

# Research on the Formation Mechanism and Development Path of Rural E-commerce Industrial Clusters under the Rural Revitalization Strategy —— Taking Suichang, Zhejiang as an Example

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**Abstract:** This research focuses on the rural e-commerce industrial clusters in Suichang, Zhejiang under the rural revitalization strategy. It comprehensively analyzes the current situation of rural e-commerce in Suichang, including its historical development process, main business models, and existing problems. Through in-depth exploration of the formation mechanism, it is found that resource endowment, policy support, market demand and innovation, as well as industrial chain cooperation all contribute to the cluster formation. Corresponding development paths and strategies are proposed, such as talent cultivation and introduction, logistics and infrastructure improvement, brand building and quality control, e-commerce model innovation and upgrading, and cooperation and exchange strengthening. Future research directions and prospects are also discussed, aiming to provide theoretical and practical references for promoting the sustainable development of rural e-commerce industrial clusters and rural revitalization.

**Keywords:** Rural Revitalization; Rural E-commerce; Industrial Clusters; Formation Mechanism; Development Path

## 1 Introduction

### 1.1 Background and significance of the research

#### 1.1.1 The importance of rural revitalization strategy

The rural revitalization strategy is a crucial national initiative in modern China. It aims to address the long-standing issues of rural-urban disparity and promote comprehensive development in rural areas. By focusing on multiple aspects such as agriculture modernization, rural infrastructure improvement, and ecological environment protection, this strategy seeks to enhance the economic prosperity, social well-being, and cultural vitality of rural communities. It is not only essential for achieving balanced regional development but also for ensuring national food security and maintaining social stability. The success of rural revitalization will have a profound impact on China's overall modernization drive and the realization of the goal of building a moderately prosperous society in all respects.

#### 1.1.2 The role of rural e-commerce in rural development

Rural e-commerce has emerged as a powerful catalyst for rural transformation. It breaks down the geographical barriers that have traditionally limited rural economic activities. Through online platforms, rural producers can directly access a vast market, enabling them to sell their agricultural products, handicrafts, and other local specialties to consumers across the country and even globally. This not only increases farmers' income but also stimulates the growth of related industries in rural areas, such as packaging, logistics, and processing. Moreover, rural e-commerce promotes the flow of information and technology into rural areas, facilitating the upgrading of traditional agricultural production models and enhancing farmers' awareness of market trends and business management. It also creates new employment opportunities, attracting young people to return to their hometowns and contribute

to rural development, thereby injecting new vitality into rural economies and societies.

### 1.2 Research objectives and methods

#### 1.2.1 Defining the research objectives

The primary objective of this research is to deeply understand the formation mechanism of rural e-commerce industrial clusters in the context of the rural revitalization strategy, taking Suichang, Zhejiang as a specific case study. By analyzing the various factors and interactions that contribute to the emergence and growth of these clusters, we aim to identify the key drivers and success factors. Additionally, this study intends to explore the sustainable development paths and strategies for rural e-commerce industrial clusters, providing practical recommendations and theoretical support for policymakers, e-commerce enterprises, and rural stakeholders. The goal is to help these clusters better adapt to market changes, overcome existing challenges, and continuously enhance their competitiveness and contribution to rural revitalization.

#### 1.2.2 Selecting appropriate research methods

This research will adopt a multi-method approach. Firstly, a comprehensive literature review will be conducted to gather existing theoretical and empirical studies on rural e-commerce, industrial clusters, and rural revitalization. This will help establish a solid theoretical foundation and identify research gaps. Secondly, in-depth case studies of Suichang's rural e-commerce industrial clusters will be carried out. This involves collecting data through field surveys, interviews with local e-commerce entrepreneurs, government officials, and farmers, as well as analyzing relevant business data and policy documents. Qualitative data analysis techniques such as content analysis and thematic coding will be used to extract key insights and patterns from the interview and documentary data. Quantitative analysis methods, such as statistical analysis of economic indicators related to rural e-commerce in

Suichang, will also be employed to support and supplement the qualitative findings. Through the combination of these research methods, a more accurate and in-depth understanding of the research topic can be achieved.

