

Research on The Development of Rural E-Commerce Model

Xueqing Liu¹, Kehong Liu², Shuqi Xu³, Heqin Xu⁴ and Yanshan Cao⁵

^{1, 5}School of Economics, Anhui University of Finance and Economics, Bengbu, China;

²School of Finance, Anhui University of Finance and Economics, Bengbu, China;

³School of Business Administration, Anhui University of Finance and Economics, Bengbu, China;

⁴School of International Economics and Trade, Anhui University of Finance and Economics, Bengbu, China.

Abstract

As a new model improved from the traditional O2O model, rural e-commerce mainly guides traffic through social platforms such as WeChat and QQ, and connects users in the community with the Internet platform through the converter-like medium of the group leader. , The head of the team played a pivotal role in the process of whether this operating model can run smoothly. According to the data, we can see that this operating model has a lukewarm response in the first-tier cities, but it has aroused the praise of users in the second- and third-tier cities. The fast-paced life in the first-tier cities leads to huge population flow. The role that the team leader can play At the same time, the first-tier commodity retail formats have met people's needs. Therefore, in first-tier cities, this consumption pattern is rather tepid.

Keywords

E-Commerce Model; Development Status; E-Commerce; Agriculture, Rural Areas and Farmers; Rural Revitalization.

1. Rural e-commerce background

In recent years, with the rapid development of WeChat ecology and mobile payment, rural e-commerce has gradually become one of the new retail business models. The so-called rural e-commerce refers to a shopping and consumption behavior of resident groups in real living communities, relying on a regionalized, niche and localized group buying model in real communities. Compared with traditional e-commerce, rural e-commerce has different advantages such as low customer acquisition costs, low logistics and distribution costs, and low capital and inventory risks.

Although rural e-commerce started relatively late, it is developing rapidly. From the initial stage in 2016, with QQ groups and WeChat communities as the main carriers, to the large-scale development in 2018 and 2019, rural e-commerce has entered the stage of large-scale expansion of product expansion and area expansion. After the outbreak of the worldwide epidemic at the beginning of 2020, large and small rural e-commerce platforms across the country and extremely active community WeChat group group purchases have sprung up and quickly entered the lives of residents. Relying on the WeChat group established by the community, shopping information such as fresh food, department stores, and food continuously appears in the group. More and more users, even middle-aged and elderly people, have changed the traditional shopping methods in the past and are increasingly accepting this "The convenient and quick door-to-door consumption method of "can't see each other", rural e-commerce e-commerce has thus ushered in explosive growth. The capital of major Internet giants is pouring in continuously, and the current market competition pattern has developed to

a very intense stage. The scale of the e-commerce market in 2021 will reach 120.51 billion yuan. According to the forecast of professional institutions, it is estimated that by the end of 2023, the scale of China's rural e-commerce market may reach 150 billion yuan. Rural e-commerce has become an important force in new retail. It can be seen that due to social factors, the sinking market has become the core battlefield for the development of rural e-commerce. Based on this, it is imperative to investigate the current situation of rural e-commerce use and consumer behavior willingness.

2. Policy background - market supervision intervention, industry standard rectification

On December 22, 2020, in order to standardize the consumer market, the State Administration for Market Regulation and the Ministry of Commerce jointly held a guidance meeting to regulate the order and administration of rural e-commerce. Six Internet platform companies including Ali and Tencent actively participated. In order to strictly regulate the operation of rural e-commerce and prevent unfair and malicious competition, the meeting designated "nine musts", hoping to strictly regulate the behavior of Internet platforms.

These six Internet companies are all involved in the rural e-commerce business. Among them, Meituan Youyou and Duoduomaicai are well-known. Because of their favorable prices and the convenience of delivery to the community, they have aroused widespread heated discussions and praise from citizens. . But at the same time, aware of the hidden dangers of rural e-commerce, in order to prevent individual platforms from illegally harming the legitimate interests of competitors through price wars to seize the market, the State Administration for Market Regulation immediately implemented a series of regulatory measures for rural e-commerce.

The "Nine Don'ts" proposed by the State Administration for Market Regulation include "no low-price dumping", "price collusion", "price gouging", "price fraud" and other abuses of independent pricing power. Its purpose is to stabilize the market order and prevent malicious sales from disrupting the consumer market. After all, rural e-commerce is currently a popular industry, and there is often more than one platform operating in the same community. Consumers are bound to compare prices among multiple platforms, and increase user viscosity by reducing profit margins and reducing product prices. It is easy to cause vicious competition. The concerns of the State Administration for Market Regulation are not groundless. With the rapid development of rural e-commerce, some profit-hungry platforms cannot help but seize this huge profit cake through unfair competition. In order to squeeze out other competitors and monopolize market share, many companies such as Orange Heart Best and Beijing Shihui dumped products at prices below cost, which greatly disrupted the order of market operations and damaged the legitimate rights and interests of other companies in the industry . Regulatory authorities have cracked down on these behaviors with thunderous means. On March 3, 2021, the State Administration for Market Regulation imposed an administrative penalty of RMB 1.5 million on a number of rural e-commerce companies, including Orange Heart Best and Beijing Shihui. This move fully demonstrates the government's zero-tolerance attitude towards unfair commercial competition.

