

A Case Study on Agricultural Product's Brand Competitiveness Under "Internet+"

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Abstract: The development of agricultural regional public brand under "Internet+" has four primary benefits: promoting the organic connection between small peasant household and modern agricultural development; promoting the fusion development of agricultural products among primary, secondary and tertiary industries; accelerating the development of agricultural modernization; helping achieving the revitalization of agriculture. As a big agricultural country, China isn't the strong one. Many brands of agricultural products are worth of low, with strong local area and weak international competitiveness of the brand. How to promote brand competitiveness of the agricultural products in China under "Internet+" context. This paper takes SOD Apple with the Hong Fu Man Yuan in Shan Dong, Yan Tai, having inquired into its current states and problems to response. This article constructs four dimensions to strengthen the brand competitiveness of agricultural products under the background of "Internet +" and then promote regional economic development, including seeking policy support, exploring multi-channel financing, absorbing talents and constructing regional public brand.

Keywords: Internet+, Agricultural Products, Agricultural Regional Public Brand, Brand Competitiveness

1. Introduction

In the 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016-2020), the transformation of economic growth mode is still the core aspect of regional economic development, and the linkage and coordination between regional economies development is the basic support for it. China is experiencing the throe of the transformation of economic growth mode. It is both a challenge and an opportunity for China to implementing the 13th Five-Year Plan, and it is highly possible to lead a significant strategic breakthrough during these years. In the 13th Five-Year Plan, the primary strategies to achieve structural transformation of Chinese economy include: strategic research on modern agricultural development and food safety; accelerating regional coordinated development;

and building a new pattern of all-round opening up. Dominated with the scientific national spatial development plan, regional economic development should lay more emphasis on differentiated strategies. Nowadays, the majority of developed countries have proposed "trade protection", and the pace of counter-globalization has been accelerating. In this case, it is essential to improve economic structure, promote the transformation of economic growth, and enhance real economy's ability to resist risks. According to the 6th national population census done by the National Bureau of Statistics, there were 674.1 million rural residents, accounting for 50.32% of the total popularity in 2016, and the cultivated land was approximately 134.9 million hectares. China is a traditional agricultural country, and its economic restructuring is largely dependent on level of agricultural development. Implementing rural revitalization strategy is a

significant decision made in the 19th Communist Party of China (CPC) National Congress, and it also reflects the high priority the central government places on agriculture, rural areas and rural people. Chinese agriculture has entered a new era of brand development. Developing agricultural regional public brand is the most efficient approach to enhance the value of agricultural and sideline products, promote industrial economic linkage, integrate and balance regional development, accelerate the upgrading of regional factors, regional reform and innovation, and release the vitality of deep economic development.

2. Domestic and International Review

Domestic and foreign scholars mainly study the regional public goods brand of agricultural products from the following three aspects:

Firstly, the importance of building regional public goods brand of agricultural products. With the problems of agricultural environment and agricultural product safety issues currently highlighted, agricultural eco-brand plays an important role in the region development of China. The competitiveness of agricultural eco-place brand is influenced by the regional ecological, industrial cluster, and the initiative of stakeholders [1]. Meanwhile, in order to ensure the effective supply of the brand agricultural products market, the government should provide support for the brand construction of agricultural products [2], and the government should make up the suitable industrial policy, which is a necessary condition for the success of economic development [3]. The concept of brand community has been used to understand how consumers create value around brands online. Recently consumer researchers have begun to debate the relevance of this concept for understanding brand-related communication on social media. The conclusion suggests that brand publics might be part of a social media-based consumer culture where publicity rather than identity has become a core value [4].

Secondly, the technical anti-counterfeiting problem of the construction of regional public goods brand of agricultural products. In order to anti-counterfeiting and tracing the whole process of agricultural products, RFID technology in the detection of agricultural products supply chain has been verified. Therefore, this technology is the future trend of agricultural logistics development, thereby promoting the development of agricultural products logistics supply chain testing [5]. Furthermore, "RFID+DNA" can be applied to the origin and brand protection [6].

