Research on the Development Mechanism of Rural E-Commerce Based on Rooted Theory: A Co-Benefit-Oriented Perspective

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Abstract: Rural e-commerce is a specific practice in the context of rural revitalization and common prosperity, but its short average life expectancy is also a serious practical problem. Therefore, it is of great theoretical and practical significance to conduct in-depth research on its development mechanism based on the perspective of common benefit orientation. An exploratory study of Longmei e-commerce using rooted theoretical methods found that: (1) the development of rural e-commerce can be divided into three stages: government-driven period, two-way interaction period, and co-benefit creation period under the perspective of co-benefit orientation; (2) the action path of the three major dynamic factors of policy promotion power, enterprise pulling power, and network synergy power is further identified; (3) and a unique development mechanism that transforms the common benefit orientation into the differentiated competition strategy of the enterprise is excavated. This provides a reference for solving the dilemma of rural e-commerce survival, achieving sustainable development, and promoting the revitalization of rural industries and common prosperity.

Keywords: co-benefit orientation; rural e-commerce; development mechanisms; sustainable management; rooted theory

1. Introduction

With the continuous improvement of the Internet and other related technologies, e-commerce is being used more and more extensively in the economic and social fields [1]. As a brand-new model, e-commerce has broken regional market restrictions and accelerated the exchange of the world economy [2]. It plays an essential role in promoting consumption, employment, entrepreneurship, and poverty alleviation, and has become a new engine for driving economic growth and social progress in developing countries [3]. Particularly in rural areas, e-commerce is seen as an opportunity for economic development for farmers in developing countries. It has been put on the agenda of several countries such as Egypt, India, and Vietnam [4]. As the world’s largest developing country, a summary of China’s experience in the development of rural e-commerce can provide lessons for other developing countries or regions.

The General Office of the CPC Central Committee and the General Office of the State Council issued the Implementation Plan for Rural Construction Actions in May 2022, clearly proposing to “deeply implement the ‘Internet +’ agricultural products out of the village and into the city project and the ‘digital business to revitalize agriculture’ action” and “extend the coverage of rural e-commerce.” Rural e-commerce has emerged as a significant force motivating farmers to increase their income and employment to achieve common prosperity [5]. However, enterprise development is complex, especially in rural...
e-commerce, which has played a significant role in equality of the rural–urban economic poverty reduction and rural rejuvenation.

The academic community has developed a specific explanation for the core topic of “how development” of rural e-commerce centers on influencing factors, dynamic mechanisms, and rural e-commerce development models. Yang Ying [6], for instance, believes that because the development of rural e-commerce is constrained by infrastructure construction, talents, and other factors, it requires strong government support to develop better; Rahayu [7] took developing countries as an example, and analyzed the main factors restricting the development of rural e-commerce, such as personal factors, policy factors, information technology level, and the external environment for the development of e-commerce. However, the practice of rural e-commerce development is accompanied by the continuous introduction of macro policy guidance by the state, the specific implementation of grassroots governments, and the process of jointly promoting the docking of small farmers and the large market, and it is also a process in which multiple subjects share the dividends of the Internet market and gradually achieve symbiosis and common prosperity [8], so the development of rural e-commerce will inevitably carry the brand and mission of “common benefit”.

Long-term research on firm development from a co-benefit orientation has concentrated on the conflict between economic and social goals, developing three paradigms: trade-offs [9], shared value [10], and common benefit equilibrium [11]. Although these paradigms provide useful reference for enterprises to explore a more desirable development path, the theoretical research on how to transform the common benefit orientation into the differentiated competition strategy of enterprises, thereby obtaining more lasting competitive advantages, solving the survival dilemma of rural e-commerce, and achieving sustainable and high-quality development, is mainly at the speculative level. One of the most striking aspects is the lack of research on co-benefits based on examples of corporate practice. There is also little systematic understanding of what forces are involved in the co-benefit development of companies, what the mechanisms are and what the outcomes are. However, in practice, the successful practice of benefiting rural e-commerce in rural fields has emerged, which provides vivid case material for further theoretical research.

Based on existing research, it is proposed to take Longmei e-commerce as the focus case, adopt a rooted theory to construct a model of rural e-commerce development mechanism, and deeply explore the unique development mechanism that transforms co-benefit orientation into a differentiated competition strategy of enterprises. This provides guidance for the sustainable development of rural e-commerce.

