# Analysis on the Entrepreneurial Behavior Pattern and Causes of Farmers in "Taobao Village" of Zhejiang Province

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Abstract: In view of the phenomenon of "Taobao Village", this paper studies the entrepreneurial behavior of peasant online merchants from the micro perspective, and clarifies the mode of the generation, agglomeration, competition and growth of peasant online merchants. At the same time, built around specific phenomena and the causes of research, in-depth analysis of farmers' electronic retailing business leaders and the followers of entrepreneurial opportunity recognition, the influence of the diversity of the indexes of entrepreneurial resources endowment on business agglomeration effect, clarify the impact on farmers' electronic retailing business competition market environment, based on this, advances the future farmers electronic retailing business policy in the whole rural electronic commerce system in the positioning and policy selection.

**Keywords:** "Taobao Village"; entrepreneurship of network business; behavior pattern; cause analysis

#### 1. Introduction

The impact of e-commerce on China's economy and society is deepening day by day. According to the latest statistics from the National Bureau of Statistics, China's online retail sales in 2020 reached 11,760.1 billion yuan, up 10.9 percent from the previous year. Of this, online retail sales of physical goods reached 9,759 billion yuan, an increase of 14.8 percent, accounting for 24.9 percent of total retail sales of consumer goods. Both figures will rank first in the world. At the same time, the Internet and e-commerce are accelerating their penetration into the countryside.

According to the statistics of CNNIC, as of December 2020, the scale of China's Internet users reached nearly 1 billion, and the scale of rural Internet users was 309 million, becoming the main force of the new Internet users. According to AliResearch, by the beginning of 2020, there were 4,310 "Taobao Villages" and 1, 18 Taobao towns. In 2019, supported by Taobao (including Tmall) platform, 2.59 billion transactions were completed, the annual sales exceeded 700 billion yuan, and more than 6.83 million job opportunities were created.

In 2019, Zhejiang province accounted for 6 of the top 10 cities in the list of the number of "Taobao Villages ", and 8 of the top 10 cities in the national "Taobao Village" cluster. In recent years, rural e-commerce represented by "Taobao Village", especially "Taobao Village" farmers' online merchants in Zhejiang Province, has received high attention from governments at all levels from the central to local governments, e-commerce enterprises and multimedia, and is becoming a new force that can not be ignored in the development of China's rural economy [1].

#### 2. The Research Status

The phenomenon of "Taobao Village" is a new "bright spot" of rural economic development under the background of the rapid development of e-commerce in China. Its formation and rapid development have injected new vitality into the rural economic development and become a typical economic and social phenomenon with Chinese characteristics in the development of rural ecommerce. The phenomenon has attracted wide attention from senior government officials and media at home and abroad.

Therefore, how to thoroughly and systematically explain the internal causes of the formation and development of "Taobao Village" phenomenon from the theoretical point of view has become a problem of great theoretical and practical significance in front of the academic circle.

Through summarizing and analyzing the important literatures related to the project research, it is found that there is still room for further improvement in the following aspects:

First, the phenomenon of "Taobao Village" is a typical economic and social phenomenon in the rapid development of rural e-commerce in China, which represents a new trend of rural economic development in the information age. However, there is still little academic research on this phenomenon and it needs to be strengthened urgently.

Secondly, the existing researches on rural e-commerce mostly start from the industrial level, and seldom study the micro-subject behaviors of rural e-commerce participants. However, as the most important subject in the phenomenon of "Taobao Village", it is necessary to strengthen the research on the behaviors of this group.

Third, about most of the farmers, migrant workers entrepreneurship research are focus on one aspect of the entrepreneurial process, for example, entrepreneurial intention, entrepreneurial opportunity identification, entrepreneurial resource acquisition or business performance, etc., but rarely from the perspective of dynamic group to understand characteristics of entrepreneurial behavior, so you need to delve into farmers' electronic retailing business behavior patterns and genetic analysis.

Fourthly, there are few researches on the relationship between behavioral role models and entrepreneurship in China. Existing researches have illustrated the causal relationship between behavioral role models and entrepreneurship, but failed to further explore the internal function of the role models, that is, how entrepreneurial behavioral role models affect the behavioral decisions of potential entrepreneurs.

Therefore, it is urgent to conduct further theoretical and empirical research on the intrinsic function of entrepreneurial role models.

