

# Research on Rural e-commerce Development under the Background of Rural Revitalization — Take Daji Town of Cao County as an Example

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**Abstract:** Rural revitalization has always been an important proposition of The Times. In the context of rural revitalization, the traditional sales methods have also taken a new turn, and the shopping form of "Internet + sales" is gradually accepted by the public. Rural society has also been exposed to the Internet, and has quietly changed the new sales mode. Some rural areas have combined local resources with the Internet, expanded product sales channels, and increased economic income through e-commerce. Thanks to the development of e-commerce, many poor villages have gradually been lifted out of poverty and embarked on the road of prosperity. Now it has become a wealthy Taobao town. Daji Town, Caoxian County, Heze City, Shandong Province, is such a typical village for Internet sales. Through the analysis of rural e-commerce in Daji town, this paper puts forward relevant suggestions for the existing problems of rural e-commerce in Daji town.

**Keywords:** Rural revitalization, Rural electronic commerce, Daji Town, Cao County.

## 1. Introduction

In recent years, with the development of economy, people's living standards have improved significantly. However, there is still a large income gap between rural areas and urban areas in China. The Party and the state attach great importance to the development of China's vast rural areas, and attach great importance to the development of rural e-commerce. In 2005, the No.1 document of the central government mentioned "e-commerce" for the first time, "encouraging the development of modern logistics, chain operation, e-commerce and other new forms of business and circulation methods". At the same time, on January 8, 2005, China's first dedicated to guide the development of electronic commerce policy documents — of The State Council General Office of the State Council on accelerating the development of electronic commerce (state hair [2005] no. 2), put forward the country for the development of electronic commerce eight important opinions, established the six major measures to promote the development of electronic commerce in our country. In 2022, the No.1 document of the central government put forward new measures in the field of rural e-commerce: implementing the project of "digital business and agriculture". In recent years, with the rapid development of Hanfu industry, Cao County, Shandong Province has gradually entered the public view, especially in the Daji Town of Cao County, Shandong Province. Daji Town takes the cultivation and development of rural e-commerce as a powerful starting point and an important way, combines with the implementation of poverty alleviation and development work, gives preference in policy and capital aspects, and explores a unique rural e-commerce development model<sup>[1]</sup>.

## 2. Research Status

Poole (2001) proposed in his article that the promotion rate of the network among the masses is the basic element of the network development. The name of the Internet is collected by the interconnected network of different fields. If the

utilization rate is low, the interconnection is an empty talk, and the relevant data research and information feedback when the data volume is small will lose its reference<sup>[2]</sup>. Baourakis et al. (2002) argue that e-commerce, as a sales tool, cannot replace sales effectiveness. E-commerce can not only conduct multiple transactions within the same time period, but also reduce labor costs<sup>[3]</sup>. Yu Dajin and Yang Shuling (2008) use the fundamental model analysis theory of system dynamics and the comparative analysis of research results at home and abroad to believe that e-commerce can become the main form of trade activities in the future life, and can promote the development of rural economy<sup>[4]</sup>. Miao Yu (2018) believes that the implementation of the rural revitalization strategy should adhere to the all-round development of people, strengthen the education and training of professional talents, and promote the cultivation of new professional farmers, so as to truly realize the all-round development of agriculture, rural areas and farmers<sup>[5]</sup>. From the background of rural revitalization, Dong Hang (2021) deeply analyzed the current problems facing the development of rural e-commerce in China, and put forward corresponding countermeasures according to the problems, and pointed out the application of "Internet +", big data and other new technologies, so that the rapid development of rural e-commerce in China. The problems pointed out mainly include imperfect logistics and storage facilities, decentralized production and operation, weak brand awareness, shortage of professional and technical personnel and other problems. In view of the relevant problems, we put forward specific suggestions from the basic hardware facilities, market standards, brand, talent team and other aspects, and actively promote the benign development of rural e-commerce<sup>[6]</sup>.

To sum up, foreign rural e-commerce started early, has high maturity and profitability, especially in developed countries in Europe and the United States. Modern agriculture has a long development time and rich experience, and agricultural products have the world's most advanced technologies, such as logistics system, information exchange, e-commerce platform, etc. And China's rural e-commerce is still in the

primary stage, late start, weak foundation. With the rapid development of China's mobile Internet technology, the continuous development of the economy, and the continuous introduction of favorable national policies, China's rural e-commerce has developed rapidly. In the context of the development of rural e-commerce, many domestic scholars associate e-commerce with rural revitalization while deeply analyzing the international research results, which is in line with China's national conditions and not only has strong theoretical value, but also has important practical significance.

