

# Discussion on the New Mode of Rural Smart Retail--Taking Xunpu Village as an example

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## ABSTRACT

In order to respond to the national policies of “promoting comprehensive rural revitalization”, “Development of Minnan villages” and “Protection and Development of Xunpu Folk Culture Village”, the new model of smart retail is adopted, in line with the goals of promoting digital economy, enhancing the commercialization of traditional culture and strengthening the modernization of rural governance structure in Fujian Province. This paper to “Maritime Silk Road” major nodal city —— Quanzhou coastal fishing village Xunpu village, for example, strengthen the cultural elements, enhance the market competitiveness of Xunpu local characteristic products, promote regional internal and external economic exchanges, increase Xunpu village employment opportunities, help Quanzhou city in the national and the international influence of cultural tourism, in order to achieve rural policy goal of comprehensive economic and social development in Fujian province.

## KEYWORDS

Smart retail; Rural revitalization; New paradigm; Xunpu Village

## 1. INTRODUCTION

Xunpu Village is a coastal fishing village located in Quanzhou City. It has a long history, developed fishery, rich products, diversified catering and profound cultural heritage. With its unique Minnan culture and rich Marine resources, it has attracted a large number of domestic and foreign tourists to it. However, the traditional snack production and sales mode has some disadvantages, such as crowded and disorderly self-sold fried stalls, health problems, poor service experience, etc. In order to standardize the village snack catering, make full use of the village space, create a new smart retail mode for Xunpu village- intelligent vending machines in the village. With the deepening of the rural revitalization strategy and the continuous development of science and technology, smart retail has gradually penetrated into every corner of life, especially in rural areas, although the economic development is relatively backward, but the change of consumption concept and the introduction of new consumption patterns, for rural smart retail new model has brought unprecedented opportunities for development.

## 2. SMART RETAIL

### 2.1. Concept of new retail

New retail and new manufacturing, new finance, new technology, new energy are called the five new trends in the future. As a primary form of unmanned retail, self-service vending machines have emerged for a long time. With the development of consumption upgrading and artificial intelligence, the optimization and upgrading of self-service vending machines has become inevitable. New retail

emphasizes the deep combination of online and offline, and is a new business model combined with big data and cloud computing and other innovative technologies with the support of modern logistics. In addition to shopping malls, subway stations, airports, railway stations and other places with large human traffic, we also began to pay attention to the near-field demand of public Spaces such as villages, communities and streets. [1] This echoes the general trend of consumption upgrading, which is vertical, crowded and typical of scene. The unmanned retail form of self-service vending machine is an important display form of new retail, with a wider application scenario, easier promotion and stronger popularity. Nowadays, in an era of very developed science and technology, the rural retail model has also changed accordingly, becoming more and more intelligent and convenient, from the traditional retail model to the new model of smart retail.

## **2.2. New retail industry policies**

In order to promote the development of new retail formats such as unmanned convenience stores and smart vending machines, China has issued a series of industrial policies, such as the Outline of the Strategic Plan for Expanding Domestic Demand (2022-2035) released in 2022, which proposed the development of new retail formats such as smart supermarkets, smart stores and smart restaurants. According to the In-depth Research and Investment Trend of China's New Retail Industry (2022-2029) released by The Research Report, the economic, policy, social and technological environment of China's retail industry has improved in recent years. In terms of economy, from the macroeconomic perspective, in 2021, China's economic growth will lead the world and its economic strength will be significantly enhanced. China's GDP increased by 8.1% over the previous year, the economic growth rate among the major economies in the world; the economic aggregate reached 114.367 trillion yuan, exceeding 110 trillion yuan, ranking the second in the world, accounting for more than 18% of the global economy; China's per capita GDP is 80,976 yuan. [2] From the micro point of view, the promotion of capital provides direct impetus for the development of the industry: since the new retail concept was put forward, Internet giants represented by Alibaba and Tencent have accelerated their offline retail layout, such as Alibaba's acquisition of Sun Art Retail and Yintai Business, the investment in Sanjiang Shopping and Unexpectedly Home, and the layout of Hema Xiansheng [3].

## **2.3. Current situation of the new retail industry**

Traditional retail faces the problem is low efficiency, consumers only know to the store if you want to buy, limited stores for consumers choice choice is limited, and new retail online sales can put the goods on the online platform, consumer choice becomes more, stores can also save some goods put space, as long as the warehouse inventory can meet the demand of consumers. [4] Therefore, the new retail industry not only changes the business model of the retail industry, the new retail can make a lot of screening time and energy to buy; for retail enterprises, through the combination of online and offline traffic is also a kind of retail efficiency improvement. Therefore, since the concept of “new retail” was proposed in China in 2016, it has rapidly developed into an emerging industry in China with its own advantages. [5] In addition, the continuous improvement of the industry economy, policies, social and technological environment, the promotion of the industry capital market, the encouragement of policies, the upgrading of social consumption and the technological progress make the market size of China's new retail industry grow steadily.

# **3. THE CURRENT SITUATION OF THE RETAIL MODEL IN XUNPU VILLAGE**

## **3.1. Food safety and health hazards**

The sales of snacks in Xunpu Village mainly rely on the traditional form of roadside stalls and small shops, which has great hidden dangers in food safety and hygiene. Due to the lack of standardized

food processing and storage processes, and effective hygiene supervision mechanisms, these snack stalls often struggle to ensure the cleanliness, freshness and safety of food. This not only makes tourists and local residents doubts about the quality of food, but also a potential threat to their health. In today's social background of increasing awareness of food safety, this pain point needs to be solved urgently. Therefore, creating a new model of smart retail for Xunpu Village —— The fixed launch of intelligent vending machines in the village can effectively improve this pain point.

