

The helping effects of e-commerce on poverty alleviation and rural revitalization

Yueling Zhang^{1, *}

¹ International Business School, Beijing Foreign Studies University, Beijing, China

*Corresponding author: 202120102147@bfsu.edu.cn

Abstract. In November 23th 2020, China has won an all-round victory in poverty alleviation, successfully eliminating absolute poverty. China enters the stage of rural revitalization. Looking back to the process of poverty alleviation, all levels of government have made great effort to explore the ways to help poor households and poor rural areas improve the economy. Among all these ways, what is worth mentioning is e-commerce. This emerging assistance mode is the product of Internet development and has been quite fruitful these years in developing local economy. This passage firstly has some basic introductions to China's process of reducing poverty and the development of rural e-commerce, and secondly analyzes the 4 helping effects of e-commerce: promoting employment, increasing popularity, realizing wealth and building up brand for products. Finally, the passage gives suggestions in 2 aspects (the advises for government and for e-commerce managers) to the rural e-commerce development in the follow-up rural revitalization stage.

Keywords: E-commerce; Helping effect; Poverty alleviation; Rural revitalization.

1. Introduction

1.1 Perty alleviation and rural revitalization

Since the establishment of People's Republic of China, Chinese government has been making effort to improve the living quality of the masses. From 1978 to 1994, China has basically solved the problem of food and clothing, which laid a solid material foundation for the follow-up economic development [1]. There was no specific standard to define poverty. The government reduced poverty mainly by pushing the overall economic development. Until 1994, the government announced a working program to reduce poverty which firstly defined the poverty standard, making the mission of China's poverty alleviation more specific and programmatic. Referring to table 1, China's poverty population is 70 million or so in 1994. From 1994 to 2001, China has reduced nearly 40 million poverty population. However, the overall development is still unbalanced and incomplete, and due to the development of economy, the standard of poverty raised from 625 yuan to 872 yuan in 2001 and the poverty population redoubled.

Table 1. Poverty alleviation standards and changes of poverty-stricken population with years

Poverty standard Annual per capita income Unit: yuan	Year	Total poverty population Unit: million
440	1994	70
530	1995	65.4
580	1996	58
640	1997	49.62
635	1998	42.1
625	1999	34.12
625	2000	32.09
872	2001	90.29

Reference: people.com.cn

The same thing—raising the poverty standard, also happened in 2010. From 2001 to 2020, Chinese government promulgated two ten-year poverty alleviation formats and built up a more efficient and targeted alleviation system, which sped up the whole progress. Finally, at the beginning of 2021, president Xi announced the overall victory of eliminating absolute poverty. The life of farmers in rural areas has the basic guarantee, including food, clothes, education, medical care and housing.

In 2021, China enters the stage of rural revitalization. Supposing that the progress of fighting against poverty is growing a tree, the poverty alleviation is to make saplings grow healthily, rural revitalization is to let them develop into towering and flourishing trees. In this stage, the government will consolidate the achievements of poverty alleviation, ensure the longevity and stability of poor areas' development, equalize basic public services in urban and rural areas and reduce relative poverty. Compared with absolute poverty, relative poverty includes not only the risk that it is difficult to maintain basic living needs due to low economic income, but also the sense of social exclusion that it is difficult to meet the needs of basic abilities such as education and health, that is, material poverty and spiritual poverty coexist [2]. To eliminate relative poverty is more difficult and comprehensive than eliminating absolute poverty. According to the strategy, China will realize rural revitalization in 2050.

1.2 China's development on e-commerce in rural areas

In rural economic and farmers' production and life, roads are the most important public infrastructure in rural areas [3], and information technology is the inevitable trend and the key to promote agricultural modernization [4]. During all these years, China is constantly improving the rural transportation and communication system, linking the rural areas with outside. China constructed the networking infrastructure in order to extend Internet to every village, and built roads to every household, built express ways to every county. The great communication and transport system created the solid foundation to the development of e-commerce in rural areas. Meanwhile, some e-commerce applications like TaoBao, Pinduoduo, Tiktok and so on won great popularity in China. Under the poverty alleviation policy, the government signed up strategic corporation agreements with these companies, supporting these apps to open poverty alleviation sections. This inaugurated a fast way to let farmers operate online store and sale their agriculture products or handicrafts to everywhere. Not only can e-commerce break up the limitation of time and space, but also it plays important role in advertising the products to more people. The large amounts of active users of these apps will generate huge commercial value. Taking advantages of these good features, several rural areas started to improve economy through e-commerce. For example, some villages have built e-commerce industrial parks. As the statistics shows, the method worked effectively. In 2020, the total sales of villages and towns where e-commerce is introduced has broken through 1 trillion yuan on Ali platform. Therefore, e-commerce helps to boost the economy in poor areas. This passage will go deep into the helping effects of e-commerce below.