Thirdly, the main issue of the construction of regional public goods brand of agricultural products. On one hand, the large agricultural cooperative plays an important role in the construction process of regional brand of agricultural products [7]. Cooperatives are established to improve farmers' production conditions, to increase their bargaining power and to enable them to benefit from modern value chains [8], such as Sunkist, which is possibly the most complex agricultural cooperative in the United States, it can

depress the produce cost and promote the effects of brand in citrus production globally [9]. Rural leaders and key people are taking leadership roles and facilitate social networking that bolsters communities and inter-community networks [10].

The above-mentioned research elaborates the importance, technical means and main body of construction of regional public brand of agricultural products in an all-round way. However, few literatures have studied how the multi-subjects of regional public brand of agricultural products integrate and develop under the background of Internet economy, which provides research space and research ideas for this paper. Based on the dynamic changes of regional factor endowments of agricultural products, through the Internet platform and adapting measures to local conditions, this paper constructs the brand development system of agricultural products, and promotes the integration of agricultural products, twelve and three industries. Income of small farmers should be increased, the credibility of local government agricultural brand development should be enhanced, regional poverty should be reduced, and regional economic development should be promoted. The conclusion of this study enriches and improves the theory of regional public brand development of agricultural products, which can provide guidance for the development of regional agricultural public brand, and then improve the competitiveness of regional agricultural public brand.

3. Analyzing Brand Competitiveness on SOD Apple with the Hong Fu Man Yuan

In this paper, the development of public brand in agriculture area under the background of "Internet +" is compared between Yantai Apple in Shandong province and Luochuan Apple in Shanxi province. The Apple of Shandong Yantai has a history of more than 140 years (Yantai, Shandong is the lord of our country to produce apples, with history of more than 140 years, and has got the trademark protection of national geography's sign food. It is well known for apple's thin tissue and thick meat and good taste.). Shanxi Luochuan has also developed rapidly under the technical support of Yantai, Shandong Province, and Luochuan Apple has a unique educated youth culture. Yantai Apple brand value of 10.586 billion yuan, Shanxi Luochuan Apple brand value of 5.573 billion yuan (Zhejiang University China Rural Development Research Institute of China Agricultural Brand Research Center, 2015).

3.1. Element Endowment Comparison

From the perspective of natural conditions: Luochuan is distributed on the Loess Plateau in northern Shanxi, with deep soil layers, about 80 to 220M; About 110M above sea level, with sufficient light, 2200-2400 hours of sunshine time; Frost-free period of 180 days; The temperature difference between day and night at about 11.8-16.6°C is

conductive to the accumulation of sugar in the fruit.

Yantai is located in the eastern part of the Shandong Peninsula, with an average frost-free period of 215 days; The average sunshine hours is 2658.4 hours; The average precipitation is 735mm; Brown soil accounts for about 80% of the total land area.

Therefore, the two places have a unique geographical environment, which is basically in line with the natural environment for producing high-quality apples.

3.2. *Quality Enterprise Development*

We take Yantai Hong Fu Garden fruit and vegetable professional cooperative as a concrete enterprise case analysis.

Hong Fu Man Yuan Fruit and Vegetable Professional Cooperative was established in 2011. It is a demonstration cooperative in Yantai City and a demonstration cooperative in Shandong Province. It is the only SOD Apple cultivator in Qixia. It mainly produces SOD apples and SOD superoxide bio-dismutase. It is indispensable in the human body. The enzyme with special biological activity (SOD, as superoxide dismutase, is essential and a ferment with especially biological activity in human body. It is useful to in oxidize, resist chronic disease and decrepitude and fatigue by constantly supplementing SOD to body). The human body continuously supplements SOD, which has the functions of antioxidant, prevention of chronic diseases, anti-aging, and anti-fatigue. SOD is regarded as "the most magical enzyme in life technology and is the garbage scavenger in the human body." The health care apples produced by Hong Fu Man Yuan and China Agricultural University have a content of 45.7 international units per Apple, which is more than 200 times that of ordinary red Fuji.

Hong Fu Man Yuan's business closed loop has four main modules: fresh fruit sales, agricultural sales, technical advice, and fruit processing. The current contribution to the company's turnover is as follows: 49%, 37%, 14%, and 0%. In the future, the proportion of fresh fruit sales is expected to decline, and the proportion of agricultural sales and further processing of fruit products will increase.