After handling the above incidents, relevant departments continued to accelerate the standardization process of the rural e-commerce industry. On April 13, 2021, the State Administration for Market Regulation, together with the Central Cyberspace Administration of China and the State Administration of Taxation, held an administrative guidance meeting for Internet platform companies. The meeting pointed out that for the problem of burning money to seize the "rural e-commerce" market, relevant departments need to continue to unswervingly carry out serious rectification, promote the standardized development of the

industry, protect the legitimate rights and interests of consumers, and improve the well-being of the people.

3. Analysis on the reform and development of rural e-commerce model

As the domestic e-commerce development model matures on a large scale, in November 2015, the "Central Document on Deepening the Comprehensive Reform of Supply and Marketing Cooperatives" pointed out that it is necessary to base on the new normal of economic development and plan supply and marketing cooperatives in the context of the new normal. "Thirteen Five" development strategy, making plans in the fields of e-commerce, agricultural product wholesale market construction, cold chain logistics development, and agricultural social services. Combined with this social practice grassroots survey and also understand the relevant situation, use the SWOT model to influence factors in various aspects of the reform and development of rural e-commerce models, and based on the SWOT analysis results, introduce the Analytic Hierarchy Process (AHP) method to further compare the impact weight of each factor, and carry out Evaluate the coordinated development of rural e-commerce and rural logistics, and make a more objective explanation of the necessity and accurate exploration and formulation of strategies.

3.1. Organizational advantages

The supply and marketing cooperative is a bottom-up, voluntary joint economic organization. Since its establishment, it has experienced ups and downs for more than 10 years. For a long time, the general direction of serving "agriculture, rural areas and farmers" has been throughout. It remains a leader in the rural economy even though many problems remain to be solved in the distance. The organic integration of supply and marketing cooperatives and e-commerce relying on organizational advantages will inevitably push rural supply and marketing cooperatives to new heights and guide farmers and rural areas to a new era.

3.2. Advantages of network service system

The service system of supply and marketing cooperatives is very complete, and the service system spreads all over the countryside. Currently, this favorable system is unmatched by any counterpart in China. In recent years, especially the upgrading and optimization of local rural areas, the Internet conditions in most rural areas have been improved to a certain extent. By expanding the online sales of agricultural products, integrating offline logistics resources, establishing a supply and marketing cooperation system, and establishing a three-level e-commerce service and logistics distribution system at the county, township, and village levels, a national agricultural product e-commerce "network" with the characteristics of supply and marketing cooperatives has been initially formed.

3.3. Experience advantage

Since its establishment, the supply and marketing cooperative has always regarded the countryside as the foundation of the supply and marketing cooperative. It has a long history of serving "agriculture, rural areas and farmers", and has established various rural cooperative economic organizations that mainly operate various local characteristic agricultural products. In some rural areas, many industry associations, professional cooperatives and some cooperative economic organizations have become influential local leaders. Their establishment, development and growth have brought local high-quality agricultural products to various places for trade activities, which has effectively promoted the prosperity and development of the local rural economy.

3.4. The development potential of the rural consumer market is huge

According to the data from the National Bureau of Statistics, the sales level of rural residents in my country has increased compared with the past, and the per capita consumption expenditure has reached 13,113 yuan, an increase of 2.9%. At the same time, under the favorable policies for rural revitalization, the consumption level in rural areas has been greatly improved, and they are gradually pursuing a high-level life. However, in remote towns and towns, the supply of materials is limited and transportation is difficult. It is difficult for rural residents to buy high-quality and cheap commodities. Now under the impact of the Sino-US trade war and the sudden impact of the new crown epidemic, the international trade volume has been greatly reduced, so the country is adjusting the national internal circulation and expanding consumption in the domestic market. Focus on releasing the potential of rural consumption, and rural logistics construction is bound to proceed. In contrast, e-commerce logistics in cities and towns has been systematic and mature, the market is gradually saturated, and the competition is fierce; the rural market has a large space and demand is also high. Compared with cities, rural areas lack many services and product experience, and the development of logistics can integrate other service products to form a multi-level and diversified management system and build a win-win situation. Enterprise capital is also gradually pouring in, which has accelerated the layout of rural logistics. China's leading logistics companies have joined in one after another, and companies have built outlets and fresh warehouses in different regions. From the perspective of JD Logistics, as of June 2019, JD Logistics has successfully built sites, logistics networks, and fresh warehouses in 550,000 villages across the country.

