of the circulation field, and focusing on improving the business environment, to enrich measures to expand consumption.

Secondly, the "Medium-and-long-term Development Planning for the Logistics Industry (2014-2020)" puts forward the content of strengthening the development of rural logistics. For example, China should eliminate obstacles in "transporting grain from North to South", strengthen the "delivery of sugar from South to North" and the construction of transportation, warehousing and other logistics facilities in producing areas, invest more efforts into the construction of logistics facilities for agricultural product cold chain logistics, encourage the "delivery of vegetables from South to North", pre-cooling, preliminary processing, cold storage, preservation, cold-chain transportation and other facility construction for bulk fresh agricultural products, establish logistics and distribution centers for key varieties of agricultural products, improve cold-chain facilities for wholesale market and other important modes, and perfect the cold-chain logistics network.

Thirdly, according to "Notice for the Implementation of Comprehensive Demonstration on E-commerce Going Rural", comprehensive demonstration is launched in Hebei, Heilongjiang, Jiangsu, Anhui, Jiangxi, Henan, Hubei and Sichuan. To be specific, rural comprehensive demonstration of e-commerce going rural is implemented in 56 counties in 8 provinces, to build a supporting service system suitable for the development of rural e-commerce, and develop logistics and distribution services coordinated with the development of electronic transaction, online shopping and online payment.

Fourthly, the "Guidance on Further Strengthening the Construction of the Agricultural Market System" clearly puts forward the guiding ideology, basic principles, development goals and main tasks of building an agricultural market system for China in the next 5 to 10 years, and suggests that China should speed up the construction of an agricultural market system with high efficiency, safety, great

standardization and orderly competition.

(4) Mobile commerce has become the development trend for the development of rural e-commerce.

In 2014, the number of China's mobile phone users reached 1.286 billion, and the number of mobile smart terminal users reached 1.06 billion, with an increase of 231.7% over 2013. The popularity of smart phones is seen as an important factor in helping rural e-commerce. For example, agricultural product websites, such as the Longbao Traceable Mall, Mr. Food, Tiny Rowboat, and Xiaoshao Fruit Fan, have their distinctive features.

(5) Agricultural product e-commerce and agricultural Internet of things are largely applied in 5 links.

First of all, they are applied in the fine monitoring and scheduling. The satellite equipped with high-precision sensing equipment is used to obtain the temperature, water resources and other agricultural resources information. Meanwhile, the agricultural resource scheduling system is used to achieve scientific decision-making.

Second, they are applied in the monitoring and management of the agricultural ecological environment. Sensing technology, information fusion transmission technology and Internet technology are applied to building monitoring network for the agricultural ecological environment, and achieving the automatic monitoring of agricultural ecological environment;

Third, they are implemented in the fine management of agricultural production. They are applied to field cultivation, facility agriculture, orchard production, and livestock and poultry aquaculture, to achieve the intelligent control and scientific management of the production process, and improve the resource utilization and labor productivity.

Fourth, they are implemented to trace the quality of agricultural products. The whole-process information in the agricultural production, circulation and sales is perceived, transmitted, integrated and processed, to achieve the whole-process tracking of agricultural products "from the farm to the table". The Ministry of Commerce has made pilots of the meat and vegetable traceable system building in over 50 cities.

Fifth, they are applied in the agricultural logistics. Bar code technology and radio frequency identification technology are used to collect and trace product information, effectively improve the efficiency of agricultural products in warehousing and transportation, and promote the development of agricultural product e-commerce.