In terms of product quality: First, it has exclusive patented technology of China Agricultural University to cultivate unique products. In the core team of Hong Fu Man Yuan, there is a technical director, Professor Wang qi, a professor at China Agricultural University, supervisor of a Ph.D. Student, and the father of China SOD. The SOD patent technology of China Agricultural University has contributed 52% to the overall business. Second, to form a community of interests with the fruit farmers to ensure the quality of the cultivation process. The cost of planting SOD apples in Hong Fu Garden is 220% of that of ordinary fruit farmers, but the sales price is more than 500% of theirs. The fruit farmers who cooperate with Hong Fu Man Yuan have an average annual income of 35% compared to ordinary fruit farmers. The risk of fruit farmers is passed on to Hong Fu Man Yuan through cooperation agreements. Hong Fu Man Yuan spreads risk through market-based means, and the fruit farmers have been

groping and learning. Apple planting levels are rising, yield rates are rising, and revenues are soaring. Finally, we will achieve win-win results between the fruit farmers and the Hong Fu Garden. Third, the base within 100 miles of no pollution. Fourth, ensure orchard ecology: full of wild salvia miltiorrhiza. Fifth, organic cultivation, rejection of herbicides, rejection of chemical pesticides, rejection of chemical fertilizers.

In terms of marketing, Hong Fu Man Yuan always insists that quality is a stepping stone to the brand, and marketing is the booster of the brand. Through expert endorsement, online word of mouth for the whole year, event marketing, online high-end product Association, sponsorship of high-end business activities and other precision marketing, to enhance the competitiveness of Hong Fu Man Yuan brand. In terms of channels, it is mainly large customer customization, e-commerce channels, further processing of residual fruit, and export of five aspects.

In terms of financing, because it is a start-up company, all current operating funds are self-owned funds + social financing + operating income that has been generated, and the cost is relatively high. The bank's low-cost capital cannot give such innovative companies.

By 2016-2017, Hong Fu Man Yuan had a turnover of more than 3 million yuan and a gross profit of 1.01 million yuan. However, cooperatives were established in 2011 and continued to lose money every year until 2015, with almost no profits. It is an important year for Hong Fu Man Yuan in 2015. A person with rich marketing management experience joined and became a member of the core team of Hong Fu Man Yuan. After November and December, 2015, Hong Fu Man Yuan's Apple scored the Trinity Group, CATERPILLAR, HITACHI and other top 500 companies in the world. And embassies and consulates in Shanghai. In that year, it achieved a profit of 320,000 yuan. In the first half of 2016, it entered the markets of Shenzhen and Shanghai in depth, established a warehouse center in Shenzhen, and cooperated with the local O2O platform to jointly develop China UnionPay, CITIC Trust, and Ping An Bank to develop consumer financial products for high-end household fruits and vegetables., quickly open the situation.

The company's future outlook is to select high-quality orchards across the country and form a farm alliance through the replacement of shares. By 2016, the number of products that can be sold under the "Hong Fu Man Yuan" brand is limited. Around 2020, the basic development of the orchard was completed, and 4,500 acres of orchards produced 45 million pounds per year, worth 400 million yuan.

3.3. *The Problems of Hong Fu Man Yuan*

The problems of Hong Fu Man Yuan are as follows.

3.3.1. *The Low-Level Support from Government*

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In recent years, under the constructing service government and promoting innovation business, it is necessary for local government to support the creative small and medium-sized enterprises to provide a convenient necessity for it. The development of The Hong Fu Man Yuan can't get away from support of industry policy for the private enterprise of innovation. Under the great environment of markets economy, especially the enterprise in infancy will unavoidably meet various challenge and the most difficult of the fund's shortage. But for the identity of private enterprise, they can't get the inclination of government policy and even possess a great deal of resources of government because of the worse economic benefit or loss.

