



Research on the Development Strategy of New Rural E-commerce Economy in the Digital and Sharing Economy Era

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Abstract. With the implementation of China's 14th Five-Year Plan and the promotion of the rural revitalization strategy, rural revitalization has become a national strategy. In the future, rural areas will become the center of China's economic development, thus there is great potential for conducting rural e-commerce business. As an important part of the rural revitalization strategy, the development of digitalization and the continuous promotion of sharing economy will provide great help for rural e-commerce. This paper mainly analyzes the bottlenecks and reasons of the rural e-commerce economy, considers the solutions of rural e-commerce from multiple perspectives based on digitalization and sharing economy perspectives through the survey method and functional analysis method, and proposes corresponding development countermeasures.

Keywords: rural revitalization, rural e-commerce, digitalization, sharing economy, market orientation

1 Introduction

China is a large agricultural country. Due to the differences in resources, environment, climate and culture as well as the different focus of development, there is a fundamental problem of unbalanced and uncoordinated regional development in economic and social development. Generally speaking, the eastern and coastal regions have a better foundation and faster development, while the western and remote regions grow with a slower speed. The rural revitalization strategy is an important upgrade of the construction of new socialist countryside. The report of the 19th National Congress emphasizes that "agriculture, rural areas and farmers are fundamental issues related to the people's livelihood, and solving the three rural issues should always be regarded as the top priority of the whole Party", The strategy of rural revitalization is the golden key to crack the "three rural issues" in China, which points out the direction for the modernization of agriculture and rural areas. The emergence of rural e-commerce will bring about a new wave of growth to China. This will improve the income of working people and improve their living standards.

In the digital era, the popularity of the Internet is more conducive to the promotion of rural products. As a new mode of integration and development of rural real economy and e-commerce, rural e-commerce refers to the new business management mode of systematization, informatization and efficiency around the production, circulation and marketing of agricultural products, and is also an important means to transform the agricultural development mode. In 2014, "rural electric e-commerce" was officially written into the No.1 central document, becoming a new engine to promote rural economic development. In 2016, the sharing economy emerged in China, and more and more products have been introduced with the concept of sharing, from shared bicycles to shared cars, to apps selling second-hand products, bringing the sharing era to a climax. The emergence of new consumption methods has brought opportunities for farmers to get rich. The "Online and Offline Consumer Purchase Willingness Survey Report" [1] points out that, more than 40.62% of consumers tend to consume online; 32.85% choose to consume in physical stores; 26.53% will choose new retail consumption. Rural revitalization is also going to enter a new era of digitalization and sharing. How to rely on rural e-commerce to shift consumption, let farmers enjoy the dividends of big data and sharing economy development, and promote the coordinated development of rural and urban areas has become an important issue that rural e-commerce needs to break through.

2 Bottleneck analysis of developing rural economy with e-commerce and products with rural characteristic

Rural e-commerce is difficult in actual practice, and the traditional model of agricultural products' output is solidified, and opening up new sales channels has become a problem. First, rural residents have concerns about whether to choose to operate rural e-commerce. To understand the concerns of rural e-commerce in farmers' minds, the authors of this paper conducted a small survey on the situation of rural e-commerce. Among the 153 respondents, about 55% of the rural people thought their capital flow was problematic; 30% of them expressed concern that the investment and income of online e-commerce were disproportionate and not as stable as the traditional model; 5% of the farmers thought they had difficulty in dealing with customer service; 5% of the respondents expressed concern about the high transportation cost; 4% lacked understanding of rural e-commerce and were not interested in trying it. 4% of rural people lacked an understanding of rural e-commerce and lacked interest in trying it; 1% of the respondents were influenced by other factors.