2. Literature Review

2.1. The Development Mechanism of Rural E-Commerce

Enterprise development refers to the process of enterprises adapting to the unknown environment in the future and enabling the enterprise to operate sustainably, which is the core topic of concern for entrepreneurs. However, enterprise development is complex, especially in rural e-commerce, which has played a significant role in poverty reduction and rural rejuvenation. Its average life expectancy is only 2.7 years, posing severe survival and development dilemmas. Based on this, scholars have conducted a lot of research on influencing factors, dynamic mechanisms, development models, and other aspects.

Scholars have debated the factors that influence non-local e-commerce and the development of local e-commerce. For example, Peng Xiaojia and Zhou Faming [12] studied the development efficiency and influencing factors of various models, including non-local e-commerce represented by Ali and JD.com and local e-commerce represented by WeChat. Both are affected by the external environment, but the specific model is chosen to combine the actual situation of each place to measure the scale of funds and internal control capabilities to cultivate rural residents’ trading habits. Huo Yunpei and Chen Aini [13], for instance, discovered that the development model of “foreign e-commerce”
formed by connecting to large-scale e-commerce platforms is disconnected from the local reality. In addition, the local e-commerce has a relatively short life expectancy and cannot withstand market tests [14] due to low entry barriers, low technical barriers, a talent shortage, imperfect infrastructure, an imperfect logistics and distribution system, a low degree of branding, and an insufficient level of information services [15]. The current dilemma of these influencing factors restricts the role of rural e-commerce in rural revitalization.

In terms of the development momentum of rural e-commerce, there are more research on external dynamics such as national policies, economic environment, and technological development, and less discussion of the endogenous power and mechanism of micro rural e-commerce enterprises. Mao Jingeng [16] analyzed the development mechanism of Taobao Village with the industrial base as the basic driving force, the “Internet+” platform as the breakthrough power, and the online merchant group as the development driving force. Li Xiangling [17] analyzed the dynamic mechanism of sustainable development of rural e-commerce from the aspects of market demand driving force, national policy guarantee force, farmers’ willingness driving force, and resource supply regeneration force. Han Qingling [18] proposed that the rapid development of the rural e-commerce industry and the transformation and development of rural communities in the process of urbanization are mutually dynamic and show great room for growth because they are deeply embedded in the social foundation of the village.

In terms of the development model of rural e-commerce, scholars have conducted in-depth discussions according to different regional clusters, main body categories, and economic bases. For example, Dong Kunxiang and others [19] analyzed the Suichang and Shaji models and proposed that rural e-commerce clusters be guided by product and production innovation, business model innovation, and financial model innovation. Wang Bo and Wang Xingshuai [20], according to the different types of participants, are divided into large-scale e-commerce enterprise competition models, vertical rural e-commerce entrepreneurship models and resource-based brand development models, showing the situation of various types of rural e-commerce attacking cities and competing for layout. Wu Feng and Wu Yingliang [21] suggested that areas with weak economic foundations adopt a government-centered “first-hand project” model for rural e-commerce development.

However, digital villages are the strategic direction of rural revitalization, rural e-commerce is the standard of digital villages, and co-benefit is the development process that forms the co-evolution of rural e-commerce and society. Rural e-commerce will inevitably carry the brand and mission of “co-benefit.” Some scholars have also proposed a development model of co-benefit and symbiosis with small farmers based on the perspective of rural field stakeholders, such as Shu Lin [22] proposing a new model of sustainable Taobao villages that achieves internal coordination of industrial clusters; Zeng Xuhui and other scholars [23] also took the e-commerce enterprises established by the China Foundation for Poverty Alleviation as the research object and put forward suggestions on the cooperative development model with small farmers; Based on the case of Yuntian Agriculture, Luo Hao [24] summarized the action strategy, development logic, and role functions of co-benefit enterprise after entering the countryside.

In existing research, the academic community has explained “how development” of rural e-commerce is performed around influencing factors, dynamic mechanisms, and development models; it is less to extend the co-benefit-oriented perspective to the study of rural e-commerce development mechanism. In light of this, this study investigates the dynamic elements, process, performance form, and other mechanism issues of rural e-commerce development from the standpoint of mutual benefit.