Although the current academic theoretical research has given some valuable explanations to the phenomenon of "Taobao Village" from different perspectives, the research lacks the micro analysis of the peasant network merchants who act as the main body of "Taobao Village" [2]. Therefore, from the behavioral activities of farmers network business research, research perspective from small see big, has a certain innovation. At the same time, in the specific analysis of peasant network business entrepreneurial behavior mode, around the specific phenomenon and causes and based on the analysis of research, so as to understand more systematically and deeply the peasant network business entrepreneurial behavior.

# 3. Behavior Pattern

### 3.1. Spontaneous Generation Mode

Compared with other rural e-commerce modes, the formation and development of "Taobao Village" has its own remarkable characteristics.

On the one hand, "Taobao Village" is the farmers themselves to become the network business directly connect with the market, the farmer network business is the primary subject of behavior in this model, while in other models, network business brokers, leading enterprises are the market subjects, farmers do not directly face consumers. On the other hand, through the comparison of several cases of "Taobao Village", it is found that the formation of "Taobao Village" is not strongly related to the original industrial base of the village.

In has been found in the village of taobao, taobao is relying on the local mature industry development up village, such as zhejiang yiwu propylite liu village, village of small commodities, hebei qinghe east highchuang wool cashmere products, etc., there are no industrial base, fully developed "from scratch" "Taobao Village", such as jiangsu suining county town east village of plank furniture industry, dongfeng village after no one in the furniture industry [3].

Therefore, the entrepreneurial activities carried out by a large number of peasant online merchants through ecommerce platforms such as Taobao are the source power for the formation and development of different types of "Taobao Villages".

# 3.2. Differentiated Agglomeration Mode

From the perspective of microcosmic subjects, the entrepreneurial activities of many farmers are the source power of the formation of Tao Bao Village. Therefore, in order to explain the reasons for the formation of "Taobao Village", it is necessary to deeply explore the generation mode and mechanism of entrepreneurial activities of farmers. But on the other hand, the reason why "Taobao Village" is called "Taobao Village" is that the entrepreneurship of farmers online merchants presents a significant entrepreneurial agglomeration pattern. A large number of Taobao shops founded by farmers appear in one or several neighboring villages within a short time, engaging in the same or similar e-commerce business.

From a macro perspective, this pattern shows the characteristics of business trip alienation, such as the industrial differences between different regions and the product differences between different climates and landforms.

### 3.3. The Homogenized Competition Mode

At present, the development of many "Taobao Villages" has entered a "bottleneck period", when a large number of similar farmers gather together to operate the same or similar products, and the homogenization competition is significant. At the same time, some farmers network business in order to seize the market, through the "price war" way to implement malicious competition, or even "fake selling fake", resulting in similar goods serious unsalable, the sales of the net shop decreased. Nevertheless in spite of this, the management performance that always has part farmer net business is obviously better than other farmer.

From a micro perspective, if "Taobao Village" wants to achieve further sustainable development, it needs to enable most of the peasant network merchants to achieve better entrepreneurial performance. The existing entrepreneurial performance determination model shows that many variables, including social network, prior knowledge, entrepreneurial ability, entrepreneurial opportunity and so on, will have an impact on the entrepreneurial performance of entrepreneurs or start-ups. Among them, the research specifically aimed at the entrepreneurial performance of farmers (migrant workers) prior knowledge, shows that social network, entrepreneurial opportunities and other factors are the key variables that need to be considered [4].

3.4. Driven Growth Model

The phenomenon of "Taobao Village" is a typical economic and social phenomenon in the rapid development of rural e-commerce in China. Since the rural e-commerce industry in "Taobao Village" has produced remarkable results in driving the transformation and upgrading of local traditional industries, promoting entrepreneurship and employment. farmers' and the process of new accelerating urbanization. governments at all levels from the central to local governments have begun to intervene and focus on promoting the development of "Taobao Village".

Since 2013, especially in recent years, all kinds of support policies at all levels have been directed at the rural e-commerce industry represented by "Taobao Village", aiming to promote the greater development of local rural economy driven by "Taobao Village". "Taobao Village" has grown gradually with the drive of the policies.

#### 4. Causes Analysis and Countermeasures

4.1. In the Process of Spontaneous Generation, the Entrepreneur's Opportunity Identification

On the basis of relevant research literature at home and abroad, combined with the characteristics of the formation of "Taobao Village", "Taobao Village" farmers can be divided into two groups: entrepreneurial leaders and entrepreneurial followers.