### 3. Cao County Daji Town Development Status Quo

#### 3.1 Daji Town Basic Situation Overview

Shandong Cao County is a county in Heze, located at the junction of Shandong Province and Henan Province. Daji Town used to be one of the most economically difficult towns under the jurisdiction of Cao County. Daji Town was located in the southeast of Cao County, adjacent to Ancailou Town in the east, Liangditou Town in the south, Yandianlou Town in the west and Sun Laojia Town in the north. In the past, more than half of the administrative villages in Daji wore the hat of poor villages. Every year, a large number of working people went out to the south to make a living, and only the elderly and minor children were left at home. Once the Daji Town was dominated by agriculture, with a very weak industrial base and no decent real economy. There are no superior natural resources, poor land, low income from agricultural and sideline products; no geographical advantages, very inconvenient transportation, no national and provincial roads, and only one single-lane county road, especially Dinglou village was a typical lifeless hollow village. At present, Daji Town takes performance costumes and Hanfu manufacturing as the leading industry, and more than half of the town's population is engaged in rural e-commerce related work.

#### 3.2 Daji Town Rural e-commerce Development

Cao County's e-commerce sprout in grassroots entrepreneurship. Before 2008, Cao county industry was not strong, underdeveloped economy, low wage level, forcing a large number of rural labor force to go out to find employment opportunities. The changes brought about by e-commerce since 2008 have spread quietly. In fact, since the end of 1980s, a small number of villagers in Daji Town have been engaged in the processing of studio scenery and photographic costumes, most of them in the form of family workshops, mainly in the county seat of Cao County for sales or door-to-door sales. With the continuous development and popularization of e-commerce and the rapid development of performance service e-commerce industry, some villagers in Dinglou Village, Daji Town began to try to open Taobao stores to sell costumes and achieved success. Gradually, driven by the demonstration of the local villagers engaged in e-commerce work, the nearby villagers began to try this business model, and the trend of producing and selling performance costumes gradually emerged<sup>[7]</sup>. In fact, Ren Qingsheng, the village branch secretary of Dinglou Village through rural e-commerce, has an important impact on the realization of poverty alleviation. The first person to run an

online shop on Taobao e-commerce platform and eat the crab of "rural e-commerce". In 2013, after the government of Daji Town found the "Taobao store" in the town, the government timely intervened to actively helped farmers solve the problems in operation, actively guided local villagers to engage in the e-commerce industry, and formulated a series of preferential policies to encourage the development of e-commerce, which greatly stimulated the enthusiasm of entrepreneurs. Since 2018, the town government has continuously improved the service content, and provided transformation and upgrading services for online merchants by improving talent services, financial services, residential services, etc. The development of e-commerce of performance clothing makes the originally barren land of Cao County full of vitality. In the 8th China Taobao Village Summit Forum, Cao County was rated as the largest industrial cluster of costume Taobao Village in China and the largest cross-border e-commerce industrial belt in China, which is an effective reference model for China's rural revitalization. While Cao County has won many honors selected by Alibaba Research Institute for its e-commerce strength, Dinglou Village has also been awarded as "China Taobao Village" for many consecutive years.

The development of e-commerce in Daji town has gone through two stages: the first stage is the early exploration stage (2009-2013), which is the first to contact the returnees and make money, thus igniting the entrepreneurial enthusiasm of local farmers. The second stage is the rapid development stage (2013-to date). As one of the first "Taobao towns" in China, Daji Town, Caoxian County, Shandong Province, has been designated as Taobao villages for four consecutive years since 2017. It is the first town to realize the full coverage of "Taobao villages" and the largest performance clothing production base in China at present. Most villagers in the town work in the e-commerce industry, resulting in a significant increase in farmers' income<sup>[8]</sup>. At present, Daji town has formed a relatively complete industrial chain, fabric processing, printing, embroidery, accessories, logistics and other accessories procurement can be solved in a radius of about 10 kilometers. In 2013, the industrial output value of Taobao in Daji Town was nearly 200 million yuan, and the annual sales volume in 2014 exceeded 500 million yuan. The output value of the hanfu industry in Daji Town is 1.4 billion yuan in 2021, 800 million yuan in 2022, and 1.4 billion yuan of in the first half of 2023<sup>[9]</sup>.

### 4. Cao County Daji Town Rural e-commerce Problems

#### 4.1 A Shortage of e-commerce-related Talents

There are still many farmers in Daji town who have a relatively low level of education and a relatively low acceptance of new ideas, new business models and new technologies. As a result, many local farmers are unable to master the online sales of agricultural products. After relevant investigations, most of the workers engaged in related costumes and Hanfu processing have a junior high school education or below, and fewer workers have a bachelor's degree or above. Older online shop owners engaged in e-commerce, online shops need to spend money to find others to decorate. Daji Town also by living conditions,

working environment, pay, market size and development potential conditions, in rural electricity industry presents a "difficult education, difficult to lead, difficult to leave" state, although the development of local electricity can attract a large number of college students and migrant workers home, but have electricity experience of high-quality professionals is still a shortage.