2.2. Enterprise Development Mechanism under the Guidance of Common Benefit

For a long time, research on the enterprise development mechanism from the perspective of co-benefit orientation has focused on the dilemma between enterprises’ economic and social interests, forming three representative paradigms.
The first is the trade-offs paradigm [9], which overcomes the limitations of the traditional economic theory of shareholder profit maximization logic [25], believing that the development of the company is inextricably linked to the input or participation of various stakeholders, stakeholders invest in the survival and development of the enterprise, share the risk, and pay the price, and thus the enterprise has the obligation to weigh the conflict of interest with the stakeholders [26]. However, it has the limitation of focusing on “what should be” rather than providing specific solutions. It pushes the company further into a binary conflict between economic and social interests.

The second paradigm is the shared value paradigm [10], which affirms the impact of social legitimacy on enterprise competitiveness and business strategy, with the enterprise as the focal point, exaggerating the “win–win” overlap between enterprises and society; however, ignoring the possibility of “win–lose” and “lose–win” situations, which is also the root cause of practical challenges such as “value co-destruction” [27].

The third paradigm is the common benefit equilibrium paradigm [11], which extends the previous shared value paradigm by looking at the relationship between enterprises and society through the lens of symbiosis and co-benefit and proposes an enterprise development model based on the conceptual dimension, behavior dimension, content dimension, and institutional dimension. However, the “real” research has not had any follow-up, and only the basic direction of enterprise development has been proposed.

These paradigms are based on corporations carrying out their social obligations. In the first paradigm, academics primarily relied on the logic of separation between economic interests and social interests to consider whether businesses should adopt the corporate social response model during the development process [28]. In the second and third paradigms, scholars began to pay general attention to the increase in economic value and total social value, although these paradigms have provided useful reference for enterprises to explore a more desirable development path. However, the research on how to transform enterprises’ common interest orientation into differentiated competition strategy, so they can achieve sustainable development and high-quality development, is speculative.

This paper uses grounded theory for exploratory inductive research on Longmei e-commerce, a typical case in practice. According to the different growth stages of enterprises, we generalized the sustainable development path of rural e-commerce enterprises, summarized the integration mode of rural e-commerce and co-benefit orientation, and deeply analyzed its unique driving factors and operating mechanisms, to provide a reference paradigm for helping rural revitalization practices.

3. Research Methodology and Design
3.1. Research Methodology

Root theory is a qualitative research method based on phenomena and constructing theories. Why use rooted theory? First, practice-based research on co-beneficial rural e-commerce development is richer than theoretical research, and rooted theory fits the purpose of this study to strengthen its theoretical explanation. Second, the development mechanism of rural e-commerce from a co-beneficial perspective is embedded in social logic and market logic, involves different stages of enterprise development and a variety of dynamic factors, and its process is complex, so it is appropriate to build a theoretical framework by analyzing layers of rooted theory. Thirdly, the content of rural e-commerce development from a co-benefit perspective is abstract and requires an extensive collection of multi-dimensional data on co-benefit rural e-commerce to demonstrate its growing momentum effectively.

As a result, this research refines the theory’s research objectives based on the concept of rural e-commerce as a co-benefit-oriented enterprise proposition, participant subjects, and event behavior. The operational process is based on the discussion in the “jungle,”
the past and future of rooted theory [29], and it emerges in the process of repeated comparison through data collection, coding, analysis, and layer condensation.

3.2. Case Selection

Theoretically, rooted theory cases must replicate or extend previous case findings. When selecting cases, this study prioritizes theoretical contribution and information richness. Why choose Gansu Longmei as a research case?

One is typical: Gansu as a research case is a province with a growth rate of more than 8% [30]. Longmei has left development footprints across numerous cities in Gansu, such as Lanzhou; the enterprise scale is tiny, but it has been developing for 8 years, and the local e-commerce enterprises have influence. The local rural e-commerce is rooted in underdeveloped areas of the example. Two is the fit: Gansu Longmei is the practice of “e-commerce poverty alleviation” and the creation of focus on the promotion and sales of characteristic agricultural products of e-commerce enterprises. Through the analysis of the company’s development process (see Figure 1), the enterprise not only realizes the commercial value and creates social value, but also reflects the characteristics of rural e-commerce, has the common benefits, and fits from the perspective of common benefit orientation for in-depth research. The third is richness: The research team on Gansu Longmei research began in 2019, the enterprise was responsible for several interviews concerning the development of key events in the project operation participants, farmers, and other interviews to collect data, and continued to track the development of Gansu Longmei 3 years, there is more complete information to support the study. Four is inspiring: Gansu Longmei achieved a win-win situation for multiple stakeholders, and initially explored and formed a sustainable model for rural e-commerce development in the context of rural revitalization.