2. The helping effect of e-commerce on poverty alleviation and rural revitalization

2.1 Promoting employment

In China, e-commerce promotes 42.5million people to obtain jobs. (Reference: qianzhan.com) In rural areas, e-commerce also helps to absorb many labors force. Under the policy, the government supported young and learned people to come back and start up e-commerce undertaking in rural areas. Once a business is started, the e-commerce industry chain can provide many positions to people in poor areas, often including production, packaging, logistics, marketing and so on. Meanwhile with the assistance of e-commerce managing experts, more and more poor households can learn the skills

of managing an online store and become qualified to the positions. This provides opportunities to poor people to earn livings by their own efforts. In addition, rural e-commerce has strong industrial relevance, which can change the traditional economic spatial layout, promote the transformation and upgrading of traditional industries, drive the development of local agriculture, agricultural tourism and other related industries, form a new state of local characteristic industries driven by e-commerce, and indirectly bring a large number of entrepreneurial employment opportunities [5]. According to White Paper on China's Digital Economy Development and Employment (2019), the number of employments driven by rural e-commerce in China exceeded 30 million.

The helping effect of promoting employment of e-commerce become quite significant in recent years. From 2020 to now, the traditional industries have been stricken by COVID-19 pandemic to varying degrees. The consumption scale of social expenses has also decrease sharply during the hardest times. The situation led to a certain scale of unemployment of traditional industry workers. At this special point, e-commerce industry still developed stably because of the online shopping services it provides. This shows the big potential of e-commerce for rural revitalization in the long-term normalized pandemic prevention in China.

2.2 Increasing popularity of villages

By big data technology, the products on the e-commerce platform can be recommended to whoever might need this at hundreds of kilometers away. This will increase the popularity of the product and the relative rural areas. Especially, when it comes to some applications like Tiktok, which combine various content with e-commerce, the publicity effect will be very strong. In Tiktok, every aspect of a rural area (including specialties, surroundings, local customs) can be presented to millions of active app users in the form of short videos. With the vivid exhibition of rural areas, some people will be attracted to purchase for products and, furthermore, fall in love with its spiritual and cultural world. This can bring big energy to the complete development of an area. Not only will the economy advance, but also the tourism may flourish and the culture will boost. Here is a typical example of win-win situation between tourism development and poverty alleviation. In Fuchuan County, Guangxi Province, the number of tourists has increased by 58.5% year-on-year through e-commerce, promoting incomes of more than 2000 poor households in 2019. More people will come and visit the place, and the cultural exchanges will occur invisibly. Finally, the local people's spiritual and cultural world will be enriched due to the diversity and positive changes.

The authentic revitalization of an area is not just about making profits, but it also includes the revitalization of spirit, culture and so on. By this way, the relative poverty can be reduced. As the National Rural Revitalization Administration mentioned, it is significant to establish a long-term plan to reduce relative quality. Therefore, as the passage has mentioned above, e-commerce is an effective way to realize this target.

2.3 Realizing wealth

E-commerce can directly make profits. The e-commerce platform can realize the wealth in the following ways. First, realizing wealth by popularity. In the applications which combine content and e-commerce like Tiktok, the online store managers are also content creators, operating We Media. After a We Media accumulating certain popularity by high-quality contents, the platform will transform the reading volume, playing volume, likes, user stay time, and fan viewing to settle the creators' revenue [7]. Second, realizing wealth by various marketing activities on the application. It is not the only way to sell the products by displaying them in the online stores. Usually, doing marketing activities can stimulate lots of deals in a short time. The online store manager can attach shopping links to live broadcasts or short videos. After explaining and promoting the products, the store manager can carry out some marketing activities like a flash sale or a big sale, urging more consumers to buy the products in a short time. The more the popularity a store has, the better the sales can be made. By this way, on the platform Toutiao, one of the life broadcasts made by a We Media "Xiaoliu" obtained 120 thousand kilograms of hometown specialty by the huge popularity [6]. Not

only can e-commerce platforms help to make profit efficiently, but also it solves unsalable problems of products, especially during the pandemic. However, if businesses intended to make high profit by these methods, it is important to have high-quality products, abundant marketing skills and certain accumulation of subscribers and popularity, which requires a certain amount of time and experience.

