## **Research on Building Rural E-commerce**

Dun Cai<sup>a</sup>, Dong Xie<sup>b,\*</sup>

Information School, Hunan University of Humanities, Science and Technology Loudi, China <sup>a</sup>694020459@qq.com, <sup>b</sup>287566288@qq.com (\*corresponding author)

**Keywords:** Rural, E-commerce, industry integration, network sales.

**Abstract:** In 1990s, the rise of internet technology results in e-commerce developing in the world. However, in China, the traditional industry has also been greatly affected. There is a new trend of "no business, no electricity" under the influence of this new type of business. In recent years, the urban e-commerce market has become increasingly saturated, and e-commerce has begun to accelerate penetration into the countryside. In this e-commerce trend, going to the prime minister and going down to the ordinary farmers will all look to the e-commerce business as a way to get rich. However, many problems in the development of rural e-commerce need to be driven by national policies. Long-term investment and user habits can be solved. It can be said that the start of rural e-commerce still takes time. This paper summarizes the current situation of rural e-commerce development from basic research, field research, and current problems encountered by rural e-commerce and countermeasures for problem-solving, and take the needs of farmers as a research.

### 1. Introduction

Rural E-commerce is a blue ocean with great potential, and it is also an emerging market that everyone wants to shake now. Rural E-commerce has many advantages such as E-commerce potential transaction objects, low transaction costs, and no intermittent commercial operation. In development, it also encounters information shortcomings, logistics bottlenecks, talents, financial barriers, etc. that are common in the development of E-commerce. Many problems, through the perspective of farmers' needs, to study the development of rural E-commerce at this stage, it is of great significance to clarify the actual resource situation and solve problems in practice. China's agriculture is in an important period of transition to modern agriculture. The overall scientific and technological content of agriculture is low, the productivity is insufficient, and the industrial structure is traditional and similar. It is even more difficult to transform agriculture with modern means. As the main producers and beneficiaries of agriculture, farmers should take the lead in changing the existing backward pattern, unreasonable industrial structure, and promoting agricultural development. The combination of E-commerce and agriculture and rural areas can help to solve the problem of "agriculture, rural areas and farmers" and help to farmers increase their overall income from market demand and transaction costs. As far as consumption is concerned, a large number of peasants represent a huge purchasing power and shopping demand. Whether the peasants' needs are met or not is a long-term major issue in the process of socialist construction. The happiness of peasant life represents The happiness of most of our people is also of great significance to build a harmonious society and strengthening social stability.

Therefore, this paper explores the development of rural E-commerce from the perspective of farmers' needs based on the following two objectives:

First, through the in-depth discussion and analysis of the existing research on E-commerce and the literature of rural E-commerce, the basic research on the environment and background of China's rural E-commerce, industrial structure, trading model, development platform, etc. It comes down to the essential characteristics, related characteristics of E-commerce in the specific environment of rural areas, and the various problems that arise in the development of rural E-commerce in China, to provides a theoretical basis for solving the development of rural E-commerce. Secondly, through the use of farmers themselves as a major breakthrough in solving the

DOI: 10.25236/iccse.18.017

current problems of rural E-commerce development, an empirical study on the needs of farmers in a town for E-commerce development will identify, classify and summarize various problems faced by rural E-commerce. To provide reference and factual basis for solving various contradictions in the current stage of E-commerce development in rural areas, and propose corresponding solutions and feasible solutions to help ensure that the positive role of rural E-commerce is fully utilized. The main body of rural information construction is the peasants. At present, farmers' understanding of the relationship between the network and their own interests is not profound enough. However, with rural E-commerce as an entry point, the Internet has accelerated penetration into major rural areas and various national policies have been supported. Pushing, E-commerce giants have "sinked", so the emergence of so many successful rural business models, and let us see the trend of rural E-commerce Sparks [1].

## 2. Research progress at home and abroad

In recent years, under the great attention of the No. 1 Document of the National Central Committee of the State, all kinds of E-commerce platforms have begun to accelerate the layout of rural areas, and rural E-commerce has ushered in the development of spring. From the statistics of online shopping retail market, in 2015, rural online shopping users were about 92.39 million, online retail sales exceeded 150 billion yuan, and exceeded 220 billion yuan in 2016, with an average annual growth rate of 50%, accounting for 5 percent of all E-commerce transactions. With the development of E-commerce, a large number of E-commerce practitioners have gathered in the countryside. According to incomplete statistics, by 2016, there were 1,311 Taobao villages and 135 Taobao towns across the country, bringing an average of 840,000 jobs to rural areas.

At the same time, it should also be noted that while rural E-commerce is developing rapidly, it also faces many problems. First, the Internet penetration rate in rural areas is not high. According to the 39th "Statistical Report on the Development of China's Internet Network" released by China Internet Network Information Center. As of the end of December 2016, the number of rural netizens in China reached 201 million, an increase of about 5.3 million from the previous year. Although it is relatively large, the conversion rate is relatively low and the growth rate is slow. Second, the penetration rate of rural E-commerce is still relatively low. In 2015, the online shopping expenditure of online shopping users in each city was 10,700 yuan, and the online shopping expenditure of each rural online shopping user was only 0.382 million yuan. In 2015, rural household consumption expenditure was 5.6 trillion yuan, of which about 0.35 trillion yuan was realized through online shopping, and the Internet penetration rate was less than 6%. Third, the innovation ability of agricultural products E-commerce platform is not strong, and its profitability is weak. In 2015, there were more than 30,000 agricultural websites in China, and the business model was relatively simple, and the service function was seriously insufficient. Data Display. At present, 95% of domestic agricultural products E-commerce is at a loss, and only about 1% can make a profit. Fourth, the relevant supporting facilities are not perfect. Mainly reflected in the construction of the logistics distribution system, due to the special location characteristics of the rural areas, the accessibility, timeliness, reliability and service level are quite different from urban logistics. In rural areas, it is still difficult to achieve uniformity in packaging sorting, quality preservation, storage, transportation and distribution [2].