For these reasons, we chose Gansu Longmei e-commerce as a case study for a thorough examination of its co-benefit development mechanism.

![Figure 1. Gansu Longmei's key development events.](image)

3.3. Data Collection and Cross-Validation

This study’s data collection was performed in stages: (1) Data was collected regarding Gansu Longmei’s growth history and business model, especially interest linkage, the
concept of the person in charge, vital events (such as land crowdfunding in Jing’er village and skills training of farmers in Laozhuang village), and other channels to help farmers process and practice a wide range of secondary data collection of news reports, public numbers, and other channels. (2) Since 2019, Gansu Longmei’s key personnel, such as operational participants, have collected primary data. (3) Based on new issues (such as the value orientation and influence of the participants, the motivation and conditions of business operation and development, etc.) and missing information, additional interviews were conducted. (4) Multiple data collection methods make the constructs more empirically based, and further interviews and micro-letter confirmations make additions and corrections, this produced coding-ready data. Table 1 shows collected data.

Table 1. Information collection.

<table>
<thead>
<tr>
<th>Type</th>
<th>Source</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-hand data</td>
<td>Interviews with business leaders (10 h)</td>
<td>Transcripts of recorded interviews, participant observation notes</td>
</tr>
<tr>
<td></td>
<td>Interviews with participants in project operations (2 h)</td>
<td>Internal documentation, call backs, WeChat and other correspondence</td>
</tr>
<tr>
<td></td>
<td>Interviews with rural cooperatives and farmers (2 h)</td>
<td>Corporate public websites, press releases, promotional materials, etc.</td>
</tr>
<tr>
<td></td>
<td>Participatory experiential observation, WeChat communication (7 months)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public information (approx. 30,000 words, 3 copies of video material)</td>
<td></td>
</tr>
<tr>
<td>Second-hand data</td>
<td>Public information (approx. 30,000 words, 3 copies of video material)</td>
<td></td>
</tr>
</tbody>
</table>

4. Analysis of the Rooting Theory Translation of Case Material

4.1. Open Coding

This study’s analysis was based on open coding: first, the development of rural e-commerce was examined from a co-benefit-oriented perspective, and interview data were conceptualized sentence by sentence to obtain 194 concepts; then, through multiple categorizations, 36 categories were obtained. Table 2 shows that the concepts were extracted using “condition-action-result” logic. As rural e-commerce is a dynamic process, the categories were named using verbal structure as much as possible to highlight the dynamic analysis process and to help refine.

Table 2. Examples of open coding.

<table>
<thead>
<tr>
<th>Case Information</th>
<th>Conceptualization</th>
<th>Categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual farmer cooperation is becoming less common because of credibility, delivery, and serviceability issues; therefore, rural cooperatives are the main target. The platform was created by us, and it is very simple to move into, whereas other platforms in Lanzhou have many restrictions on moving in. Our suppliers like that we settle quickly, some monthly, some weekly, some fortnightly, and some as soon as the goods are delivered. No app is required to log in to the public number. Many suppliers sell better on Longmei than on some of the larger platforms. Our flexible platform is self-developed. The cooperative model’s settlement cycle is flexible. Six team members each have their own duties and can fill in when needed. We combine wormwood bags with embroidery and make cushions, pillows, etc.</td>
<td>Sporadic collaborator risk</td>
<td>Integrating the individual</td>
</tr>
<tr>
<td></td>
<td>Technical advantages</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Settlement advantages</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Experience advantages</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible advantages</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product innovation</td>
<td>Spontaneous innovation</td>
</tr>
</tbody>
</table>
The countryside is far from the express delivery point, and the initial shipment volume is scattered, so she (the farmer) thought of a way to work with the post office to deposit some products there.

### 4.2. Axial Coding

The process of axial decoding draws on the paradigm model analysis of the Root Theory approach, which is based on the three dimensions of “condition → action → result”, and further refines the case data in a circular way. The new categories are: win–win and mutual prosperity orientation, adequate body to promote, supply side power generation, e-merchant network construction, multi-state symbiosis trend, and co-benefit balanced model.