2.4 Building up brand for products

To realize rural revitalization in the next stage, it is important to develop a local industry which can be a sustainable economic source. E-commerce platforms help a village--the place of production, to keep in touch with the outside world and spread the latest information. Through design and creation, a slogan, a logo or an idea of products can be spread out on the platforms. By the effect of advertising, a local brand can be quickly built up in the public's vision, which can distinguish the product from the other substitutes. Next, with the achievements of brand building, the brand will become an additional property that is different from the product itself. Its value contains in the brand logo and the concept it conveys [7]. It can cause brand premium and stimulate more business cooperations with different companies and create various business value. It is also a bridge between products and consumers, which shows the style, regional information, culture of agricultural products in order to build positive image and win the public trust [7]. There are several successful cases. The US brand Sunkist Orange is now the biggest fruit farmers' cooperative in the world. It designed a blue-orange logo and showed a farming story in its advertisement which unfolded a beautiful scene of natural orange farm to the public's eyes [7]. By online advertising effect, the brand left people deep impression. It is important for the development of long-term industries in rural areas to build up a recognizable brand for products, making good use of the advertising effect of e-commerce platforms. This is a chance to popularize the products, promote industries and realize rural revitalization in rural areas.

3. Some suggestions

3.1 For governments

First, giving financial support. When someone starts an undertaking, to begin with, the most difficult thing is to finance. To let a rural e-commerce industry, grow stably, the government should give some financial support, such as reducing taxes, giving subsidies, establishing venture fund and so on. In Hainan province, college graduates can receive 10000 yuan of entrepreneurial subsidies [8]. This is an encouragement for young people to go back to rural areas to develop economy, which introduces in qualified people for rural development. Additionally, the government's subsidies to rural e-commerce can improve the network service level in rural areas, thus affecting the sales price and network sales volume of e-commerce, and effectively increasing the income of rural enterprises. The more subsidies, the higher the sales volume and profit of rural production enterprises [9].

Second, giving operation technical support. In the long-term management of rural e-commerce, big data technology, Internet, management, finance knowledge and so on is required. However, the cultural level of rural e-commerce practitioners is generally low. According to the statistics of the report on the current situation and development of rural e-commerce talents in China in 2020, the current e-commerce population of agricultural products is still dominated by medium-level education, of which primary school education accounts for 1%, junior high school education accounts for 50%, high school education accounts for 32.5%, and university education accounts for only 16.5% [10]. To promote the rural e-commerce operation level, on one hand, the government should introduce more talents into the rural areas through high salary, welfare, good working environment and so on. On the other hand, for high-quality farmers who want to further improve their academic qualifications and have entrepreneurial needs, the government should give some corresponding resource support and technical assistance. The government should attach importance to the construction of the learning platform. They can create experience sharing modules through joint efforts with township enterprises

and local universities, and offer e-commerce series courses through online course resource library, micro videos or other forms to provide learning channels for farmers [10].

Third, giving production technical support. Compared with urban areas, the knowledge and technology are less advanced in rural areas. Therefore, the government should give some theoretical and technological support, including appointing relative experts to rural areas to provide professional assistance. In Yunnan Province, China, the local agricultural industrialization company Babaogong once faced the difficulties of inaccurate data and chaotic management while its transition to e-commerce. Thanks to the assistance of e-commerce experts, it has a comprehensive digital solution now to deal with order management, product identification and data analysis. In Yacha village, Guizhou Province, China, a local product, receive technological support from Guizhou Medical University in production thanks to the policy. With the support funds of 100000 yuan, the experts from GMU do researches on Ecological Circulation Cordyceps Breeding Project, providing advanced breeding technology to the local product in order to help Yacha village to establish a strong local brand. To sum up, the support of experts towards e-commerce management or production technology can drive the development of rural e-commerce more efficient.