### **3.2. Weak marketing and brand awareness**

In the highly competitive market environment, the power of brand and marketing cannot be ignored. However, snack sellers in Xunpu village generally lack systematic marketing and brand building awareness. They tend to focus only on the production and sales of products, and ignore the importance of brand building and marketing. This has led to low visibility and limited market competitiveness of the snacks. To stand out in the fierce market competition, it is crucial to strengthen marketing and brand building. Food sellers in Xunpu village need to pay attention to the shaping and dissemination of brand image, improve brand awareness and reputation, and enhance market competitiveness.

### **3.3. Unstable passenger flow**

The passenger flow in Xunpu village is greatly affected by the season and weather, resulting in large fluctuations in snack sales. This instability brings great operational risk to snack sellers. In order to stabilise patronage and sales, snack sellers in Xunpu Village need to adopt a variety of measures. For example, they can attract tourists and local residents by organising special events and launching preferential activities; at the same time, they can also strengthen their co-operation with other tourist attractions to achieve resource sharing and mutual benefits.

## **4. A NEW MODEL OF SMART RETAIL IN XUNPU VILLAGE**

### **4.1. Overview of the new model of smart retail**

Using the intelligent new retail model, the intelligent snack vending machine system is built in Xunpu Village, Quanzhou City. Through centralized food material processing, intelligent sales and environmental packaging, and integrating digital solutions and Internet technology, the supply chain management is optimized, forming a closed-loop management from raw material procurement to product sales. The new model of smart retail in Po Village not only sells the special cuisine, but also promotes the local folk customs of Xunpu through 'mouth' mouth to mouth and enhances the popularity of village culture; collaborates with the government community villagers to complete, provides a large number of jobs, and the special fried production cooperates with the corresponding inheritors, and advances the protection and dissemination of Xunpu Village's traditional gourmet food production techniques and make it famous all over the world; pay attention to people-oriented and user experience feeling, serve tourists better, improve tourists' satisfaction, attract people flow, enhance the market competitiveness of the special cuisine of Xunpu Village, accelerate the economic development of Xunpu Village, and promote the sustainable development of the village.

### **4.2. Business model**

Based on the rural revitalization policy of Fujian Province and the cultural and natural resources advantages of Xunpu Village, Binhai Fishing Village, Quanzhou City, to create a new model of smart retail. To meet the needs of tourists for traditional cultural experience and characteristic food, and to enhance the needs of rural economic development and social governance modernization. By enhancing the dissemination of the characteristic food and folk culture of Xunpu Village, the cultural recognition and popularity of the village will be enhanced. Improve sales efficiency and product

quality through intelligent vending machines, increase the income source of local residents, and create job opportunities. Use the Internet and intelligent technology to optimize the supply chain management and sales process, and improve the application level of rural technology. Received government policy support and financial subsidies to assist in village governance and infrastructure construction. Cooperate with the local communities and villagers to jointly promote and maintain the rural cultural heritage and the image of the scenic spots. This business model focuses on innovative smart retail and the protection of traditional culture, and aims to promote the sustainable development of rural economy by improving product quality and service experience, while promoting the inheritance and development of local culture.

### **4.3. Profit model**

Characteristic gourmet food sales: selling traditional gourmet food such as fried food specialised in Xunpu Village through intelligent vending machines, charging a certain sales price for each product. Value-added service sales: it may include the characteristic cultural derivatives or the cultural experience services provided, such as the guided tour services, folk performances, etc., to attract tourists to increase their consumption. Internet platform fee: If the project involves the construction and operation of the Internet platform, provide technical support services to third parties or use the platform. Advertising and sponsorship revenue: Attract other businesses or brands to display advertising or sponsored projects in smart vending machines or project-related areas for additional revenue. Cooperation sharing: reach a cooperation agreement with the local characteristic product suppliers or cultural experience providers to share a part of the sales revenue or service fees. Government project subsidies: According to the local government support policies, we may receive certain project start-up funds or follow-up subsidies to support rural revitalization and cultural protection projects. Membership system: provide membership system, let regular customers enjoy discounts or special services, increase customer loyalty and repurchase rate. Online sales: Promote products to the wider market through the Internet platform and increase sales.

Through the diversified operation of the above profit model, the project can achieve a long-term and stable source of income, while promoting the local economic development and social sustainability.

## **5. CONCLUSION**

In the future development of the new model of rural smart retail, we should constantly improve the technology and user experience of vending machines, and introduce more intelligent technologies, such as face recognition payment, unmanned stores, etc., to improve the service level and convenience. On the basis of maintaining the traditional snacks, we will gradually introduce more products with local characteristics, including handicrafts and agricultural products, to enrich the cultural connotation of the village and attract more tourists. Through online platforms, social media and other channels, to enhance the visibility and reputation of Xunpu Village, to build an influential cultural tourism brand, and to attract more tourists and investment. Cooperate with surrounding cities and villages, jointly carry out cultural tourism activities, product promotion, form a regional cultural tourism industry chain, and promote economic exchanges and cooperation inside and outside the region. Strengthen the training and inheritance of traditional artisans, protect and inherit the traditional food production skills of Xunpu Village, cultivate more technical personnel, and ensure the inheritance and development of traditional culture.

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