3.5. New socialist countryside construction

The Fifth Plenary Session of the 16th Central Committee of the Communist Party of China proposed to build a new socialist countryside with "development of production, affluent life, civilized countryside, tidy countryside, and democratic management", which is an important strategic measure for the Party Central Committee to strengthen the work of "agriculture, countryside, and farmers". With the support of the central government and the strengthening of policies, the rural economy has developed rapidly and farmers' income has increased significantly, which has greatly stimulated farmers' production, living, spiritual and cultural needs. However, due to the characteristics of scattered life of farmers, lower purchasing power than urban residents, and high distribution costs of rural commodities, general for-profit commercial organizations are unwilling to invest in the construction of rural commercial outlets, which cannot effectively meet the needs of farmers. As a special organization under the leadership of the party committee and the government, rural supply and demand cooperatives have existed in rural areas and farmers for a long time. With the purpose of "agriculture, rural areas and farmers", it plays the role of economic activities. It has incomparable advantages and conditions in the construction of new countryside, plays its own unique role, and contributes to the construction of new countryside.

4. Conclusion

4.1. The status quo of cognition of rural residents in Bengbu to rural e-commerce

The results of the survey show that the vast majority of Bengbu residents have more or less contact with rural e-commerce in their daily lives, and have some basic understanding of rural e-commerce, and most residents believe that the emergence of rural e-commerce is beneficial We live; in terms of awareness, nearly 50% of the surveyed residents have a general understanding of rural e-commerce, and about 34% of people who have a relatively good understanding of rural e-commerce and a very good understanding of rural e-commerce Only

14.11% of people don't know much about rural e-commerce, and 2.11% of people say they don't know anything about rural e-commerce. It can be seen that residents' overall awareness of rural e-commerce is at a relatively high level, but there is still room for improvement. high space. Secondly, in the survey of residents' understanding of rural e-commerce channels, the channels for understanding are diversified, and the proportion of understanding channels is not very different. Online media advertising promotion, offline entity promotion and shopping platform recommendation are the main reasons for people to understand rural e-commerce. channels, accounting for about 25% of the total. The proportion of rural e-commerce is about 14% through the forwarding of Moments and the recommendation of relatives and friends, and about 5% of people know about rural e-commerce through other means, so residents want It is still very extensive to understand the channels that rural e-commerce can pass through.

4.2. Analysis of factors influencing Bengbu residents' choice of rural e-commerce

The higher a person's level of education, the wider the scope of knowledge. Under the same financial conditions, residents with higher levels of education are more interested in rural e-commerce. When the education level is junior high school or below, the proportion willing to choose rural e-commerce is the lowest, which is 36.31%. 50.0%, although the proportion of residents with a master's degree or above who are willing to choose rural e-commerce has declined to a certain extent compared with those with a college degree/undergraduate degree, the variable of education level still shows a certain increase in whether residents are willing to choose rural e-commerce trend, we can consider it to have a significant positive effect on

A person's income level affects his quality of life in a sense. When the income is low, people will become more cautious about daily consumption. A higher income level means that they can pursue a higher quality of life and be more Pay attention to convenience, and the range of entertainment options is wider. As shown in the figure below, with the increase of income level, the proportion of those who are willing to choose rural e-commerce continues to increase, while the proportion of those who are willing to choose rural e-commerce shows a downward trend.

5. Suggestions

5.1. Government

The first is to clarify the objects of supervision. WeChat groups do not belong to business premises, and group leaders are regarded as salesmen of group-buying companies, who do not have the ability to independently assume responsibility. Group-buying companies should assume responsibility for product quality and fulfill various obligations stipulated by laws and regulations. The second is to clarify the regulatory body. Group buying companies are e-commerce operators defined in the "E-Commerce Law of the People's Republic of China", and their jurisdiction should follow the provisions of the "Measures for the Administration of Online Transactions". The above-mentioned market supervision and management departments are under the jurisdiction, and a clear regulatory body will be conducive to the effective implementation of supervision.

Urge platforms to consciously and actively cooperate with relevant departments in the supervision of monopoly, illegal competition and other behaviors, explore the supervision model of platform economy, strengthen the technical support of platform economy supervision, and improve the efficiency of supervision. Strengthen the daily supervision and management of rural e-commerce platforms. Guide the platform, highlight the self-discipline awareness of the platform, and strengthen the corporate social responsibility. Guide, remind, and admonish platforms through laws and regulations that combine leniency with strictness.