4.3.3 Analysis of the Internal Environment for Internet Marketing of Fuhe Agricultural Company

(1) Strength

- ① Long cycle of supply: Fuhe Agricultural Company cooperates with Dalian BlueWind Blueberry and chooses to plant varieties of different picking time, so that it can provide fresh blueberry from May to October, and provide seedlings throughout the year.
- ② Great technical strength: With technical support from Professor An Lijia of the Dalian University of Technology, the company applies the international advanced biotechnology to the blueberry breeding, planting, production, processing and other production process, builds a high-quality seedling mass production system with high reproduction coefficients, owns a technical team of nearly 100 staff, and provides professional and thoughtful technical service.
- ③ Strict production standards: all seedlings and fruits are produced and processed strictly in accordance with the organic agricultural production methods and standards, and they have received the certification of the European organic food certification agency Bioagricert.
- ④ Rich high-quality varieties: After over 10 years of research, Professor An Lijia has selected exclusive high-quality varieties suitable for the soil and climate in China. Moreover, the appearance and taste of the selected varieties cater to the preference of consumers in China.
- © Rising stage of the blueberry industry: Fuhe Agricultural Company is a well-known blueberry base in China. It has good climatic conditions, early planting, some visibility, pre-built channels and a specialized sales team. Moreover, its product varieties have good performance in storage, good taste and mature production process. The company is located in the outskirts of the city and the middle of the north and

south, so it enjoys convenient transportation. The company can operate at a low cost, provide fresh products, deliver the products to consumers at a rapid speed and allow its customers to pick products in its bases. The company also owns mature logistics, low cost and fixed staff.

(2) Weakness

- ① Fuhe Agricultural Company is a small base, facing serious competition, pressure from industry giants and small living space.
- ② The company faces high cost of production. It has unfavorable climatic conditions (module rain season) and a short supply cycle, excessively relies on traditional sales, and lacks sales channels. Moreover, the company stops running business in nearly 10 months a year, so the business time is too short. Training of sales staff is difficult and high-cost.
- ③ Due to product characteristics, the refreshing time of its products is quite limited.

(3) Opportunity

- ① With the improvement of people's living standards, people have higher requirements for the freshness of fresh fruits. However, the current traditional marketing cannot meet the higher requirements.
- 2 Internet marketing channels have become increasingly rich; sales channels have been flat; the Internet marketing environment has been increasingly mature and popular.
 - ③ Logistics modes have increased, making long-distance retail possible.
 - 4 The Lanbeirui Brand has won recognition among Nanjing residents.
- ⑤ Group-purchase teams have been expanding, and the group purchase has produced some effect.
- © Deep processing equipment and the OEM factory have been basically stable, so products can be diversified.
 - (7) Bases are not far from the city, so it is feasible to build picking gardens.
- The preservation technology of the blueberry industry has been improved.

(4) Threat

① The labor cost of the bases has risen (the labor cost was originally 50

yuan/day for each person, but is currently 70 yuan in the normal case and 100 yuan in the case of labor shortage). Labor resources are lacking. About 20 people are needed for daily maintenance. In the picking season, 500 to 600 people are needed for picking and packaging, because some staff are old-aged and low-efficiency. This restricts the quality of goods supply service and speed of goods delivery. Worse still, most staff are local rural residents with little education, so it is impossible to provide high-efficiency and value-added services required in efficient and modern Internet marketing. No young people are willing to do farm work. The 50-year-old staffs are considered to be young; the 60-year-old staffs are considered to be in the prime; and the 70-year-old staffs are considered to be old-aged, in the base. It is difficult to recruit and attract young staff. Along with the expansion of Internet marketing, whether the company can provide service required?

- ② The company just provides the blueberry. Fresh blueberry is put on the market for just one month, and put on the shelf for only 10 days. 15 tons or more blueberry is sold in one day during the peak sales period. Therefore, the company usually faces serious pressure from sales and production in a short period of time. For Internet marketing, sales pressure within a short time is quite huge.
- ③ Fresh O2O companies are large in number, so the industry competition is fierce. We-media marketing booms.

4.4 Selection of Internet Marketing Models for Fuhe Agricultural Company

Based on the above analysis, especially the small scale of Fuhe Agricultural Company, and combined with the consumer demand and the current development and development trend of Internet marketing models of agricultural production bases in China, this thesis argues that in the selection of Internet marketing models, Fuhe Agricultural Company should start from the small to large, and from the easy to difficult, choose the agricultural product catalog model, online group-purchase model and other models, focus on using the existing e-commerce channels, and cooperate with other e-commerce platforms and logistics companies, in order to quickly deliver high-quality products of Fuhe Agricultural Company to consumers and provide consumers with good quality assurance and service experience, thus building good

agricultural brands and laying a solid foundation for developing the Internet marketing model.

4.4.1 Agricultural Product Catalog Model

The agricultural product catalog model is a business model for agricultural enterprises to release information on the Internet, mainly to publicize the image and products of agricultural enterprises, reduce the information asymmetry and make more customers know the enterprises.