Second, there are problems with promoting agricultural products, the lack of professional leadership, ordinary people find it difficult to make e-commerce bigger and stronger. Many farmers are not very familiar with how to operate electronic devices, which may also dampen the enthusiasm of people to try e-commerce. Third, even if the sales channel is open, because of total cost exceeding profit: the lack of traffic, expensive packing costs, high logistic and transportation costs, some farmers will give up the electronic sales platform, resulting in many online stores becoming dead stores [4]. Third, a small number of farmers stationed in the e-commerce platform makes it dif-

difficult to sell agricultural products online on a scale, and no industrial chain is formed. Fourth, the quality varies, and customers have concerns about the quality of rural industries. Rural e-commerce needs a quality assurance intermediary, and the selection of agricultural products for cultivation should be adapted to local conditions. Fifth, the rise is short-lived, and after the wave is over, no one cares about it and it cannot be sustainable. For example, a businessman promotes apples from Gansu province on a platform, the first promotional video attracted a lot of attention from netizens. But with the passage of time, both the number of video views and sales of live traffic is much less than before, from the former tens of thousands of likes to now only one or two thousand likes, and apple sales also greatly reduced. Sixth, there is a purchase and sales deficit. All kinds of problems superimposed on each other and there is a big discrepancy between the ideal and the real life.

3 Analysis of the causes of the predicament of rural e-commerce

After decisively winning the battle against poverty, and to realize the effective connection between rural revitalization and poverty eradication, many villages are faced with the exploration of development paths. In the process of implementing the rural revitalization strategy, each place faces different situations, such as resource endowment, location advantage, industrial base and labor distribution, etc. Therefore, there is no one-size-fits-all path to promote rural revitalization. China is a vast country, different places have different terrain and climate. There are certain transportation difficulties to sell agricultural products to all parts of the country, and the supporting logistics is not perfect, among which the development of bulk fresh food cold chain logistics lags behind, and the rural cold chain circulation rate is less than 10%. Different temperatures and altitudes during transportation cause food to spoil easily, and for food with shelf life, the requirements of express packaging are higher than those of daily necessities, and the freight costs of some long-distance transportation are part of the reason for the high transportation costs. Farmers do not have cost-effective sources of goods and are not competitive in the e-commerce market, and scattered vendors are unable to build local brands, let alone form market barriers. Compared with large factories, they cannot seize the users; farmers are not able to attract enough customers after entering the e-commerce market due to the low traffic, which is fundamentally contrary to the original intention of opening up e-commerce channels. Agricultural products are essential materials for people's life, with serious homogenization, low price premiums for agricultural products and fierce competition among vendors. Customers have concerns about small rural e-commerce without background, and the lack of quality assurance. These problems make it difficult to operate a rural e-commerce business, and the lack of integrity system of some rural e-commerce users, rampant fake or sub-standard products, resulting in reduced consumer trust and reduced consumption on rural e-commerce platform. Rural areas are generally less industrialized, e-commerce is more prevalent in highly industrialized areas, which causes deficit in sales of online products of rural areas. These are the problems of rural e-commerce.

4 Strategies to develop rural e-commerce platforms under the concept of digitalization and sharing

With the booming development of the sharing economy in China, the sharing concept has gradually been integrated into more and more industries. This is a business model beyond previous perceptions, and this new business model improves the utilization rate of idle items because people do not get ownership of the items but can have the right to use the goods, so this greatly reduces the cost of the items and establishes a social trust system. The development of the rural e-commerce platform can also integrate the concept of sharing economy, combined with the current fast-paced digitalization, which can be applied to rural e-commerce platforms to effectively promote rural revitalization. Digitalization is conducive to product promotion, and the concept of sharing helps farmers save costs. There are four main countermeasures and programs on how to break through the dilemma of rural e-commerce, as follows.