5.2. Enterprise

When residents conduct rural e-commerce, the main factors they care about include product quality, product price, and platform service quality. The development of the platform should focus on customer-centricity, and always put the protection of consumers' rights and interests and the improvement of consumers' shopping experience in the first place. Then the rural e-commerce platform should start from the following consumer concerns to improve service levels.

Through continuous iterative upgrades, comprehensively improve platform services, strengthen product focus, such as vegetables, fruits, pasta, frozen products, dairy products, fish and poultry meat products and other household high-frequency just-needed consumer products, and expand the overall sales performance of the region. Naturally, it has a good product premium ability. At the same time, enterprises can promote differentiated marketing, such as packaging customization, specification customization, and quality differentiation, to enhance customer experience. At the same time, for some regional super IPs, joint customization and development of products, as well as some regional channel exclusive products, etc., through differentiation Product positioning can well ensure the stickiness of platform fans and effectively guarantee the gross profit margin of products.

Strengthening the management and control of the supply chain resources of rural e-commerce is an aspect that enterprises need to focus on. The first key point is product selection. The platform needs to have enough SKUs to adapt to the current era of all categories. In fact, rural e-commerce has nothing to do with group buying. It is essentially collective procurement under the coverage of distribution centers. The main social value of group buying platforms is to help users choose good products and reduce user decision-making costs. Massive product channels are the prerequisite for product selection. Then the second key point is product quality control, which is more difficult to control, because the non-standard nature of fresh products, the professionalism, industry experience, work attitude and quality control management ability of the quality control team members will all affect Quality control results, but this is also the key to determining whether word-of-mouth communication can be formed among customers. Strong quality control management capabilities can become the core competitiveness of the platform. Finally, the third key point is the cost control capability of the supply chain, that is, under the condition of the same product quality, whether it is possible to get a lower price or whether it is possible to integrate transportation, warehousing, loss, distribution and other links in the operation process The cost is reduced to the lowest in the industry. Community e-commerce is a low-profit industry that relies on economies of scale, and cost control is its lifeblood.

5.3. Community

After receiving the goods, the products should be kept properly. Products purchased or used by the head of the group should be separated from consumer products. Food and toxic and harmful items should be stored in separate areas and stored in the manner marked on the label. Those that need to be refrigerated should be placed in the refrigerator; Inform consumers to pick up the goods or deliver them to the door according to the agreement with consumers, especially products with a short shelf life should not be placed out of date; for pick-up points that cannot be kept under constant care, try to avoid placing food on open shelves, and if necessary, pick up the goods Point installation and monitoring to ensure that it can be checked afterwards; in case of product quality problems or other consumer disputes, records should be made, and the company should be notified as soon as possible and assist in solving the problem, so as to effectively protect the legitimate rights and interests of consumers.

As the first person in charge of the community, the group leader should establish a marketing system centered on the WeChat group in the community, continuously expand new users to join, and rely on the social relationship of new users to acquire more customers.

The group leader should strengthen the management of the WeChat group, update product information in a timely manner, provide recommendations for customers, and optimize the user experience. At the same time, the group leader can use preferential measures to enable users to use Moments to mobilize more new users to join, and rely on acquaintances to obtain more favored by customers. This social fission promotion method can effectively reduce marketing costs and increase user stickiness, which is a new way to expand customer acquisition.

5.4. Personal

Like online shopping, rural e-commerce must take the form of online payment due to its particularity. If consumers want to use rural e-commerce platforms, the first step is to request registration. The registration information often includes a lot of private information such as mobile phone number, name, age, occupation, and home address. Therefore, as consumers, we need to have a certain awareness of privacy protection. The consignee does not necessarily have to fill in his real name, and can use a pseudonym or personal nickname instead. If it is found that personal information has been maliciously leaked by the platform, it should take appropriate legal weapons to protect its legitimate rights and interests.

As an emerging shopping model in recent years, rural e-commerce has indeed improved the lives of some people to a certain extent, but it must still have some problems. Therefore, after we purchase group-buying products, we can properly point out problems, such as the service attitude of the group leader and the way of product management, so as to help the platform to further improve and realize the continuous optimization and improvement of the model. We can also give positive comments to the places that are doing well, and use these positive comments and feedback to make relevant parties understand the voice of users more clearly. In short, as consumer feedback and some reasonable suggestions can bring us a better consumer experience, and further enable consumers and rural e-commerce platforms to achieve a win-win situation in a certain sense.

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