

Rural e-Commerce Business Model and the Evolution Analysis

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Abstract: In this work, the author first sorted out the main characteristics of rural e-commerce and implemented a classification for rural e-commerce based on the types and standards of differentiation, and then adopted the use of appropriate survey methods and scientific analysis methods to summarize the shortcomings and deficiencies of different types of e-commerce models. Finally, based on the differentiating characteristics of rural e-commerce in different models, a personalized upgrade plan and solutions are proposed combined with the current development of e-commerce. The strategy aims to improve the competitiveness of rural e-commerce and remove development obstacles in the market environment. At the same time, the adoption and practice of the symbiosis concept has integrated the internal production of rural e-commerce, and reformed the basis for the division of rural e-commerce. Finally, the author put forward corresponding suggestions and countermeasures for the problems generated in the development of rural e-commerce.

1. Introduction

With the widespread popularization of information technology in China's contemporary society, it has had a huge impact on people's production methods and living standards, and has promoted a fundamental change in the consumption concepts of residents. However, due to the deep integration of the Internet in all walks of life, the field of e-commerce has been gradually developed and matured, and with the popularization of the Internet, the geographical limitations have been broken, and gradually covered from cities to rural areas. It can be seen that the advancement of e-commerce and the huge market associated will play a vital role in achieving rural economic transition and industrial upgrading.

2. The Characteristics of Rural e-Commerce

2.1 Most Entrepreneurial Objects Are Grassroots Groups

The entrepreneurial subjects of rural e-commerce are mainly composed of farmers due to their regional characteristics, most of whom have experience working in cities, and gradually expanded their horizons and accumulated resources in the process of going out and working hard. After returning home, they can identify and explore the unique potential of hometown, and use hometown resources to achieve entrepreneurial goals. The e-commerce model with grassroots groups as the object of entrepreneurship is essentially a result following the wave of rural business development, and grafting rural online merchants. Most of its actual participants also come from relatives, friends, and family members around the entrepreneur. In the micro-society of rural China that is characterized by conservative thinking, the successful entrepreneurship of grassroots groups often has a strong stimulating effect on the villagers around them. As a successful model of rural e-commerce, it will significantly mobilize villagers' enthusiasm for entrepreneurship in the e-commerce field, increase the coverage and audience area of such e-commerce models, thus guiding more entrepreneurs to enter the e-commerce industry.

2.2 Product Manufacturing is Mostly Workshop Processing

The production, manufacturing, and processing of rural e-commerce products are mostly completed through family-style workshops. Most of their main organizational forms are also based

on the family, undertaking production tasks similar to the brief processing of agricultural and sideline products. As rural online businesses mainly use workshops production methods, so the division of labor in the production process also has a clear purpose. Rural online companies using workshop production not only have their employees mainly from other members of the entrepreneur's family, but also have a lot of choices mainly from a family house or a nearby self-built factory. Although it does not have a huge scale, it has the characteristics of simplification and perfection. The entire process of product manufacturing, processing and storage is compressed and completed in the same.

2.3 Most of the Development Prospects Are Peer Clusters

Successful entrepreneurs will set up a typical image for villagers and provide reference experiences, which will play an important role in guiding villagers' industry choices. Since the rural society in China is relatively closed and villages are independent from each other, the villages with great development in the field of online commerce will inevitably realize industrial agglomeration, naturally promoting the perfect development of the industrial chain, and gradually realizing the integration of raw material procurement, product production, and sales of finished products. However, due to the limited choice of e-commerce platforms, product homogeneity is common. Although this phenomenon can guarantee the quality level of similar products and effectively improve the competitiveness of each product, there is also the risk of causing malicious competition in the industry through improper means.