4.1 Solve the problem of capital and talent shortage

With the inclination of national policies to rural areas, the concept of integration and sharing, the promotion of urban-rural integration and urban-rural co-development, financial institutions began to pay attention to the rural e-commerce industry: 2021 Yulin City Central Branch of the People's Bank of China fully used the support for rural revitalization, improved the management of re-lending, grasped the implementation of the policy. As of the end of June, Yulin re-lending the balance of 1.801 billion yuan, an increase of 914 million yuan over the same period last year, and the balance increased by 103.04% year-on-year. At the same time, it urged the banking industry to increase credit support, consolidate and expand the effectiveness of financial poverty alleviation. As of the end of June, Yulin's county loan balance was 121.997 billion yuan, an increase of 13.45%. Among them, loans for rural infrastructure construction such as shantytown renovation, highway construction, land preparation projects and new rural construction amounted to 7.293 billion yuan. [5] Through state help, urban and rural areas develop and share the market in synergy, and farmers can rely on financial institutions to improve the flow of funds with the help of policies that are suitable for them to benefit the rural areas.

From the perspective of urban-rural integration, the sharing of high-quality talent resources between urban and rural areas is also a crucial step in rural construction. Compared with the rural population, highly qualified personnel have more knowledge about e-commerce and are more skilled in its use, which can provide rural e-commerce risk assessment, emergency planning, and play a leading role in rural e-commerce.

4.2 Improve product quality, customer flow and trust

With the continuous development of social and economic development, people's living standards keep improving, food safety has become the focus of people's attention.

People's awareness of health and wellness is getting stronger, and green and healthy organic food is more popular and sought after by the majority of urban residents.

To produce goods attractive enough, rural e-commerce needs to adapt to local conditions, produce high-quality agricultural products, use the concept of sharing to create a "shared farm", establish water and fertilizer integration, adhere to the concept of green environmental health to create a good product supply chain, large-scale planting of local characteristics of high-quality agricultural products. Collective procurement can reduce farmers' production costs, while laying a solid foundation for rural e-commerce. Secondly, we should promote the popularity of local products: integrate public resources to vigorously promote "shared farms" and expand the brand awareness and influence of "shared farms". The sharing economy involves three major actors, namely the demand side of goods or services, the supply side and the sharing economy platform, the core of which is of course the digital sharing platform. Villagers can collectively create videos to promote the village's special agricultural products. To operate rural e-commerce, it is not enough to introduce their own agricultural products in the video, because it can be boring. Farmers can share some crop fields, or farmland environment video in the network platform, and they can also supplement them with live streaming with goods. The benefit is that you can interact with customers in real time. These can increase customer attention to the agricultural products and trust in product quality.

For the freshness of the transportation process, on the one hand, farmers can take the village as a unit, create a set of complete and fixed logistics distribution procedures for the village, and cooperate with courier companies to establish a shared network of interconnected collection points. Rural merchants collect the express packages left by the express delivery they usually receive, and use them as the packaging of their own products for recycling and then send them to the electronic collection point after packaging, so the manpower of shared collection points can be completely replaced by electronic equipment. Not only can this efficiently centralize the express mail, showing the number of couriers received in real-time, but also reduce labor costs. When the goods of the electronic shared drop points accumulate to a certain number, the courier delivers the parcels to a different logistics center. This model reduces time and money costs and also solves the problem of commodity packaging.

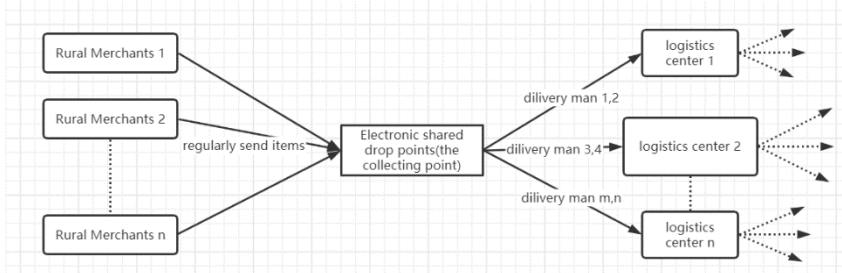


Fig. 1. New logistics mode Photo credit: Original

On the other hand, vendors can process agricultural products, such as canned fruits, to greatly extend the shelf life of perishable products, promote the revitalization of rural

industries, reduce logistics problems, and greatly increase product prices to promote the development of rural industries.