Fourth, establishing a perfect legal system for e-commerce transactions. There are 3 aspects: legal guarantee for platform, products and transaction participants [11]. As for platform, the law should help to create a formal and safe trading environment, avoiding any possible situations such as disputes generated by the Third-Party Payments, malicious competition among merchants and so on. As for products, the quality should be ensured to be good. The act of selling shoddy products should be banned. As for transaction participants, a strict access mechanism is required to examine the information, qualification, products of each business. A complaint mechanism and after-sale service are required to ensure the consumers' right. Only by the full implementation and supervision of each part of the transaction, the rural e-commerce can keep developing.

Fifth, establishing authoritative complete rural brand certification system. By defining the standard, on one hand, the public can more trust the quality of the rural products and be more willing to buy the products. On the other hand, it can stimulate the producers to improve the quality, meet the standard.

3.2 For e-commerce managers

As the passage has mentioned above, there are lots of helping effect an e-commerce platform can generate. Therefore, the e-commerce managers should make full use of these benefits to boost the rural industry. According to the helping effects, here are the 3 aspects to establish a popular e-commerce We Media and a successful e-commerce industry.

First, determine content orientation and creating vertical, attractive contents. In Tiktok, the content has greater development space. The content can be shown as videos and pictures, while other apps the contents are mainly shown as texts and pictures. To create high-quality content, the first thing is to determine the orientation of the contents based on the product orientation. After determine the main style of the content, the content of the subsequent live broadcasts and videos should be designed around the same theme as much as possible in order to create a series of distinctive topics. Keep launching high-quality contents regularly to improve user stickiness [12]. Soon, the content and products will get certain amounts of subscribers and popularity.

Second, build up products brand. In China, there is a current problem that the rural products generally don't have recognizable features. Nowadays, the vast majority of store managers regard the e-commerce platform as a simple place to sell local products, holding a view that the brand competition is too fierce, so their agricultural products are worthless and have little value-added space [13]. However, according to long tail theory raised by Chris Anderson, most of brands have the same big commercial value as mainstream brands.

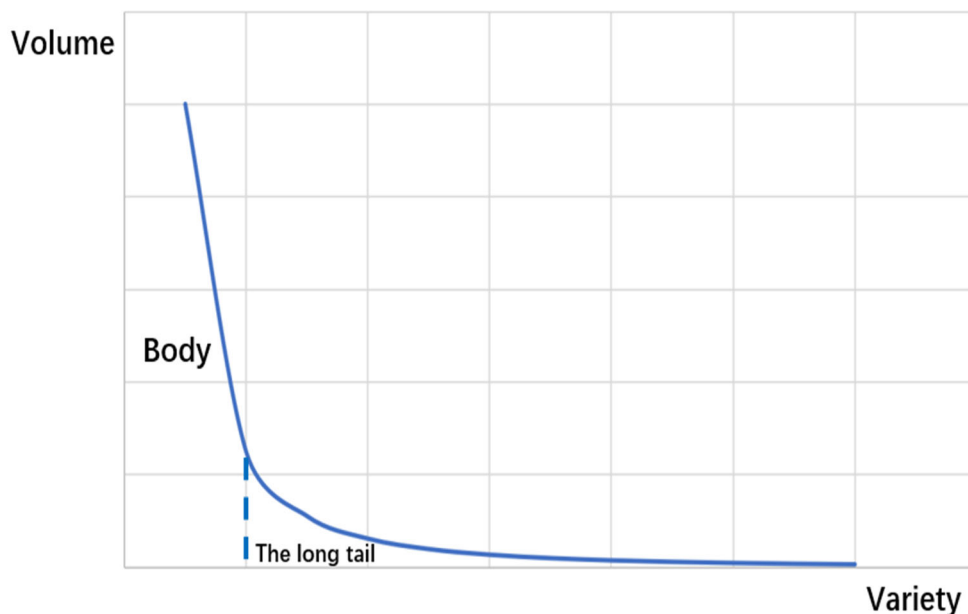


Fig. 1 The long tail module

The long tail theory can show the business opportunity for small brands. According to figure 1, the long tail module, the “Body” part of the module represents the mainstream brands in a market. The mainstream brands have smaller quantity, higher popularity and better sales volume, occupying a certain position in the market. The “long tail” part represents varieties of small brands. When all small brands gather, the market they occupied is almost the same as the big brands. For example, as the popularization of Internet, the mobile phone industry has begun to have a new consumer group—elderly groups. Because of their special needs of phone such as bigger front, moderately simpler function and greater cost performance. Some non-mainstream brands targeting on elderly group such as F-FOOK, Uniscope have remarkable sales volume on Tmall, almost the same as mainstream brands. Similarly, as the development of big data technology and Internet, it becomes easier for various people to search to the products that meet their needs. The online shopping is more customized. Hence, the small brands have big potential. So, the e-commerce managers can establish a distinctive brand, so that the products can have a quality external image and drive the increase of the products’ added value [14].