3.3.2. The Financing Difficulty

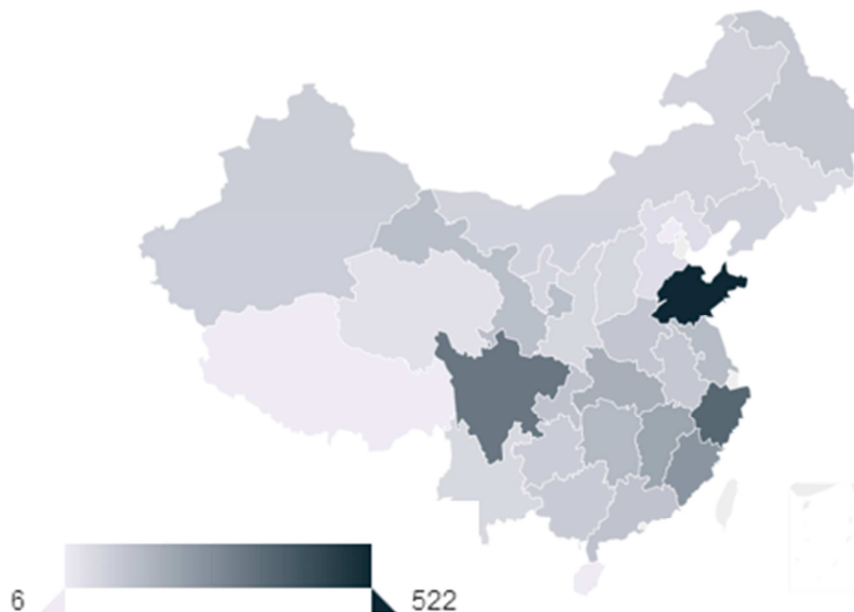
The financing difficulty for the small and medium enterprises is an international hard nut to crack, which has been being highly valued by our government. Even if central government emphasizes constantly subsidize those high technology enterprises for breaking threshold of the state-owned monopoly profession and resource elements achieving private and state enterprises' price equality, actually the private enterprise still keeps being subject to bias of bank loans in domestic and usually can't get loans. The bank credits and the founder's own asset are the main source of start-up business. After following an Internet for ages, the marketing between enterprises usually needs to consume a great deal of funds to appeal and keep customers and give

franchisees rebate. With business gradually strong, the devotion of business enterprise will also gradually increase, which lead to fund shortage. In the process of carrying on network sale, the business enterprise needs to cost the construction of carrying on the logistic warehousing center and marketing outlet for fresh and in time agricultural product. To sum it up, the contradiction between increasing funds devotion and capital inflow of limited channel space out fund's indentation. So, the business enterprise easily runs into a liquidity crisis in the middle.

3.3.3. Scarcity to the Utmost of Talents

There are two aspects for scarcity of talents: one is the scarce in technique, the other is the lack in marketing. The different place of Hong Fu Man Yuan and common apple, it is the agricultural product business enterprise of a type with intensive science and technology to would be to lie in company, its product is good at Gao quality. Cultivate in the agricultural product in, integrate the forerunner's science technique to plant in the activity every day, can't get away from the technique guidance of the science and technology personnel and the industry of the high character to turn farmer. In the actual process, not only study the high new agriculture technical personnel of related industry short of, common executive also lacks the basic character that the modern farmer should have. After product maturity, Hong Fu Man Yuan produce of the new product push toward the market and need an in great quantities excellent marketing talented person. Be grow up a medium private enterprise, it will be short of fund in running markets and usually can't provide the expectation salary of excellent marketing staff, which also lead to scarcity of talents.

3.3.4. Brand Construction



Data source: CARD Agricultural Brand Research Center, Zhejiang University.

Figure 1. The thermodynamic chart of agricultural public brands of China in 2015.

How to establish the public brand of the Hong Fu Man Yuan is a business enterprise one of the great problems perplexed by governor. The establishment of excellent business enterprise brand is a very complicated system engineering, which includes the process of business enterprise brand from developing to promoting. The business enterprise gradually wins the consumer's trust after establishing brand. And the market of products will be opened and its market prospect is very wide. But when building brand, only introducing talents can't solve the problem. Being integrating all resources of business enterprise and government and making it optimal allocation and dynamic assessment to make the business enterprise benign development. The thermodynamic chart of the number of agricultural public brands in China's agricultural regions in 2015 is shown as figure 1.

