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Problems in Development of Rural E-commerce and Logistics and Recommendations

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Abstract Rural e-commerce and logistics development is of great significance to promote rural economic development and increase farmers' income. This paper analyzed existing problems in development of rural e-commerce and logistics in China, mainly including objective restriction of rural e-commerce and logistics by economic level, relatively backward capital construction facilities, lack of logistics information service platform, and insufficient professional personnel, and shortage of rural logistics professional personnel, and weak financial support of government. On the basis of these problems, it came up with pertinent recommendations from government, enterprises, and rural areas.

Key words Rural areas, E-commerce, Logistics, Problems, Recommendations

1 Introduction

In modern society, informationization has become an essential driver for national economic development and social development. With constant widening of the digital divide between urban and rural areas of China, the national economy, the living standards of urban and rural residents, and the cultural quality of residents have also been greatly affected. E-commerce has taken up the dominant position of China's national economy, and it has penetrated into daily life. With the development of information technology in rural areas, rural production and management methods and farmers' living conditions have undergone great changes. On December 12–23, 2014, the National Agricultural Work Conference was held in Beijing and it proposed developing agricultural product e-commerce, accelerating development of agricultural informationization, promoting reform of agricultural scientific and technological system, and speeding up agricultural scientific and technological innovation. E-commerce development must have support of well-established logistics network, and agricultural product logistics development should receive much attention. At present, the development of e-commerce and logistics in rural areas is not optimistic and there are still many problems.

2 Existing problems in development of rural e-commerce and logistics

2.1 Objective restriction of economic level The rural economic development level objectively restricts the development of rural e-commerce and logistics. With rural economic development, all trades and professions will be developed, and the rural e-commerce and logistics industry will be developed. In return, the development of rural e-commerce and logistics industry will promote rural economic growth. However, the rural market started late and developed slowly, the immaturity is objective. Compared

with the lagged urban market, which is current economic situation and the gap between urban and rural areas of China. Objective restrictions of rural economic level and various local conditions lead to slow development of rural e-commerce and few demands for rural e-commerce and logistics.

2.2 Relatively backward capital construction facilities Rural road network is to be built and improved. Except remote areas, the construction of village-to-village connection project has basically covered rural areas of China, but there are still some villages that have no connection roads. In line with existing situations of rural areas, it is necessary to strengthen construction or rural road network. Most rural roads have realized interconnection, but they are seriously damaged and out of repair for long years.

The popularization rate of Internet is relatively low in rural areas. Internet, as the information dissemination medium in the process of e-commerce transaction, is also an important tool for e-commerce logistics informationization, and it is of utmost importance. At present, the popularization rate of Internet in rural areas is low, rural netizens are not many, and infrastructure construction of network is inadequate.

2.3 Lack of logistics informationization service platform

At present, there is lack of service platform for rural e-commerce and logistics informationization. On the whole, there are various problems in information of rural e-commerce and logistics. Firstly, rural areas are scattered, so logistics information is highly decentralized. Secondly, many small companies have not established excellent logistics information channel, data are independent, resources are not shared, thus they fail to realize information exchange and interconnection. Thirdly, there is no large enterprise, and no leading effect.

2.4 Insufficient professional personnel There are insufficient professional personnel of logistics in rural areas. Most rural areas are relatively remote, both transportation and communication are relatively inconvenient, and the economic level is not high, the economic development is slower. Influenced by these harsh objec-

tive conditions in the rural areas, it is difficult for rural areas to introduce professional logistics personnel.

2.5 Weak financial support of government Local government attaches little importance to rural e-commerce. As a result, policies are not well established for e-commerce and logistics in rural areas. In recent years, e-commerce development has made great contribution to national economic development. Therefore, rural local government should care more about the influence of e-commerce on rural economy and should take a long-term view. At current stage, rural areas are situated in the edge of e-commerce. Through developing rural e-commerce and logistics, it is expected to gradually connect rural areas and urban areas. Therefore, government should strengthen guidance of rural e-commerce and logistics, formulate appropriate policies and provide great financial support, and actively mobilize rural areas to undertake infrastructure construction for rural e-commerce and logistics.

3 Recommendations for development of rural e-commerce and logistics

3.1 From the perspective of government

3.1.1 The state should implement macro-control measures to narrow the gap between urban and rural economic development. Government should have a command of the vein of the economy at the macro level, comprehensively coordinate urban and rural economic development, for fear of blocking the vein of rural economy. Meanwhile, government should strengthen policy guidance and financial support for rural areas, to promote construction and improvement of rural infrastructure, and accordingly promote coordinated development of rural and urban economy. In order to narrow the gap between urban and rural areas, raise living conditions of rural residents, and promote sound and rapid development of economy, government should concentrate its work on rural areas. In the Thirteenth Five-Year Plan period, China will attach greater importance to construction of rural logistics distribution center and build the "Project for Thousands of Rural Market".