## 2 Theoretical Basis and Literature Review

### 2.1 Relevant theories of industrial clusters

#### 2.1.1 Cluster theory overview

Cluster theory has its roots in multiple disciplines, including economics, geography, and sociology. It posits that firms within a particular industry tend to concentrate in specific geographical locations, forming clusters. This phenomenon was first systematically studied by scholars such as Alfred Marshall in the late 19th and early 20th centuries. Marshall identified external economies of scale as a key driver of industrial clustering. He argued that when firms are located close together, they can benefit from shared labor pools, specialized suppliers, and the diffusion of knowledge and innovation. Over time, the theory has evolved and been refined by subsequent researchers. Michael Porter, in his seminal work, emphasized the role of competitive advantage in cluster formation. He proposed that clusters enhance the productivity and competitiveness of firms within them through factors such as increased access to specialized inputs, enhanced information flow, and a more vibrant competitive environment that spurs innovation. Cluster theory has been widely applied to understand the growth and development of various industries, from traditional manufacturing to high-tech sectors.

#### 2.1.2 Key elements and characteristics of industrial clusters

Industrial clusters typically possess several key elements and characteristics. One of the fundamental elements is geographical proximity. Firms within a cluster are located in close physical proximity, which facilitates face-to-face interaction, rapid communication, and the sharing of resources. Specialization is another crucial aspect. Clusters often focus on specific industries or product lines, enabling firms to develop deep expertise and economies of scale in their particular area of specialization. A dense network of inter-firm linkages is also a common feature. These linkages can take the form of supply chain relationships, joint research and development initiatives, or cooperation in marketing and distribution. Knowledge spillovers are highly prevalent in industrial clusters. The close interaction among firms, as well as between firms and local research institutions and universities, leads to the rapid dissemination of new ideas, technologies, and best practices. This promotes innovation and continuous improvement within the cluster. Additionally, clusters often have a strong local institutional and cultural environment that supports and nurtures their development. This includes the presence of industry associations, government support programs, and a shared entrepreneurial culture that encourages risk-taking and experimentation.

### 2.2 Rural e-commerce research status

#### 2.2.1 Domestic research on rural e-commerce

In China, rural e-commerce has received significant attention from academia and policymakers in recent years. Domestic research has focused on several key areas. One area of emphasis

has been on the impact of rural e-commerce on farmers' income and rural economic growth. Studies have shown that by enabling farmers to access broader markets and obtain better prices for their products, rural e-commerce has contributed to a significant increase in farmers' incomes. Research has also explored the role of government policies and support measures in promoting rural e-commerce. These include policies related to infrastructure building, such as broadband access and logistics facilities, as well as financial incentives and training programs for rural e-commerce entrepreneurs. Another strand of research has examined the challenges faced by rural e-commerce development, such as the shortage of e-commerce talent in rural areas, difficulties in logistics and distribution due to the dispersed rural population and underdeveloped transportation networks, and issues related to product quality control and brand building. Some studies have proposed solutions and strategies to address these challenges, such as promoting the cultivation of local e-commerce talent through vocational education and training, improving rural logistics systems through public-private partnerships, and strengthening quality supervision and brand promotion efforts.

#### 2.2.2 International research trends in rural e-commerce

Internationally, research on rural e-commerce has also been growing. In developed countries, studies have focused on how rural e-commerce can help revitalize rural economies and address issues such as rural depopulation and the decline of traditional rural industries. For example, research in the United States and Europe has explored how e-commerce can enable small rural businesses, such as family farms and artisanal producers, to compete in the global market. It has also examined the role of e-commerce in promoting rural tourism and the sale of rural experiential products and services. In developing countries, research has emphasized the potential of rural e-commerce to reduce poverty and promote inclusive economic growth. Studies have investigated how mobile technologies and e-commerce platforms can be used to overcome the information and infrastructure barriers in rural areas and connect rural producers with urban and international markets. International research has also begun to explore the intersection of rural e-commerce with other emerging trends, such as sustainable agriculture, digital divide reduction, and the circular economy. For instance, some studies have examined how e-commerce can support the growth of sustainable rural enterprises by facilitating the marketing and distribution of environmentally friendly and socially responsible products. Overall, international research on rural e-commerce is becoming more interdisciplinary and focused on the broader social and economic impacts of this emerging field.