The agricultural product catalog model has the following characteristics. First of all, the speed of information dissemination is high. The Internet has connected the majority of countries and regions in the world. The number of Internet users is large. First of all, enterprises and consumers in the world can be free to browse the online catalog. Information is disseminated at a high speed, and the advertising effect is lasting. Secondly, publicity methods are flexible. Online catalogs have the function of multimedia, high interaction and flexible publicity means. Agricultural enterprises can combine the characteristics of product to make some pictures and videos and put them on the Internet, in order to achieve more vivid publicity of products. Thirdly, the cost is low. The agricultural product catalog model is simple and cost-effective. Along with the rapid development of Internet technology, the production of online catalogs has become increasingly easy, and the production cost has been lower and lower.

By implementing the online catalog marketing model, Fuhe Agricultural Company can reduce the cost of publicity and produce better publicity effect, compared with radio, television and other traditional media. In particular, for Fuhe Agricultural Company that just made start in Internet marketing, the agricultural product catalog model undoubtedly has great attention and is an inevitable choice.

4.4.2 Online Store Model

The online store is a relatively simple Internet marketing model which is built on a third-party platform, and operated by agricultural sellers. Online stores have made great contributions to the expansion of sales channels for agricultural sellers. Fuhe Agricultural Company opens its online stores on famous e-commerce platforms, which can enhance the trust of consumers and improve the corporate image.

For consumers, as long as the product and the online shopping environment

are guaranteed, online stores are welcomed. Online stores reduce many circulation links and save a lot of cost, so the price of agricultural products sold in online stores is much lower than that sold in traditional stores. Moreover, consumers are provided with more choices in online shopping. Online shopping is convenient and efficient. Consumers do not need to spend time going out and making comparisons, but place orders directly on the Internet and wait for the delivery of goods through logistics. Therefore, online stores have won increasingly great popularity among consumers.

In the implementation of the online store model, Fuhe Agricultural Company should pay special attention to the logistics and distribution links. The development of logistics and distribution is related to transport facilities, transport standards and other aspects. However, logistics and distribution are in the charge of different government departments. Therefore, relevant government departments should develop measures for coordinating the logistics link and distribution link, and combine with specific situation to develop the modern logistics industry and gradually establish a distribution system with multi-functional distribution, targeted information and high-quality service. Meanwhile, great attention should be paid to the development of advanced logistics technology and cultivation of high-end logistics personnel, thus gradually achieving well coordination of the logistics and distribution and making the logistics and distribution orderly. Efforts should also be invested to strengthen the research and development of preservation and anti-corrosion technology for agricultural products, so that agricultural products can be delivered to consumers in a more fresh state, and the loss caused by the agricultural product corrosion in the transport link.

In its online stores, Fuhe Agricultural Company mainly adopts the advanced system of the logistics supply chain and uses the advanced preservation and anti-corrosion technology, to fully optimize the logistics and distribution, reduce the cost of unnecessary losses, improve the service quality, and enhance consumer satisfaction with agricultural products, thus strengthening the competitiveness of agricultural products.

4.4.3 Online Group-purchase Model

The online group-purchase model is an Internet marketing model that

organizes purchasing groups through the Internet, attracts a certain number of consumers, and provides price concessions to attract consumers to purchase the same product. With novelty and high operability, the online group-purchase model has swept the market and popularized local featured agricultural products among consumers. This can enhance consumer confidence in agricultural products and achieve interaction, mutual benefit and win-win solution between agricultural production bases and consumers.

Undeniably, the online group-purchase model enjoys a lot of advantages. However, when implementing this model, Fuhe Agricultural Company should consider various factors. In the face of fierce competition, Fuhe Agricultural Company blindly pursues the maximization of the interests, and does not make clear and correct positioning of group-purchase websites, but blindly copies other group-purchase websites, so the company will ignore its special interests. Therefore, to enhance its credibility, the company must establish a good reputation among consumers. To gain a good reputation, the company must ensure that products delivered to consumers are high-quality goods at bargain prices.