#### 4.2 Product Brand Influence is Low

With the accelerated penetration of e-commerce into rural industries, rural e-commerce is no longer just an industry that can be interpreted and interpreted by the simple "Internet + agriculture". Rural e-commerce has become a new driving force to promote the development of agricultural modernization and promote the development of high-quality development of agricultural products. At present, Caoxian Daji Town lacks of well-known Hanfu e-commerce brands, which is mainly related to the low level, extensive and diversified development of rural e-commerce, the single amateur marketing means and the lack of brand building ability. Because of the limited level of knowledge and culture, the villagers have a weak understanding of the brand awareness. From the current situation of agricultural and rural development in Daji Town, we put more attention on clothing processing and production. For agricultural products processing and management, online sales awareness is not enough, stay in the commodity rough processing level, commodity deep processing level is insufficient. At present, there are still problems in rural e-commerce brand construction in Daji Town, Caoxian County, such as insufficient brand construction of agricultural products, insufficient added value of agricultural products, low and weak influence of product brand recognition, and lack of price determination ability, which seriously restrict the upward trend of agricultural products in Daji Town.

#### 4.3 Homogenous Competition is Serious

Electronic commerce has the characteristics of virtual, off-site online transactions, which holds the principle of administrative regulation management has natural contradiction, to administrative regulation, Daji Town rural e-commerce market is exposed homogeneity of vicious competition and intellectual property problems, reflects the government departments in the market environment construction is not in place. The products sold by rural e-commerce in Daji Town of Cao County are mainly Hanfu and performance clothes. There are many workshops operating clothing processing, and the same type of products have fierce competition. There is a price advantage in the external market, and the internal price advantage is not obvious. Among them, there are hundreds of products in Dinglou Village alone, which mainly sell their products in costumes. The main business is basically the same, which can easily cause unfair competition with each other.

### 5. Suggestions for the Development of Rural Electronic Commerce in Daji Town, Cao County

#### 5.1 Attract and Cultivate e-commerce Talents

E-commerce talent is the key reason for the development of online stores. Local governments should strengthen the retention of e-commerce operation talents from two aspects: one is to borrow the hometown feeling to attract the talents back; the other is to attract foreign personnel to start businesses. Set up effective incentive measures and relevant preferential policies in attracting talents to provide corresponding guarantee to e-commerce personnel. In addition, tax and capital policy support will be given to returning e-commerce talents to attract foreign e-commerce talents. The government should formulate relevant policies on housing rental, children's education and social security to provide more convenient conditions for the introduced talents. Protect the legitimate rights and interests of rural e-commerce practitioners and increase their sense of security. Carry out regular e-commerce training, and actively cultivate local farmers to become e-commerce talents. Popularize e-commerce knowledge and provide e-commerce support. The local government can invite the local excellent e-commerce operators to attract college students back to the village to start their own businesses, and take the initiative to participate in the training organized by some government, industry associations or enterprises, so as to obtain more professional knowledge of e-commerce and improve their cultural literacy. Efforts to improve the overall cultural level of e-commerce operators and the ability to operate e-commerce business, to better realize rural e-commerce.

#### 5.2 Strengthen Brand Building

Establish hanfu and performance brands with their own unique characteristics, learn relevant brand awareness. Promote the development of industrial e-commerce in Daji Town. Strengthen the brand operation, strengthen the publicity of characteristic products. Guide enterprises to cultivate agricultural products brand. At the same time, give play to the leading role of local leading enterprises, actively guide e-commerce enterprises engaged in the sales of agricultural products to strengthen brand construction to avoid disorderly competition of similar products, and strive to improve product quality and added value. Ensure food safety, extend the extension of the agricultural production industry chain, promote the transformation of the industrial structure in Daji town, vigorously cultivate well-known brands of agricultural products network, encourage traditional brands to extend to the network, and expand the online visibility of the brand. Efforts should be made to expand the application scope of e-commerce, and strengthen the deep integration of rural e-commerce and the real agricultural economy. Promote the adjustment of rural industrial structure, drive the progress of rural industry, and promote the upgrading of rural industries. According to the e-commerce market demand and consumer preferences, professionals are hired to design logos, take product pictures, and promote local brands.

#### 5.3 Standardize the Market Order and Increase the Sales Channels

Vigorously develop leading enterprises, to maximize the leading role. To guide the rationalization competition of Taobao professional village industry, change the original traditional production and operation mode of family workshop, we can invite local leading e-commerce enterprises

with high profits to impart experience, and pay attention to the improvement of product quality and quality standard system. Strengthen the communication with small and medium-sized e-commerce entrepreneurs, increase the platform trading channels, and improve the sales of the e-commerce platform. E-commerce operators can choose to cooperate with multiple third-party e-commerce platforms, and Daji Town can combine the local characteristic resource advantages to innovate and build their own rural e-commerce platforms. We will strengthen the construction of the market governance system, strengthen standardized supervision, increase publicity efforts, and increase farmers' participation.

## 6. Epilogue

Daji Town has made some achievements in rural e-commerce, leading local villagers out of poverty. The practice of Daji Town shows that e-commerce can promote the development of rural industries and then realize rural revitalization. But there are still some problems and deficiencies in the development process of e-commerce. The local government should increase the research on rural e-commerce, formulate corresponding development strategies, fully tap the local advantageous industries, guide the e-commerce in Daji Town of Cao County to take the road of sustainable development, and promote the high-quality development of local rural e-commerce.

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## Author Profile

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