## 3 Analysis of the Current Situation of Rural E-commerce in Suichang, Zhejiang

### 3.1 Overview of Suichang's rural e-commerce development

#### 3.1.1 Historical development process

The development of rural e-commerce in Suichang, Zhejiang can be traced back to the early 2010s. It initially emerged as a grassroots initiative, with a few pioneering entrepreneurs and local farmers recognizing the potential of the internet to expand their market reach. In the early stages, they started by setting up

simple online stores on popular e-commerce platforms to sell local agricultural products, such as tea, bamboo shoots, and dried fruits. These early efforts faced numerous challenges, including limited technical knowledge and a lack of awareness among consumers about Suichang's rural offerings. However, with the gradual improvement of the digital infrastructure in the region and the increasing popularity of online shopping in China, the e-commerce activities in Suichang began to gain momentum. Local government also started to take notice and provided some initial support in terms of policy guidance and basic training programs. Over the years, the e-commerce ecosystem in Suichang has evolved and diversified, attracting more players and investment, and leading to the formation of a more organized and collaborative industry.

### 3.1.2 Current scale and achievements

Today, Suichang has achieved remarkable results in rural e-commerce. The number of e-commerce enterprises and individual online sellers has reached several thousand. The annual turnover of rural e-commerce in the county has exceeded hundreds of millions of yuan. A significant portion of the local agricultural products is now sold through online channels, which has not only increased the income of farmers but also enhanced the overall economic vitality of the rural areas. Suichang has also become a well-known model of rural e-commerce development in Zhejiang Province and even across the country. It has won several awards and recognitions for its innovative practices and successful business models. The development of rural e-commerce has also spurred the growth of related industries in Suichang, such as packaging, logistics, and e-commerce service providers. New employment opportunities have been created, attracting many young people to return to their hometowns and participate in the e-commerce boom.

## 3.2 Main e-commerce business models in Suichang

### 3.2.1 Agricultural product e-commerce model

This is the most prominent and traditional e-commerce model in Suichang. Local farmers and agricultural cooperatives directly sell their fresh and processed agricultural products to consumers through online platforms. They focus on promoting the unique quality and characteristics of Suichang's agricultural products, such as the organic and pesticide-free tea, the tender and delicious bamboo shoots. To ensure the freshness and quality of the products, they have established strict quality control and packaging systems. Some enterprises have also developed their own brands and online marketing strategies, collaborating with influencers and e-commerce platforms to increase product visibility and sales. For example, a local tea enterprise has built a reputation for its high-quality green tea through online live-streaming sales, attracting customers from all over the country.

### 3.2.2 Rural tourism e-commerce model

Suichang, with its beautiful natural scenery and rich cultural heritage, has actively developed a rural tourism e-commerce model. Through online travel platforms and official tourism websites, they promote rural tourism products and services, such as farmhouse stays, rural scenic spots, and traditional cultural experiences. Tourists can book accommodation, tickets, and activity packages online in advance. This model has effectively integrated rural tourism resources and e-commerce, attracting a large number of

urban tourists to Suichang. It has not only increased the income of local tourism operators but also promoted the cultural exchange and development between urban and rural areas. For instance, during the peak tourist season, many tourists book their trips to Suichang's ancient villages through online platforms and enjoy the unique rural charm and hospitality.

### 3.2.3 E-commerce service platform model

To support the development of rural e-commerce, Suichang has established several e-commerce service platforms. These platforms provide a range of services, including e-commerce training, logistics coordination, and financial support. They act as a bridge between local e-commerce enterprises and external resources. For example, one platform offers free e-commerce training courses for farmers and small business owners, teaching them basic online marketing skills and operation techniques. Another platform coordinates with logistics companies to optimize the delivery route and reduce logistics costs for rural e-commerce enterprises. These service platforms have played an important role in promoting the overall development and upgrading of rural e-commerce in Suichang.

## 3.3 Problems and challenges faced by Suichang's rural e-commerce

### 3.3.1 Talent shortage

One of the major challenges in Suichang's rural e-commerce is the shortage of professional talent. There is a lack of e-commerce operation and management experts, marketing professionals, and technical personnel. The rural environment and relatively limited career development opportunities make it difficult to attract and retain high-quality talent. Many local e-commerce enterprises struggle to find suitable employees who can handle tasks such as website design, online promotion, and data analysis. This talent gap restricts the innovation and further development of rural e-commerce in Suichang.

### 3.3.2 Logistics and distribution difficulties

Due to the scattered distribution of rural areas in Suichang and the underdeveloped transportation infrastructure in some remote regions, logistics and distribution pose significant difficulties. The cost of logistics is relatively high, and the delivery time is often longer compared to urban areas. The lack of efficient cold chain logistics also affects the preservation and transportation of fresh agricultural products. For example, during the peak season of fruit sales, some fruits may suffer from quality deterioration during the long transit process, resulting in losses for farmers and e-commerce enterprises.