In addition, Fuhe Agricultural Company should pay attention to the collection of feedback on consumer satisfaction with after-sales service. Consumers are God. Suggestions of consumers on products and the product group purchase are usually constructive. Some agricultural products have a short length for preservation, so the products may rot for delays in the transport link and other reasons, after delivered to consumers. The company should arrange some after-sales personnel to properly solve such issue. Similar issues that need the solution of after-sales personnel are large in number. Therefore, it is quite essential to strengthen the link of after-sales service and improve the attitude in after-sales service, to constantly improve the after-sales service. Moreover, in the implementation of the online group-purchase model, the company should remind its staffs to show the same patience and same attitude, in the pre-sales, in-sale or after-sales link, or for consultation and returning, in order to permanently retain customers and make them into loyal ones.

4.4.4 B2B Marketing Model

The B2B marketing model is the network for the electronic means of trade

activities. As its feature, the third-party trading platform is developed to stimulate the enthusiasm of agricultural product Internet marketing, so that agricultural product sellers or agricultural enterprises can have convenience to use the third-party trading platform to learn about the demand of agricultural products, thus properly and rationally selling agricultural products.

The B2B marketing model has the following advantages. First of all, it can reduce procurement costs. Agricultural enterprises cooperate with agricultural product suppliers to achieve direct online purchase, thus reducing the labor, material and financial cost in the traditional transaction. Secondly, it helps to expand the trading market for agricultural products. The Internet runs across various regions and countries, completely covers the traditional trading market, increases the transaction volume, and creates more markets for trading. Thirdly, it cuts some transaction links, thus saving time and efforts. In the B2B marketing model, people do not need to go out to investigate the characteristics and price of various agricultural products. This model provides consumers with more choices, reduces intermediate links in traditional trading, and provides consumers with great convenience. Therefore, by implementing the B2B marketing model, Fuhe Agricultural Company can not only expand the trade market of agricultural products, but also reduce the cost of sales.

However, the B2B marketing model of Fuhe Agricultural Company has objective randomness. Sellers and consumers select platforms according to their own information, so the selection is easily affected by the season, climate and time of the year. In addition, because the third-party trading platform (the third-party trading platform can provide specialized service to agriculture or various industries) is selected, Fuhe Agricultural Company should pay particular attention to the safety of online transaction. Consumer trust in the network transaction is undoubtedly a key point. Because the B2B marketing model is built on the virtual network world, fraud violations frequently occur, which makes consumers anxious and unsafe in online shopping. Therefore, when implementing this model, Fuhe Agricultural Company requires a safe and sound network supervision system and strict social supervision. Meanwhile, the government should strengthen the legislative protection of the Internet environment and invest more efforts into the network environment building. A standardized Internet marketing environment for agricultural products is essential,

to ensure the safety of funds in transaction, guarantee the quality of agricultural products in trading, and eliminate worries of consumers in shopping.

4.4.5 Taking Advantage of "Internet+" to Develop New Agricultural Marketing Methods

The "Fuhe Special Agricultural Product Shop" is an agricultural product Internet trading platform which is developed carefully for various types of agricultural enterprises in Nantong according to the Internet industry development trend. It is "non-profit, authoritative, comprehensive and characteristic". This platform is built by adopting the "PPP model" (the government and social capital cooperation) and following the principle of being "business-oriented, government-backed, market-oriented and promoted step by step". With the function of online and offline simultaneous operation, it is built by the Nantong government and implemented by Taojinshidai Jiangsu Company.

"Internet+" is an important trend in the development of the current Internet information society in China, as well as an important model for the government to vigorously promote the development of modern enterprise marketing. For Fuhe Agricultural Company, it should take advantage of "Internet+", develop e-commerce for agricultural products, launch network sales, expand sales enterprises for various types of agricultural enterprises, reduce circulation links, reduce the cost of circulation and achieve cost efficiency.

Combing its actual situation in the "Internet+" environment, Fuhe Agricultural Company should take measures from the following aspects, in the implementation of Internet marketing.

First of all, the company can release agricultural information for free. Entering some classified information websites, the company can fill in some contents and release supply and demand information, without making registration. Besides these websites, Fuhe Agricultural Company can release agricultural product information on many other websites. For example, it is a good choice for the company to release information through the "supply and demand hotline" on the "China Agricultural Information Website".