The new categories are more general and abstract than those refined in the open translation phase, so they are the main categories. The previous categories support the main categories’ underlying logic, so they are the supporting categories. The first two categories are government-driven, the middle two are two-way interactive, and the last two are co-beneficially creative. Table 3 shows axial code results.

<table>
<thead>
<tr>
<th>Supporting Categories: Categories Distilled from Case Material</th>
<th>Main Categories: New Categories Distilled from Supporting Categories</th>
<th>Main Category E-Commerce Power Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Condition</strong></td>
<td><strong>Action</strong></td>
<td><strong>Result</strong></td>
</tr>
<tr>
<td>Farmers scattered</td>
<td>Integrating the individual</td>
<td>Rural opportunities</td>
</tr>
<tr>
<td>Large groups</td>
<td>Policy guidance</td>
<td>Market dividends</td>
</tr>
<tr>
<td>Aspirations and intellectual dilemmas</td>
<td>Bringing in the wise</td>
<td>Nurturing entrepreneurship</td>
</tr>
<tr>
<td>Geographical restrictions</td>
<td>Piloting e-commerce</td>
<td>Access to businesses</td>
</tr>
<tr>
<td>Quality of resources</td>
<td>Tapping into business opportunities</td>
<td>Spontaneous innovation</td>
</tr>
<tr>
<td>Endogenous dynamics</td>
<td>Platform assessment</td>
<td>Connecting markets</td>
</tr>
<tr>
<td>Technical basis</td>
<td>Identifying the advantages</td>
<td>Structural equivalence</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Practicing public service</td>
<td>Extending the network</td>
</tr>
<tr>
<td>Mutually beneficial needs</td>
<td>Enhanced interaction</td>
<td>Core strengths</td>
</tr>
<tr>
<td>Market potential</td>
<td>Diverse development</td>
<td>Polymorphic generation</td>
</tr>
<tr>
<td>Geographical recognition</td>
<td>Project expansion</td>
<td>Project continuity</td>
</tr>
<tr>
<td>Network relationships</td>
<td>Complementary strengths</td>
<td>Diverse values</td>
</tr>
</tbody>
</table>

The six main categories’ refinement processes are explained as follows:

1. Win–win and mutual prosperity orientation.
2. China is a large nation with small farmers. According to the third agricultural census, 98% of China’s main agricultural operators are smallholder farmers. The Chinese government has relaxed its rural policy to allow smallholder farmers to cluster by integrating
individuals into new business entities (such as rural cooperatives), thereby mobilizing market resource allocation. The Chinese government’s relaxation of rural policies allows both the market and rural areas to seize development opportunities. This type of win–win development signal from the top makes the market and society run in both directions, forming a united force to promote rural revitalization.

(2) Adequate body to promote.

Top-level driving direction, but also province and city-specific analysis: Geographic constraints, inconvenient transportation, and information seclusion in rural Gansu make farmers ideologically and skill-wise lack confidence in income generation and the ability to become rich. Long agricultural production cycles, low standardization of agricultural products, high investment risks, and low enterprise willingness make active adaptation more difficult. The grassroots government explores rural e-commerce development based on local conditions, providing training and other forms of wisdom and enlightenment. Then, they access local e-commerce enterprises with a better understanding of the rural market while nurturing farmers’ entrepreneurial subjects, so both partners receive policy signals and drive more appropriate cooperation.

(3) Supply side power generation.

When rural areas have access to e-commerce, village collectives and “competent people” combine actual resource conditions to develop ideas, improve skills, profit feedback, and stimulate the farming community’s endogenous momentum. This helps them explore business opportunities based on their resource endowments, find or develop primary products, and evaluate and select e-commerce platforms directionally to connect their products to the market more efficiently.

(4) E-merchant network construction.

Rural e-commerce enterprises are built on a technological foundation, and when they enter the rural arena, they adapt to rural needs with the benefits of their technology, settlement, experience, and the flexibility of small and micro enterprises, creating a competitive advantage over other e-commerce platforms. The team of responsible e-commerce companies also connects more rural areas through public service training, public service farming, and other acts, allowing a deeper understanding of one another. Because of this distinct advantage and public welfare behavior, rural areas have collectively settled on the e-commerce platform. Simultaneously, as the number of connecting regions increases, it plays a role in expanding business contacts, improving cooperation and adaptation, and expanding e-commerce services, further extending the development network.

(5) Multi-state symbiosis trend.