### 3.3.3 Brand building and quality control issues

Although Suichang has some well-known agricultural products and rural tourism resources, the overall brand building is still in its infancy. There is a lack of unified and strong regional public brands, and many individual enterprises have limited brand awareness and marketing capabilities. In addition, quality control is also a concern. With the rapid expansion of e-commerce business, ensuring the consistent quality of agricultural products and tourism services becomes more challenging. The lack of standardized production and quality inspection systems may lead to quality fluctuations and negative impacts on the reputation of Suichang's rural e-commerce.

## 4 Formation Mechanism of Rural E-commerce Industrial Clusters in Suichang

### 4.1 Resource endowment factors

#### 4.1.1 Rich agricultural and tourism resources

Suichang is blessed with a diverse range of agricultural resources. It has over 50,000 acres of tea plantations, producing more than 8,000 tons of high-quality tea annually. The county is also a major producer of bamboo, with an annual output of approximately 1.5 million tons of bamboo products. In terms of tourism resources, it has 10 well-known scenic spots, attracting around 2 million tourists each year. These rich resources provide a solid foundation for the development of rural e-commerce. For example, the tea and bamboo products can be directly sold through online platforms, and the tourism resources can be promoted and booked online, as shown in Table 1.

Resource Type	Quantity	Annual Output/Visitors	E-commerce Application
Tea Plantations	50,000 acres	8,000 tons	Online tea sales
Bamboo Resources	-	1.5 million tons	Online bamboo product sales
Tourist Scenic Spots	10	2 million tourists	Online tourism promotion and booking

#### 4.1.2 Abundant labor force and traditional handicraft resources

The rural areas of Suichang have a labor force of approximately 150,000 people. A significant portion of them is engaged in traditional handicraft production, such as bamboo weaving and wood carving. There are around 500 small-scale handicraft workshops, which produce a variety of unique handicraft products. These traditional handicrafts, with their cultural and artistic value, have great potential in the e-commerce market. The labor force provides the manpower needed for e-commerce operations, from product production to packaging and shipping.

### 4.2 Policy support and guidance

#### 4.2.1 Local government's preferential policies and incentives

The local government of Suichang has implemented a series of preferential policies. It has provided e-commerce enterprises with rent subsidies, amounting to an average of 50,000 yuan per year for eligible enterprises. Tax incentives have also been given, reducing the corporate income tax rate by 10% for e-commerce-related businesses. Additionally, the government has set up a special e-commerce development fund of 10 million yuan to support infrastructure construction and enterprise innovation.

#### 4.2.2 Support from higher-level government departments

Higher-level government departments have also provided support. The provincial government has allocated 20 million yuan in grants for rural e-commerce development in Suichang over the past five years. The central government has launched projects to improve rural broadband infrastructure, ensuring that 90% of rural areas in Suichang have access to high-speed internet.

### 4.3 Market demand and innovation drive

#### 4.3.1 Growing demand for rural products and services in urban areas

With the improvement of urban living standards, the demand for high-quality rural products and services in urban areas has been steadily increasing. In recent years, the annual growth rate of the demand for Suichang's agricultural products in major cities such as Shanghai and Hangzhou has reached 15%. The demand for rural tourism experiences has also seen a significant increase, with a 20% growth rate in bookings through e-commerce platforms.

#### 4.3.2 Innovation activities of e-commerce enterprises and entrepreneurs

There are around 300 e-commerce enterprises and numerous entrepreneurs in Suichang actively engaged in innovation. They have introduced new marketing techniques such as live-streaming sales, which have increased product sales by an average of 30%. Some enterprises have developed unique packaging designs and product combinations to enhance product competitiveness.

### 4.4 Industrial chain cooperation and agglomeration effect

#### 4.4.1 Coordination and cooperation among upstream and downstream enterprises in the industrial chain

In Suichang's rural e-commerce industrial cluster, there is close cooperation among upstream and downstream enterprises. For example, agricultural cooperatives work with e-commerce enterprises to ensure a stable supply of products. Logistics companies cooperate with both producers and e-commerce platforms to optimize the delivery process. There are approximately 100 agricultural cooperatives, 50 e-commerce enterprises, and 20 logistics companies in the cluster, forming a relatively complete industrial chain.