4.3 Create a new model of guiding passenger flow from online to offline, and form a local culture with unique characters

In 2022, there will be more than 70 million sets of unused rural houses, covering an area of about 3,000 square kilometers, and the vacancy rate is higher than 35%. In view of the population loss in rural areas and the increase in the rate of unused land, we need to empower rural revitalization with the concept of sharing. In the process of e-commerce operation, agricultural businesses can create "online understanding + offline experience", utilizing the unused rural houses, gaining profits through experiencing folk customs, laying the foundation for tourists to experience the countryside, and realizing the sharing of unused rural houses for all people. The digital platform can also coordinate and allocate the use of vacant houses to make good use of idle resources. In the process of customers experiencing the countryside in real time, rural e-commerce should do well in activities such as tasting agricultural products, supporting the sale of local specialties, drawing customers from digital platforms to offline, targeted marketing, and enhancing the visibility and reputation of local specialties [3], so that rural tourism can provide aid to rural electric businesses in expanding their influence. To this end, the authors conducted a survey of social residents, in a questionnaire with a sample size of 230, for rural e-commerce options. Customers have 60% more trust and 30% more propensity to buy if they can visit the places of production of the product to learn more about it, compared to those who can't.

Second, rural e-commerce needs to integrate unique local culture both online and offline. For example, the author participated in a school-organized social practice in Datang village, Tianjin, where we learned about a cultural heritage called the handbow. Handbow is a round ball formed by winding spices with colored silk threads, with characteristic patterns on its surface, and is usually sold as a handicraft. China has a long history, and this condition has created our diversified local culture. By extension, in e-commerce, farmers can promote their special cultural products on digital platforms and lead people to pay attention to them, or even use "online sales + offline experience" to promote their cultural heritage with the fun of trying it out and learning directly. The main purpose is to form an influential "online marketing + offline sharing" model to promote the diversified development of rural revitalization and continuously open up new markets and even spread the characteristic rural culture to the world, which not only plays a role in promoting rural revitalization but also plays a positive role in promoting Chinese culture.

4.4 Leveraging big data from e-commerce platforms to exploring differentiated needs

With the initial development of rural e-commerce, farmers can try to understand the needs of people for goods under the perspective of big data by cooperating with digital shopping platforms, so as to better adapt to the diversified market demand. With the

development of science and technology in China, the overall output rate of crops is gradually increasing, the homogenization of agricultural products is becoming more and more serious, but the multi-industry form and multi-functionality of rural e-commerce have not been fully explored. At this time, in order to stand out from many vendors, in addition to improving the quality of agricultural products, they can also choose to sell agricultural products on e-commerce platforms: with the gradual increase of people's spiritual needs, the popularity of rural areas will not be limited to food and crops, but can also be expanded to local conditions for the cultivation of flowers, tea, the sale of different agricultural products. Such as the high temperature in Yunnan is suitable for cultivating a variety of flowers, especially some flowers that can not grow in the northern region. Merchants take advantage of this point can launch the fresh cut flowers. Flowers will be cultivated until the growth of buds and then are cut off, express deliver to customers in the north so that people in the north can also see the flowers blooming in the south. Another example is the sale of dried yak meat in the northwest, as yaks live in the northwest, so people in the east can rarely taste it and are willing to buy it. Seeking new breakthroughs in the old model and catering to the needs of the market are important influencing factors in the progress of rural e-commerce.

5 Conclusions

This paper takes rural e-commerce, an important link in rural revitalization, as the research object, analyzes its bottlenecks and the causes of the problems based on the digital and sharing economy perspective, considers solutions for rural e-commerce from multiple angles, understands national policies, considers improvement methods from the market, products and sales side respectively, adapts to the development of the digital era, and adjusts the pace of strategy. Rural e-commerce should learn to cooperate with large enterprises on a win-win cooperation, standing on the shoulders of giants to solve the problem.

Rural e-commerce still has a long way to go to achieve success. We need to have the determination to persevere, learn to progress step by step, slowly transform the old model of rural e-commerce, and explore new paths.

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