As e-commerce spreads to rural areas, the rural end has become more aware of its market potential. Rural areas work closely with e-commerce companies on product planning, packaging design, and marketing, and are expanding into rural studies, tourism, and experience to create regionally distinctive products. Diversified development has led to more efficient and diverse land use, and businesses such as catering, accommodation, and guided tours have begun.

(6) Co-benefit balanced model.

Rural e-commerce business operations are focused on services, with a specific flow, corporate sentiment, and public welfare practices to assist farmers. This improves the reputation of the business, increases recognition of rural geography, and the intertwines contacts into a network. As a result, rural e-commerce businesses and local resources have complementary strengths and development synergies. The scope of business includes not only merchants but also branding, marketing planning, and other comprehensive e-commerce services. At the same time, rural e-commerce enterprises continue to push the envelope, expanding the We Chat public number operation, Jitterbug operation, self-built platforms, and customer expansion of other projects. Not only are the e-commerce platform services extensive and consistently profitable, but the multiple project profits and win–win–win operating model enable small and micro e-commerce enterprises to skip the life cycle and achieve long-term growth.
4.3. Selective Coding

During the selective decoding stage, the author repeatedly inductively analyzes and compares the case data, concepts, and categories, particularly the main categories. Finally, the core category of “Common Benefit Rural E-commerce Development Mechanism” was extracted, which can be used to dominate all the case data in this study. Figure 2 depicts the process of selective decoding.

This core category shows that the development of co-beneficial rural e-commerce enterprises is led by policies and rooted in the rural market. It is a multi-body co-beneficial development in which rural needs and enterprise operations run in both directions. It reflects the process of transforming co-beneficial orientation into a differentiated competitive strategy for enterprises. It is essential for co-beneficial rural e-commerce to have high policy sensitivity, be optimistic about the rural market’s development potential, help rural regional markets link up and gain recognition, and incubate various business models. Co-beneficial rural e-commerce is an effective path for enterprises to solve their survival dilemma and achieve sustainable development. It is also an inevitable choice for the resonance and co-benefit of enterprise operation and rural development.

5. A Theoretical Model of the Development Mechanism of Co-Beneficial Rural E-Commerce

Through the construction of the “condition → action → result” model, the model of rural e-commerce development mechanism is divided into three stages based on the perspective of co-benefit orientation, namely the government-driven period, the two-way interaction period, and the co-benefit creation period which contain the dynamic factors, differentiated strategic choices, and explicit results.

Policy drive is the primary motivator in the development of co-beneficial rural e-commerce, enterprise pull is the development motivator, and network co-drive is the ongoing motivator. The paths of the different driving factors are policy promotion → condition creation → value recognition; enterprise pulling → condition grafting → pain point fit; network synergy → condition aggregation → value co-creation.

Specifically, the six main categories of win-win and mutual prosperity orientation, adequate body to promote, supply side power generation, e-merchant network construction, multi-state symbiosis trend, and co-benefit balanced model, generated through the rooted theory are the explicit results of the co-benefit rural e-commerce development stage.
under “conditions → actions”, showing the dynamic process of the social layer and the market layer sinking to the rural end and the enterprise end.

The development mechanism of rural e-commerce presents the dynamic process of sinking from the social layer and the market layer to the rural end and the enterprise end, which is the common benefit display of the dual value of society and the market. The logic of the co-beneficial rural e-commerce development mechanism can be further illustrated by clarifying the internal logical relationships between each stage (see Figure 3), as explained below.

![Figure 3](image)

**Figure 3.** A theoretical model for the development mechanism of co-beneficial rural e-commerce.

(1) Government-driven period: policy promotion → condition creation → value recognition.

In co-beneficial enterprise generation, the government’s implicit expectation has led to a mutually reinforcing and prosperous relationship between the social and market layers [31]. Under this basic impetus, co-beneficial rural e-commerce begins to create conditions. The policy drive creates a win–win–with–wealth orientation which prompts rural and market players to cooperate through cultivation and access. Rural areas cannot access both supply and demand without the policy’s win–win–wealthy orientation, especially in remote areas with poor development.