3. Analysis of Rural e-Commerce Model

3.1 Mode Category

3.1.1 Industrial Reengineering and Self-Organization

The division of such models is mainly based on the situation of the villages. Due to the different information reception conditions and customs of different villages, the development mode of rural e-commerce has been gradually classified into industrial reengineering and self-organization. The industry reengineering model is based on the premise of fierce market competition. Under the situation that its own products gradually lose the traditional market advantage, it develops online business through online platforms, carries out marketing based on products, and re-powers enterprise development and industrial progress. While the self-organizing model is based on farmers' unique economic vision and business perspective, which needs to grasp the development trend of e-commerce, organically combine the e-commerce platform to explore agricultural potential, so as to complete the sale of agricultural products, realize the transformation of rural online merchants, obtain achievements in the exploration of rural e-commerce and drive other villagers to complete entrepreneurship.

3.1.2 Characteristic Industries and Resource Type

The classification basis of this type of e-commerce model mainly depends on the level of dependence of e-commerce on the natural resources of rural areas. The characteristic industrial model cannot rely on any resource advantages and industrial impact, but with the in-depth combination of related product sales and e-commerce platform, the wide and stable sales channels will make the industrial cluster more significant in terms of agglomeration effect and radiation range. The resource-based industry mainly relies on local natural resources and takes e-commerce channels as one of the means to increase its sales volume.

In addition, online merchants can be divided into self-produced and sold, online merchants and orders combined, platform and production combined, and symbiosis mode according to the different types of roles playing in rural e-commerce. As a representative, the symbiosis mode has the main business of Taobao Village, and builds upstream and downstream supply chain and derivative product chain to form a relatively complete upstream and downstream industrial chain, and then integrate different links in the industrial chain that have different functions, thus promoting the

overall operating efficiency of the industry chain.

3.2 Model Risk

3.2.1 Low Entry Barriers in the Industry Lead to Easy Replacement

Because of the characteristics of the mode itself, the rural e-commerce model determines the biggest hidden danger is the substitutability of products. Rural online merchants use the major online platforms as the basic sales form, and most often use Taobao, the largest user base, as the most influential representative. Since the e-commerce platform has a relatively low barrier to entry compared to physical distribution channels, and it is less affected by space and time factors, it has led to the phenomenon of easy access for rural online vendors and their competitors, thus increasing the risk of being replaced by rural e-commerce.

3.2.2 Severe Industry Homogeneity Leads to Fierce Competition

Since the rural villagers' thinking tends to be conservative and the information exchange between the villages is relatively closed, most of the villages are e-commerce individuals engaged in the same industry. Therefore, the homogeneity of the industry and the goods in the village is a serious problem, and the production is highly concentrated and extremely easy to cause vicious competition within the village. Due to the increasingly close integration of related industrial chains, the vicious competition is likely to spread to the upstream and downstream enterprises through the industrial chain, which will have a negative impact on industry progress.

3.2.3 Platform Improvement Requires Higher Operating Costs

With the rapid development of China's society and economy, the field of e-commerce has also made great progress with the continuous improvement of the consumption level of residents. It is gradually developing in a standardized direction. On the other hand, the number of online merchants is constantly increasing. With the continuous expansion of the platform scale, e-commerce platforms have to adopt the means of raising their own access threshold to screen online business qualifications and gradually increase management fees to meet the huge operation needs of the platform. Therefore, under such an industry background, the operating costs of online businesses have also risen.

4. The Evolution of Rural e-Commerce Models

With the extensive practice of various models in China's rural e-commerce groups, it can be found that the symbiosis model can be the most typical, the most appropriate and universal application for the increasing number of China's growing rural audiences. Only by adhering to the development concept of mutual benefit and symbiosis to guide the progress of e-commerce industry and promote the improvement of the core competitiveness of rural e-commerce can the development mode of rural e-commerce be improved, so as to better promote the maturity of rural e-commerce industry and better feedback the progress of rural economy. The concept of mutual benefit and symbiosis is carried out, which is mainly supported by the three supporting points of environment, model and unit.

4.1 Specific Practices of the Symbiosis Model

A considerable number of "Taobao Villages" that exist throughout the country is the concrete presentation of the theory and practice of the symbiosis model, which divides different parts of the industrial chain into different units based on functions, such as consumer units, service units, auxiliary units, and support units. Through the understanding of the different environments, relationships, and states of different units, and using different means such as parasitism, favoritism, and reciprocity, the organic integration of similar functional units can be achieved, so as to ultimately complete the enhancement of the efficiency of the industrial chain, and help realize rural network business core competitiveness, thus promoting the popularization of advanced means of production.