Opportunity recognition is not only the entrepreneurial leader's grasp of the opportunity, but also the entrepreneurial followers' awareness of emulating the standard, that is, the entrepreneurial role model effect. At the same time, this opportunity identification without systematic training, its spontaneity is not only reflected in the generation of the industry, but also in the innovation of the mode. Both the participants and the connecting market are different from the traditional rural ecommerce [5]. It can be said that the spontaneous generation of "Taobao Village" benefits from the opportunity identification of entrepreneurs, which can also be called "grassroots" entrepreneurship.

Through "grassroots" entrepreneurship, some villages have developed "offline industrial clusters" into "online industrial clusters", while others have created new characteristic industries. In this process, peasant online merchants have gradually become a new entrepreneurial group of farmers attracting attention. Therefore, consciously encouraging the masses to give play to the ability of opportunity recognition and shaping the entrepreneurial role models around the villagers can naturally lead to a group of entrepreneurial followers.

4.2. The Factors of Resource Endowment in the Process of Differentiation Agglomeration

Opportunity identification has a certain explanatory effect on the convergence and assimilation of entrepreneurial agglomeration phenomenon, but for the differentiation of agglomeration mode, it should be attributed more to the difference of resource endowment. Convergence can be said to be a phenomenon in the early stage of the development of rural e-commerce industry, but with the gradual maturity of the industry, differentiation will gradually appear.

On the one hand, the unique natural resources in different regions determine the development of some local industries. However, with the expansion of the scale, the geographical location and industrial transportation gradually begin to restrict the development of industries to varying degrees, and the regions with relatively rich resources and relatively few restrictions begin to have a certain comparative advantage. On the other hand, climate and landform also determine the quality and yield of products. For example, the utility and quality of precious herbal medicines planted in areas with high negative oxygen ion concentration are much higher than those planted in other areas. Soil conditions and other factors also have a key impact on the yield of the same crop.

Therefore, the realization of information symmetry and advantage analysis through the Internet, and even the formation of a complete set of business plans, can effectively curb the waste of resources, maximize the utilization of resources, and give full play to the utility of resource endowment.

4.3. The Homogenized Competition Facing the Market Environment

Homogeneous competition can be said to be a normal phenomenon in the early stage of market development in various industries. However, differentiation competition is usually advocated because it will reduce the product value and cause unnecessary internal friction, as well as in the rural e-commerce industry.

But the fact is that the current rural e-commerce market environment is not mature enough, leading to the homogenization of the market competition is common, some operators can not find a breakthrough, another part of the operators content with the status quo, in the long run, will hit their entrepreneurial enthusiasm, the industry also can not achieve considerable progress and development. However, if we blindly advocate differentiated competition, we will act too quickly, fail to put the quasi-market lifeline, and even disrupt the business strategy of entrepreneurs [6].

Therefore, market rules can be improved first, effective intervention can be carried out, and orderly market management can be realized. Entrepreneurs can be guided to realize the consciousness of "others have their own advantages" and "others have their own advantages", and scientific management and operation concepts can be popularized, so that villagers can also stand on the shoulders of giants to start businesses.

#### 4.4. Policy Support behind the Driven Growth

In rural areas where information exchange is relatively less transparent, the channels for understanding business information are relatively narrow. Therefore, the introduction and revision of policies have become a powerful basis for farmers to start their own businesses. The support of policies will be enough to encourage entrepreneurs to progress and develop continuously. Therefore, in the overall rural e-commerce policy system, the entrepreneurship policy of farmers should also be placed in the first place to promote rural revitalization. For some restrictions to be extended, can be given appropriate tax relief or policy subsidies.

The micro-activity subject of "Taobao Village" phenomenon is a large number of peasant online merchants. The formation and development of "Taobao Village" is the result of the entrepreneurship of peasant online merchants. Therefore, the policy focus to support the healthy development of "Taobao Village" should be put on promoting the entrepreneurship of farmers.

## 5. Conclusion

In based on the analysis of microcosmic mechanism, from the perspective of macro policy to at present our country rural electronic commerce support policy to comb summary, it is not difficult to found that entrepreneurial opportunity identification "Taobao village" entrepreneurial generated patterns with spontaneity, different areas of their own resources endowment makes industrial concentration characteristics of alienation appeared on a business trip, the current market environment facing rural electricity decided the long-term homogeneity competition, and by examining the existing policies to promote farmers to give him the entrepreneurial drive effect, think the future rural electronic commerce policy should be more focused on farmers give him entrepreneurship. We will encourage the steady development of emerging businesses with Chinese characteristics, such as "Taobao Village".

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