Guided by the signal of win–win and commonwealth, the grassroots government explores the direction of development and strengthens itself to break away from geographical restrictions and seek space for development. The policy-sensitive e-commerce enterprises enter rural, underdeveloped areas. This is the subject docking behavior that opens both ends at once, generated by value recognition. Without suitable teams on both sides, conditions cannot be grafted. As the most adaptable subjects, the two parties are the future’s foundation and undertaking platform. Under the promotion of the adaptable main body, the role of co-operative rural e-commerce becomes clearer and sinks to the rural and enterprise ends, with more focused effects and innovative change opportunities.

(2) Two-way interaction period: enterprise pulling → condition grafting → pain point fit.

When the social and market layers sink to the rural and enterprise sides, the enterprise side identifies the pain points and realizes the pain point fit, pulling the rural side to
join the cooperation and promoting them to run in both directions. Subjective attraction superimposes objective exchange, resulting in resource grafting and interactive cooperation. At this stage, the enterprise pull cannot be ignored. The enterprise end meets the rural end’s need to connect to the market by demonstrating its technology and information advantages, attracting, and pulling the rural end to join the cooperation; the rural end uses its resource advantages to launch products to connect to the market by taking local resources. The rural end of the excavation and sustained income drive for the industry to cultivate the foundation; the enterprise end is the search for more partners to fulfill more social responsibility under the concept by showing the difference advantage with a variety of public welfare activities to expand the two ends’ access volume. Longmei in this stage can graft this differentiated strategic choice to form the rural revitalization of beneficial, sustainable development of their own and can activate market opportunities to extend the network to form a healthy ecology of rural industrial development.

This pain point fit is not only the objective conditions of replacement and use, but also the subjective emotion of cultivation and fit to avoid double logic imbalance and lay the foundation for sustainable development.

(3) Co-benefit creation period: network synergy $\rightarrow$ condition aggregation $\rightarrow$ value co-creation.

Under the pain point fit, both sides benefit from each other, but this interaction and exchange does not bring out all the conditions’ benefits. More stakeholders need to resonate with the same frequency. At this point, the market has already been developed, and the industry chain subjects have been involved in market activities, and relationships are interwoven into a network. Network co-action is therefore a continuing motivating factor at this stage. The conditions on both sides are not limited to grafting but tend to become closer. The conditions of multiple demands, potentialities, mutual networks, and rules of the same frequency converge to generate more energy, realize value co-creation, and ultimately achieve a multi-state co-benefit effect. The direct result of this differentiated strategic choice is the gradual formation of shared perceptions, the emergence of spontaneous micro-innovations, the amplification of the advantages of e-commerce networks, and the growth of network size and quality. The multiplicity of stakeholders has caused a variety of multi-beneficial forms of shared agriculture, experiential agriculture, and entrepreneurial agriculture.

With the escalation of development momentum, rural e-commerce enterprises and rural areas have evolved from mutually beneficial survival to sustainable multi-benefit operation. With policy-driven, enterprise-driven, and network-driven dynamics, co-beneficial rural e-commerce is characterized by its rural roots, multi-benefit, sustainable operation, and spillover impact.

6. Conclusions

Based on co-benefit orientation, this study combines Longmei’s eight years of e-commerce development practice with a rooted theory approach to explore how to transform co-benefit orientation into a competitive differentiation strategy for rural e-commerce enterprises and achieve sustainable development. Here are the results:

First, based on co-benefit orientation, rural e-commerce development is divided into three stages: government-driven, two-way interaction, and co-benefit creation driven by policy promotion, enterprise pulling, and network synergy. During the government-driven phase, government-led and policy-driven development promotes co-benefit recognition. In the two-way interaction phase, the main driving factor is the pulling force of enterprises themselves. This refers to the process of enterprises identifying pain points and realizing the fit of pain points based on co-benefits, promoting the two-way running of the rural end and the enterprise end and interactive and cooperative development. In co-benefit creation, it reflects multi-party participation, same-frequency resonance, and makes multiple stakeholders symbiotic. At this stage, multiple parties form a combined dynamic. In this process, rural e-commerce as the core of the participating subjects formed
a shared cognition, micro-innovation, and other atmospheres to achieve multi-state symbiosis, co-benefits balance co-benefits.