Foreign research on agricultural products E-commerce has been relatively complete. Most of the research on this aspect is focused on how to innovate and how to innovate, and seek new breakthroughs in the management of supply chain. In the study of Internet user behavior, Salvatore March (2009) studied the Internet tendencies of pleasant and extroverted users, male users and female users [3]; Charls B Moss (2014) influenced the factors affecting Internet addiction A fruitful study [4]. Based on the relevant domestic and international research trends, the research on the development of domestic rural E-commerce cannot keep pace with the research of foreign countries, and it cannot be synchronized with the development stage of domestic rural E-commerce. The current research status is more, but the quality is relatively Poor; qualitative research is more, but quantitative analysis is less; there are many case studies for a certain region, but combined with

different characteristics of China, there are few regional models based on systematic investigation, especially for different regions of China. There are few studies on the development path of rural E-commerce [5].

# 3. The development of rural E-commerce and the integration of the first, second and third industries

After the development in recent years in China, various types of rural integration of rural, secondary, and tertiary industries have emerged, highlighting the combination of agriculture and animal husbandry, agriculture and forestry, and circular development. The agricultural industrial chain has been extended to promote agricultural production and processing. The development of logistics, warehousing and network marketing chain has led more rural secondary and tertiary industries to concentrate in county towns, key townships and industrial parks, and promoted industrial integration and development. In particular, the new forms of rural new industries, such as leisure agriculture and rural tourism, which are formed by the deep integration of agriculture, culture, science and technology, ecology, tourism, education and health care, show the diversification of the main body, the diversification of the business, the modernization of the facilities, the standardization of services, and the development. Agglomeration and market informationization. While driving the rural E-commerce to flourish, it also quickly covers the vast number of counties, townships and villages, showing high business value and broad development prospects. In 2017, the national rural network retail sales reached 1,244.88 billion yuan, an increase of 39.1%; rural online stores reached 9.856 million, an increase of 20.7%, driving more than 28 million people. The accelerated development of new industries and new formats has become an important source of new vitality and new kinetic energy for agricultural and rural development. It will be an inevitable trend in the future development of rural agriculture.

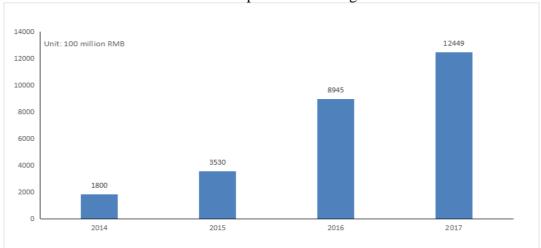


Figure 1 National Rural Network Retail Sales in 2014-2017

### 4. Summary

The issue of "agriculture, rural areas and farmers" has always been a major issue in the development of the country. From the perspective of farmers, the status quo of rural E-commerce development is investigated. The sample classification of farmers' age and income level is used to "buy" and "influence" farmers. Selling "two markets and demand distribution, farmers' understanding of E-commerce, farmers' expectations of the government, etc., to analyze and summarize the problems encountered in the development of rural E-commerce in the emerging stage, and propose corresponding Solve measures to help overcome the problems of farmers selling agricultural products and purchasing difficult daily necessities, help farmers increase income, guide farmers' consumption, thereby improving farmers' living and working conditions, shortening the gap between urban and rural areas, and achieving the goal of coordinated urban and rural

development. This is also to maintain stable economic growth. The necessary path and necessary means for building a new socialist countryside.

#### References

- [1] Luo Qianwei. Research on the development of rural E-commerce in China based on the perspective of farmers' needs [D]. Beijing University of Posts and Telecommunications, 2017.
- [2] Yang Haitao. Rural E-commerce promotes the transformation and upgrading of rural industrial structure [D]. Zhejiang Ocean University, 2017.
- [3] P. Xu, Research and application of near-infrared spectroscopy in rapid detection of water pollution, Desalination and Water Treatment, 122(2018)1-4.
- [4] Li Jiani. Research on the development strategy of agricultural products E-commerce in Hunan Province [D]. Changsha: Hunan Agricultural University, 2010.
- [5] Wang Xiaopeng. Research on the effect of digital divide in China [D]. Xi'an University of Technology, 2008.
- [6] Liu Y, Shen L, Li Z, et al. Research on the Effect of Environmental Improvement on Prefabricated Housings Based on DSR Model[J]. Journal of Applied Science and Engineering Innovation, 2018, 5(3): 84-89.
- [7] Li Zihao. Exploration of Qingyuan City to Build China's Rural E-commerce First City[J]. Rural Economy and Technology, 2016, 27(17): 108-110.