Secondly, the company needs to build a blog. On the blog, Fuhe Agricultural

Company can not only publish articles, but also show the corporate image. Moreover, it can upload some photos and pictures about the company and products, and do some advertising, so that the blog becomes part of advertising and dialogues. Fuhe Agricultural Company should regularly publish some knowledge about food safety and health, to communicate with the public and gain authority, through the blog. Moreover, Fuhe Agricultural Company should also pose blogs, timely update information, focus on social hot issues, attract the public, win the visitor volume and establish its own brand culture.

Thirdly, the company should try online auction. At present, there are several large-scale websites for online auction. Fuhe Agricultural Company can make attempts for online auction, expand sales channels, and achieve publicity.

Fourthly, many companies have their own MSN and QQ fans groups and forums. Fuhe Agricultural Company can apply to join QQ and MSN fans groups of other companies, or industry forums, based on information released on the homepage of these companies or contact information on classified information websites, to achieve real-time communication with the companies and access to latest supply and demand information.

Overall, the "Internet +" provides Fuhe Agricultural Company with a channel to expand broader markets. And this is a natural choice for Fuhe Agricultural Company to promote the Internet marketing model.

CHAPTER 5

CONCLUSION

Internet marketing models of agricultural production bases in China, to draw following conclusions.

First of all, owing to the development and application of modern network technique, new energy and vitality has been injected into marketing of agricultural production bases. However, Internet marketing cannot be simply understood as online sales, because building websites to advertise products or taking advantage of the Internet to establish customer relationships is part of Internet marketing.

Secondly, through rapid development in recent years, China's agricultural Internet marketing has basically develop a flat logistics and distribution model, multi-form agricultural product-trading platforms, large data-base market product development and other Internet marketing models.

Thirdly, at present, Internet marketing of agricultural production bases faces the identical network, high cost, different standards, low trust, low security and other difficulties. These difficulties are presented, mainly because the agricultural consumer group has not yet been formed; the Internet marketing is still in its primary development stage; research on Internet marketing development strategies is not systematic; network marketing talent is still lacking; and the Internet business environment is poor. However, with the government's continuous thrust on the design of agricultural products' e-commerce development, great-leap-forward development of the agricultural product e-commerce scale, and online-and-offline channel integration and innovation for agricultural products marketing, "tri-networks+ Internet of things" has become a new fashion in e-commerce. The localized fresh platform will become a direction for the agricultural products e-commerce transformation, and China's agricultural production bases will usher in the spring of Internet marketing.

Fourthly, Fuhe Agricultural Company, as a microcosm of China's agricultural production bases, just started developing and still runs at a loss, so it should combine with the Internet economy to vigorously develop Internet marketing. According to characteristics of Internet consumers of Fuhe Agricultural Company and an analysis of the current industry environment and internal environment, as a modern agricultural production base with Internet marketing as a new economic growth point, Fuhe Agricultural Company should combine with its own actual situation, optimize the selection of the product catalog mode, online store mode, Internet group-buying

mode, B2B marketing mode and other Internet marketing mode, and take advantage of "Internet+" to create new agricultural marketing methods, in order to open up the blue ocean for agricultural product marketing and promote the sustainable development of agricultural production bases in China including Fuhe Agricultural Company in the "new normal".

After the completion of the first draft, the author discussed some professionals. We agreed that this thesis has close connection with the actual situation of Fuhe Agricultural Company, analyzes the company in an objective way and develop feasible strategies, so the expected effect of implementing the strategies is worth looking forward to. However, due to limited knowledge and skills of the author, this research has limitations. Any suggestion or guidance will be appreciated.

In the future work, research will be improved from the following aspects.

- (1) to further study the theory of agricultural Internet marketing, and apply the theory into practice.
- (2) to further analyze the current situation of agricultural Internet marketing in China, and adopt a variety of survey methods to ensure that the case study of Fuhe Agricultural Company is representative and typical.
- (3) to further explore the current situation of Internet marketing of Fuhe Agricultural Company, and deal with the current loss and barriers in the development of Fuhe Agricultural Company from the perspective of sustainable development. That is because the development is an eternal theme for enterprises.

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CHAPTER 5

CONCLUSION

In this thesis, Fuhe Agricultural Company was taken as a case, to study the Internet marketing models of agricultural production bases in China, to draw following conclusions.

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