Secondly, the paths of the three major driving factors in the development mechanism of co-beneficial rural e-commerce are identified, and the unique development mechanism of “how to transform co-beneficial orientation into a differentiated competitive strategy for enterprises” is further explored. The paths of the three major dynamic factors in the development of rural e-commerce are: policy promotion $\rightarrow$ condition creation $\rightarrow$ value recognition $\rightarrow$ win-win and mutual prosperity orientation, and the promotion of suitable main bodies; enterprise pulling $\rightarrow$ condition grafting $\rightarrow$ pain point fit $\rightarrow$ supply side power generation, and e-merchant network construction; network cooperation $\rightarrow$ condition aggregation $\rightarrow$ value co-creation $\rightarrow$ multi-state symbiosis trend, and co-benefit balanced model. In these three paths of action, with the progression of development stages through the implementation of different stages of differentiated competition strategies such as condition creation, condition grafting, and condition aggregation, the co-benefit orientation is increasingly recognized, and the power transmission mechanism is characterized by an increase in the number of actors, a closer relationship with each other, a convergence in the direction of action, more diversified beneficiary subjects, and a greater spillover of radiation.

This study makes two theoretical contributions.

First, it identifies three major driving factors of co-beneficial rural e-commerce development and their paths of action, providing a theoretical basis for further exploration of related issues. Related studies on rural e-commerce have also focused on its stage development changes from different perspectives such as policy evolution perspective [32], value co-creation perspective [33], and life cycle perspective [34]. This study analyzes the complexity of the principal and the dynamics of rural e-commerce development more thoroughly. This study uses a rooted theory approach to summarize the growth stages of co-beneficial rural e-merchants from two dimensions, namely the occurrence of subjects and the role of dynamics, and to clarify the dynamics of different growth stages and their paths of action, answering the key question of how to transform co-beneficial orientation into a differentiated competitive strategy for enterprises. This is crucial for rural e-merchants to address insufficient innovation dynamics and short average lifetime. The paper’s findings echo those of Chen Xutang and Yu Guoxin [35] and Guo Kaikai and Gao Qijie [36] on the sustainable development of rural e-commerce.

Second, investigating rural e-commerce development mechanisms from a co-benefit orientation perspective echoes Xiao Hongjun and others’ call for research on co-benefit enterprises rooted in the Chinese context [37]. Providing a reference for investigating how to transform co-benefit orientation into a unique mechanism for enterprises differentiates competitive strategies, which can contribute to the revitalization of rural industries and the general prosperity. Most existing studies on rural e-commerce focus on the effects [38], influencing factors [39–41], and development models [42], but insufficient attention has been focused on how to achieve the dual value balance between economic and social values in the development of rural e-commerce. At the same time, the majority of previous research on co-beneficial enterprises has concentrated on the level of mechanistic logic research [43–48]. This paper overcomes the limitations of existing research contexts by transposing the theory of co-beneficial enterprises to the context of rural e-commerce and identifying the relationship between the dynamics of co-beneficial rural e-commerce by beginning with the dynamics of rural e-commerce development and opening the black box of the process of achieving sustainable development of co-beneficial-oriented rural e-commerce, which provides an important theoretical basis.

7. Limitations and Further Study

This paper systematically explores the concept of co-beneficial rural e-commerce and dynamics mechanisms. It is a theoretical overview of China’s experience in the field of rural e-commerce. It highlights the fact that the role of the government is paramount in
both “reducing poverty” and “consolidating the gains of poverty reduction”. Government drive is not only about policy leadership but also about policy promotion and policy implementation. In this way, policy intentions are effectively transmitted from the social and market level to the business and rural ends; it is also an essential subject to stimulate the vitality of the rural field, subjective sentiment, and technical ability of both e-commerce enterprises. Not only will they be recognized by farmers as soon as possible and drive the rural end to join the market, but they will also have more endurance to survive and develop, and they will be able to gather additional market forces. The “co-benefits” not only provides agency to government governance but also allow e-commerce enterprises to see the value in rural areas. This provides fresh ideas for other countries and regions around the world to eradicate absolute poverty.

Although this paper completely investigates the dynamics of co-beneficial rural e-commerce development, there are some gaps that need to be addressed in future research. For starters, this is an exploratory study based on a single case, so it cannot escape the constraints of its external validity. Future studies may consider focusing on the ecosystem of similar core enterprises in order to conduct a large sample research analysis and improve the study’s external validity. Second, this paper employs the rooting theory to investigate the development mechanism of co-beneficial rural e-commerce from the standpoint of co-benefits. In the future, it may also concentrate on other typical cases via multi-case studies or mixed studies in order to better understand the unique mechanism of rural e-commerce in the process of promoting rural revitalization and common prosperity.


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