How to be distinguished from lots of products? Through the advertising effect of the platform, it is important to design a symbol of the brand. A bright logo, a witty slogan can impress the public and be spread rapidly. Also, give the brand a deep cultural meaning. It can derive from the local culture (customs and spirit etc.) Cultural connotation is the key to differentiate the brand.

Third, learning marketing skills. While the government provide adequate political support, the e-commerce managers should capture the policy advantages. The managers should have the basic command of business skills, managing theories, and applying them into real marketing activities such as pricing, promotions, live broadcasts and so on. On the other hand, the e-commerce managers should focus on improving quality of the products and meeting the needs of the public. A good quality is always the foundation of the flourishing of a business.

4. Conclusion

To achieve the final goal of rural revitalization in 2050, e-commerce plays a great role due to its helping effects. E-commerce and rural economic development have a long-term stable equilibrium relationship, and form a benign harmonious interaction mechanism [15].

In order to make full use of advantages of e-commerce to promote rural revitalization, it needs the mutual cooperation among the government, the online store managers and all sectors of society. E-

commerce has large potential to vitalize rural industry and economy, and furthermore vitalize rural culture, improve comprehensive strength, and finally achieve rural revitalization.

Nowadays, the practical application of e-commerce in rural industry and a perfect business mode is still in the exploration phase for many rural areas in China. Meanwhile, the relevant legal system is still improving. Therefore, it is significant to find out concrete measures to the follow-up development.

References

- [1] Dou Yimin. The History, achievements and experience of China's poverty alleviation since the reform and opening up. *Cognition and Practice*, 2022,(02):19-25+95-96
- [2] Zhang Chuanzhou. The connotation, measurement and countermeasures of relative poverty, *J. Northwest University for Nationalities (Philosophy and Social Science)*. 2020,(02):112-119
- [3] Zou Guoqi, Ma Weidong, Li Sirui, Li Yanpeng. Analysis on the relationship between village road traffic construction and rural development. *Rural Economy and Science*, 2015,26(02):183-184
- [4] Chen Qingbin. Analysis on the construction of information network in new countryside. *Modern Rural Science and Technology*, 2015,(11):7-8
- [5] Huang Yanxian, Zhang Yinyin. Construction of performance model of rural e-commerce promoting rural entrepreneurship and employment. *J. Commercial Economics*, 2017,(19):144-145
- [6] Tan Yujing, Nong Chaoxing. Discussion on the realization and sustainable development strategy of "We Media" for agriculture, rural areas and farmers. *Modern Agriculture*, 2020,(11):10-12
- [7] Chen Hongbo. Research on the construction of agricultural products electronic commodity brand in Mengcheng county under the background of rural revitalization. Hefei: Anhui University, 2021
- [8] Chen Junjie. Supporting college students to return home and start businesses needs to break three barriers. *Guangming Daily*, 2022-06-14(02)
- [9] Chen Xiaoxu, Wang Xiangyu, Liu Jianxiao. The impact of e-business poverty alleviation on decision-making and development of rural enterprises in the perspective of game theory. *On Economic Problems*, 2019,(01):84-91+98
- [10] Fu Zechen. Research on training strategies of e-commerce talents in county and rural areas under the background of rural revitalization. *New Agriculture*, 2022,(15):98-99
- [11] Zhang Jiazhi. Research on legal guarantee construction in agricultural products transaction under the background of e-commerce development. *Hubei Agricultural Sciences*, 2020,(11):10-12
- [12] Lin Baochuan. Research on "live + short video" agricultural product e-commerce mode. *Electronic Commerce*, 2020,(12):16-18
- [13] Yang Yanxi. Research on brand strategy of agricultural e-commerce based on the long tail theory. *Modern Economic Information*, 2017,(05):332
- [14] He Haibo. Research on the brand development of agricultural products e-commerce under the long tail theory. *Business Economics Research*, 2019,(07):106-108
- [15] Wang Yuan, Chen Hui, Zhang Yihua. Research on the interactive effect of the coordinated development of e-commerce logistics and rural economy under the strategy of rural revitalization. *Technology and Industry*, 2022,22(08):79-87