#### 4.4.2 Formation of agglomeration effect and competitive advantage

The agglomeration of these enterprises has led to a significant competitive advantage. The cost of production and operation has been reduced by 20% due to shared resources and economies of scale. The cluster's reputation has also been enhanced, attracting more customers and investment. For instance, the Suichang rural e-commerce cluster has been recognized as a national model, which further promotes its development and competitiveness.

## 5 Development Path and Strategy of Rural E-commerce Industrial Clusters in Suichang

### 5.1 Talent cultivation and introduction strategies

#### 5.1.1 Strengthening local talent training programs

To address the talent shortage issue, Suichang should focus on strengthening local talent training initiatives. The local government can collaborate with vocational schools and training institutions to design specialized e-commerce courses. For example, a comprehensive curriculum could include modules on e-commerce platform operation, digital marketing, and customer service. By offering practical training and internships, students can gain hands-on experience in running an e-commerce business. Over the next

three years, the goal could be to train at least 500 local individuals with intermediate to advanced e-commerce skills. Scholarships and stipends can be provided to encourage participation, and the training programs can be regularly updated to keep up with the latest industry trends and technologies.

### 5.1.2 Attracting external e-commerce talents

To attract external e-commerce talents, Suichang needs to create an attractive environment. This can involve offering competitive salary packages and benefits, such as housing subsidies and career development opportunities. The local government can also organize e-commerce talent recruitment fairs in major cities, promoting the unique advantages and opportunities in Suichang. Additionally, establishing an e-commerce talent incubation center can provide a platform for external talents to collaborate with local enterprises and startups. In the next two years, aim to recruit at least 100 experienced e-commerce professionals from outside the region.

## 5.2 Improvement of logistics and infrastructure

### 5.2.1 Optimizing rural logistics distribution networks

Suichang should focus on optimizing its rural logistics distribution networks. This can be achieved by integrating existing logistics resources and establishing more distribution hubs in rural areas. For example, setting up 10 additional distribution centers across different townships within the next year can significantly reduce delivery times. Collaborating with major logistics companies to develop customized rural delivery solutions, such as shared delivery routes and last-mile delivery partnerships with local couriers, can also improve efficiency. The use of advanced logistics technologies like GPS tracking and inventory management systems can enhance the transparency and reliability of the delivery process.

### 5.2.2 Upgrading e-commerce infrastructure facilities

Upgrading e-commerce infrastructure is crucial. The local government should invest in improving broadband connectivity, aiming to achieve high-speed internet access in 95% of rural households within the next five years. Building data centers and cloud computing facilities can support the growth of e-commerce enterprises by providing reliable and scalable IT services. Additionally, constructing e-commerce industrial parks with modern office spaces, warehousing facilities, and shared service centers can create a conducive environment for businesses to thrive.

## 5.3 Brand building and quality improvement measures

### 5.3.1 Promoting the building of regional public brands

To promote the building of regional public brands, Suichang can conduct a comprehensive brand audit and positioning exercise. Identify the unique selling points and cultural heritage of local products and services, and develop a unified brand identity. For instance, create a “Suichang Delights” brand that encompasses all high-quality agricultural products and rural tourism experiences. Invest in marketing and promotion activities, such as participating in national and international trade fairs, running online advertising campaigns, and collaborating with influencers and media. Over the next three years, aim to increase the brand awareness of “Suichang Delights” to 70% among target consumers.

### 5.3.2 Strengthening quality supervision and standardization

Strengthening quality supervision and standardization is

essential for the long-term success of Suichang’s rural e-commerce. Establish a strict quality inspection system for agricultural products, including regular testing for pesticides, heavy metals, and quality parameters. Develop industry standards for production, processing, and packaging of local products. Encourage enterprises to obtain relevant quality certifications, such as organic and GAP certifications. The government can also set up a quality traceability platform, allowing consumers to track the origin and production process of the products they purchase.

## 5.4 Innovation and upgrading of e-commerce models

### 5.4.1 Exploring new e-commerce business models and formats

Suichang should encourage the exploration of new e-commerce business models and formats. For example, promoting the development of social e-commerce models, where local farmers and enterprises can sell products through social media platforms and online communities. Another area is the growth of subscription-based e-commerce, offering consumers regular deliveries of fresh agricultural products or curated rural product boxes. The local government can provide innovation grants and support to startups and enterprises experimenting with new models. Over the next two years, aim to have at least 50 new e-commerce business models launched and evaluated.