4. Suggestions

According to the analysis of the above content, to solve these problems, it puts forwards the suggestions as follows.

4.1. Seeking Policy Support

When responding to difficulties the small and medium enterprises facing, one of effective path is that getting support from government industry policy to acquire some financial subsidy and quota of loan with low interest. In recent months, the folks' investment appeared to rarely descend trend. Chinese economy's growth speed fall dramatically. The issue about difficult employment is increasingly outstanding. With the gradually deepening of reform, financial system and systems of our country all will change and form the financial system that is multi-level, multi-type and multilateral. In the context that is short of financial resources allocation, the government related working talent section should push each central Hui and the policy of innovation small and medium enterprises to fall to the ground. On the other hand Jian Zheng puts power and reduces to examine and approve link, lowers the bargain cost of market and promotes the vitality of small and medium enterprises corpus; Give on the other hand the appropriate public finance stick interest and lending rate special discount and lower business enterprise margin cost and alleviate the funds pressure of business enterprise, and give subsidy to the development expenditure of business enterprise the use is with the exaltation business enterprise forerunner technical aggressive.

4.2. Exploring Multi-Channel Financing

In the developing of business enterprise, it is unavoidable to meet financing trouble. The business enterprise needs to have enough cash flows and prepare capital for avoiding huge financing cost and bankruptcy cost because of low fluidity. According to the different money raising method, the business enterprise can adhere to different margin cost

moderate breezes insurance the level adopts the margin of different sequence. Because the Hong Fu Man Yuan is a beginning creates of medium small scaled private enterprise, it can the margin method using is also pretty much subjected to a limit. But, still need to investigate the margin of various outlets, lower to conduct risk.

Firstly, expanding commercial bank credit loan. The business enterprise that is a beginning to create passes the letter credit type of commercial bank to note a property for business enterprise still one of the main outlets. Pass to negotiate with commercial bank, fight for certain loan limit and letter to lend convenience. The way of appropriate quest use collateral loan expands the total amount of the breadth funds that the business enterprise can control. The business enterprise needs to be continuous exaltation management the level and funds make use of an efficiency and lower financial risk at the same time, can acquire commercial bank more funds support.

Secondly, actively making full use of an Internet to raise money. In recent years, the integration of Internet and finance makes many new financial forms, when the business enterprise can appropriately take into exploitation to decrease cost and financial risk. Business enterprise can not only cooperate with finance company, like ant finance etc., and expand fund outlet to solve temporary fund running, but also make use of many new forms like public raising to absorb the free funds in society. Either This can work out the finance problem that the business enterprise faces and scatter the risk of business item's failure, or carry on marketing at the same time and up the reputation and public praise of business.

Third, developing risk investments actively. The risk investor exchanges business enterprise certain share of the rights capital in the hand by expecting the way accrual that the capital increases in value after discovering a suitable investment enterprise. The risk investment brings the funds for enterprise and supplements the shortage of previous enterprise and can also bring convenience from the outside financing and other resources.

Besides the financing method from the above, enterprise can also issue stock and bond by capital markets and usher in angel investment and developing fund to the financial connection with other enterprises to solve problems.

4.3. Taking in Excellent Talents

The business development without talents, is like water without source or wood without roots. The enterprise introduces talents by social employment and graduates from high educated schools. With the fresh blood getting into, it will lead to catfish effect and stirs up competition consciousness of group. Although it produces certain development cost, advantageous to the farsighted development of business enterprise. The enterprise specially needs to develop modern farmer, raise the character and management level of farmer when developing.

4.4. Strengthening Brand Construction

To brand construction, there is the building method "three stages nine platforms" to integrate various resources of enterprise. The three stages mean that the brand establishment, brand development and brand promoting. The nine platforms mean that the need platform's establishment of brand construction, of information platform and O2O supplying. In the second brand development, product control platform, financial platform and supporting platform are to build; At the third stage of brand promoting, creative platform, intelligent property protection platform and brand comprehensive and dynamic evaluation platform are set out to do.

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