4.2 Main Features of the Symbiosis Model

4.2.1 Guiding Industry Agglomeration

Symbiotic system construction improves the fragmented situation in the traditional rural e-commerce model, and realizes the leap from parallel to series. The industry homogeneity phenomenon caused by it has a significant effect on improving the industrial output compared with the organic integration in the system.

4.2.2 Promoting Economic Growth

Most of the rural e-commerce companies that adopt the symbiotic mode for development will gradually realize industrial agglomeration in the long-term operation process, increase the industrial chain coverage area, reduce the entire process of product production, logistics and transportation, and sales of finished products to the village, and realize one stop from raw materials to finished products in order to reduce costs and increase profits. Rural online vendors can use the parallel and serial means of each unit to achieve the important role of achieving unit integration and improving production efficiency in parallel. The key energy efficiency that triggers economic effect to obtain higher returns is put into play to promote the efficient and overall cooperation of industrial links, so as to create conditions for the company to achieve its own economic advantages and grasp its core competitiveness..

4.3 Multiple Types of Symbiosis Patterns

4.3.1 Integration Mode

The integrated model is an evolutionary version of the symbiosis model after the online business enters a new stage of development in the future. The reason for this can be traced back to the background that as the e-commerce field progresses, the business scale of the online business gradually expands, but the profit gradually declines, which has to reduce costs. The realization of the integrated model must be based on the two-way expansion of online business, the enhancement of product coverage, and the increase in production scale. If rural e-commerce can be effectively applied, it can not only maintain economic development in the fierce market competition, but also expand its business scope and create economic advantages for itself.

4.3.2 Symmetric Mode

Symmetrical mode refers to a mode in which the operator forms a corresponding cognition of the functions of related symbiotic units, performs appropriate division of labor and efficient cooperation with them, and makes joint efforts through various links to reduce the excess cost of warehousing and other factors that affect production and sales.

4.3.3 Asymmetric Mode

Asymmetric mode mainly refers to a mode in which the symbiotic body composed of each link based on the business connection is still adopted to achieve the purpose of professional production, but the interests are distributed according to the proportion of contribution and value creation instead of the principle of equality due to the difference of business.

5. Development Path of Rural e-Commerce

5.1 Expanding the Scale of Rural e-Commerce Entrepreneurship

The e-commerce platform represented by Taobao has a lower market entry threshold and almost zero upfront investment, which includes a large consumer group and a variety of host companies. It is the key to guiding farmers to start businesses and realize the development of rural e-commerce.

5.2 Enriching Rural e-Commerce Coverage

The government can consciously cultivate e-commerce with different product levels and

different development levels, give play to the leading role of high-level e-commerce enterprises, establish the backbone of the mid-level e-commerce enterprises, and encourage low-level and small-scale e-commerce. Enterprises explore emerging industries, increase the attractiveness of attracting investment, and use asymmetric models to guide the development of rural e-commerce.

5.3 Promoting the Establishment of Urban Physical Stores

Rural e-commerce and the government can screen companies with a good development momentum and a good brand image to open physical stores, increase the popularity of agricultural products through consumer personal experience, promote and publicize agricultural products, and expand the city's pick-up window to assist online sales, and finally achieve the joint development of online and offline sales channels, thus expanding the breadth and depth of the agricultural product market.

5.4 Exploring and Using Agriculture, Rural Areas and Farmers Resources

Farmer entrepreneurs can fully explore the potential of agriculture, establish the image of farmers, and give play to the effectiveness of rural organizations, so that the commercial value of agriculture can be displayed and truly exerted.

6. Conclusion

It is necessary to clarify the characteristics of rural e-commerce, analyze the rural e-commerce business model through a reasonable perspective, use scientific methods to investigate the evolution of rural e-commerce, and use this as a basis to propose improvement methods, which is necessary means and fundamental guarantees to improve the rural e-commerce business model and promote the development of rural e-commerce.

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