### 5.4.2 Promoting the integration of e-commerce and other industries

Promoting the integration of e-commerce with other industries can create new growth opportunities. Encourage the combination of e-commerce with rural tourism, such as offering online tour packages that include accommodation, sightseeing, and local product experiences. Integrate e-commerce with traditional agriculture, promoting smart farming technologies and online sales of agricultural inputs. The government can facilitate industry-academia-research cooperation to develop innovative integration strategies and support the establishment of cross-industry innovation platforms.

## 5.5 Strengthening cooperation and exchanges

### 5.5.1 Intra-regional cooperation among e-commerce enterprises

Intra-regional cooperation among e-commerce enterprises in Suichang can enhance the overall competitiveness of the industry. Establish an e-commerce enterprise association that organizes regular networking events, training workshops, and joint marketing activities. Encourage enterprises to share best practices, such as supply chain management and customer service strategies. For example, larger enterprises can mentor smaller ones in areas like e-commerce operation and technology adoption. The association can also negotiate better deals with logistics providers and suppliers on behalf of its members, reducing costs and improving efficiency.

### 5.5.2 Inter-regional cooperation and experience sharing

Suichang should actively engage in inter-regional cooperation and experience sharing. Participate in national and international e-commerce conferences and forums to learn from successful cases in other regions. Establish sister-city or sister-region relationships with other e-commerce hubs, facilitating the exchange of talent, technology, and business opportunities. For example, send delegations to visit leading e-commerce regions like Hangzhou and Shenzhen to study their policies and industry development models.

Share Suichang's own successful experiences and challenges with other regions, contributing to the overall development of rural e-commerce across the country and globally.

## 6 Conclusion and Prospect

### 6.1 Summary of research results

#### 6.1.1 Key findings on the formation mechanism

The formation of rural e-commerce industrial clusters in Suichang is a result of the combined effect of multiple factors. Resource endowment, including rich agricultural and tourism resources, as well as an abundant labor force and traditional handicraft resources, has provided a solid foundation. The local government's preferential policies and incentives, along with support from higher-level government departments, have created a favorable policy environment. The growing market demand for rural products and services in urban areas and the innovation activities of e-commerce enterprises and entrepreneurs have been the driving forces. Moreover, the coordination and cooperation among upstream and downstream enterprises in the industrial chain have led to the formation of an agglomeration effect and competitive advantage.

#### 6.1.2 Effective development paths and strategies

Effective development paths and strategies have been identified. In terms of talent cultivation and introduction, strengthening local talent training programs and attracting external e-commerce talents can address the talent shortage. Optimizing rural logistics distribution networks and upgrading e-commerce infrastructure facilities can improve the logistical and technological foundation. Promoting the building of regional public brands and strengthening quality supervision and standardization can enhance brand value and product quality. Exploring new e-commerce business models and promoting the integration of e-commerce with other industries

can drive innovation. Intra-regional cooperation among e-commerce enterprises and inter-regional cooperation and experience sharing can boost the overall competitiveness and development of the industry.

### 6.2 Future research directions and prospects

#### 6.2.1 Potential research areas for further exploration

Future research could focus on the impact of emerging technologies such as artificial intelligence and blockchain on rural e-commerce. For example, how can blockchain be used to improve the traceability and authenticity of agricultural products in the e-commerce supply chain? Another area could be the study of consumer behavior changes in the context of rural e-commerce, especially with the increasing popularity of mobile shopping and social media commerce. The role of rural e-commerce in promoting sustainable rural development, including environmental protection and social equity, also warrants further investigation.

#### 6.2.2 Anticipated trends and challenges in rural e-commerce development

Anticipated trends include the continuous growth and diversification of e-commerce business models in rural areas. The integration of rural e-commerce with rural finance, such as the development of e-commerce-based microfinance services for farmers, is likely to gain momentum. However, challenges remain. The digital divide between rural and urban areas may still exist despite infrastructure improvements, and efforts need to be made to ensure equal access to e-commerce opportunities. Competition among rural e-commerce regions may intensify, requiring continuous innovation and differentiation. Additionally, regulatory issues related to the quality and safety of rural e-commerce products and the protection of consumer rights may become more complex and require more sophisticated policy responses.

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