3.1.2 Government should strengthen infrastructure construction for rural e-commerce and logistics. It is recommended to improve traffic network of rural areas. If you want to get rich, first build roads. Government should provide financial support for construction of rural traffic network. Rural areas also should actively respond to policy guidance of the state, make efforts to cooperate with construction of rural traffic network. When rural roads are interconnected, it will lay a solid foundation for development of rural logistics. Secondly, it is recommended to increase the network coverage range of rural areas. At present, there is still a large gap between urban and rural development. The size of rural netizens is far less than urban netizens. In the big data era, timely obtaining of information and promptly consolidation of resources can create much value. Internet is an medium of information transmission. Through increasing the network coverage in rural areas, it is able to raise the speed for information sharing between rural areas and the outside, and also increase the information transmission fre-

quency. If the information communication is symmetry, it is easy to find the resource demands, and also can promote the sharing of rural resources.

3.1.3 Government should establish logistics informationization service platform. In recent years, policies of China attach greater and greater importance to Internet construction works in rural areas. In policy, it is recommended to establish new "Internet + rural areas" information-based countryside, to realize agricultural modernization of "Internet + agriculture". China should the development direction in policies, and should provide special financial support for rural logistics development. Besides, the state provides support and guidance at macro level and makes effort to strengthen and accelerate new socialist countryside construction. Government may provide financial support for construction of rural logistics informationization service platform in the manner of financial expenditure and financing. It is recommended to build rural e-commerce and logistics platform, to realize functions of data search, data handling, data analysis, data transmission, data storage, and data sharing. Through this platform, it is expected to obtain correct decision analysis, reasonable logistics work arrangement, and set up some convenient and practical functions.

3.2 From the perspective of enterprise

3.2.1 Postal logistics. Postal logistics has its advantages and disadvantages. Firstly, it is required to guarantee the time. In practice, actual effect of the time can not be guaranteed, which brings about certain time delay for both sellers and buyers at e-commerce market. This will deteriorate restless feeling of both buyers and sellers. Postal logistics can cooperate with other logistics companies, combines various modes of transport and information-based system, to reduce the transit time. Secondly, it is required to ensure actual effect of goods receiving. However, the actual effect of goods fails to be ensured in the transaction process. Rural residents are very busy and they have no time to go to towns to receive goods. As a result, it will delay the receipt time. Postal logistics can specify the deadline of collecting goods. The goods must be collected before the deadline. Alternatively, postal logistics can dispatch postman to deliver goods to the receivers with certain service charges. Finally, it is required to guarantee the quality of goods. Ensuring the quality of goods can strengthen satisfaction and service experience of customers and increase the successful transaction rate.

3.2.2 Other logistics companies. Large logistics companies have powerful strength and will have higher advantages in seizing the big cake of the rural market. These large logistics companies can establish their logistics system and channels in rural areas, and then sell their products to rural areas. For example, Jingdong, Suning and Alibaba can establish service stations in rural areas and expand their service scope to the last kilometer. For medium and small sized logistics companies, they do not have substantial funds to launch large scale construction of service stations. Medium and small sized logistics companies can take strategies such as mutual

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ogenous uncertainty, farmer is easier to generate breaching behavior; the higher the endogenous uncertainty, farmer is easier to generate breaching behavior; direct effect of relationship quality on farmer breaching is not obvious.

5.2 Suggestions Enterprise should establish good cooperation relationship with farmer, and initiatively offer market price information, technology guide, timely and safe payment method, credible commitment, preferential policies and incentive measures, making that farmer trust enterprise from psychology and could not generate breaching thought. Additionally, on the basis of attracting farmer by special asset investment, enterprise could encourage farmer conducting specific asset investment, thereby improving farmer's conversion cost. Exogenous uncertainty is from external environment, such as the fluctuation of market price, and farmer and company could not control it, and market risk could be declined by option, intermediate organization and market prediction. To avoid endogenous uncertainty risk, when enterprise and farmer consult price item, they could use the minimum purchase price by combining product type and market situation. Enterprise should put attention focus on farmer's benefit, and share risk with farmer. Government should increase concerns on rural human capital, input fund and related technology, and increase farmer's participation sense. Farmer should initiatively learn related technology and understand market situation, to better adapt to market quickly changing and realize income increase.

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cooperation and take advantage of large companies, to realize strategic development of rural e-commerce and logistics. They may cooperate with local public transport system, and deliver goods to towns and villages with the aid of local public transport system. Also, they may cooperate with postal logistics companies and use logistics system of each other, and select the optimum path to improve the actual effect of the time and goods receiving, and also ensure the quality of goods.

3.3 From the perspective of rural areas

3.3.1 Introducing logistics. The development of rural e-commerce and logistics in rural areas will not be realized simply relying on local government. Individuals and enterprises should actively participate in the development of rural e-commerce and logistics. Rural areas should also actively introduce logistics enterprises and support development of logistics in villages in policies.

3.3.2 Talent introduction and cultivation. Talent cultivation and introduction are the support of government policy, and also an issue of rural areas to be actively solved. Rural areas should make well preparation for cultivation and introduction of professional personnel for modern rural logistics, so as to provide technical guidance and talent reserve for the development of rural e-commerce and logistics. Cultivation and introduction should be com-

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bined together. In the first place, it is recommended to provide professional knowledge training for rural young residents, and provide guidance of professional teachers, to make them understand and apply professional knowledge to develop and serve rural areas. In the second place, with the rapid development of logistics, modern logistics talents emerge in an endless stream to adapt to the demands of logistics development. Rural areas can introduce a batch of young logistics talents who are devoted to rural development to develop rural e-commerce and logistics.

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