# Innovation Diffusion Mechanism of Rural Operation for Common Prosperity: Evidence from Cenbu Village

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#### Sijia Liu

Zhejiang Agriculture and Forestry University, Hangzhou, Zhejiang Province, China 18868151629@163.com

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Abstract: Rural operation is an important force to promote rural revitalization, and rural revitalization is an important foundation for realizing common prosperity. Taking Cenbu Village as an example, research on the theoretical logic and realization path of rural operation empowering common prosperity is of great significance to further promote common prosperity. Based on the theory of diffusion of innovations and analyzed from the perspectives of relative advantage, compatibility, complexity, trialability and observability, it is concluded that rural operation empowers common prosperity with "one policy for each village, thousands of villages with thousands of faces" and "following the trend and following the law", "enterprise operation, professional and efficient", "pilot first, demonstration lead", "set up a model, increase publicity" theoretical logic. Based on the five-stage paradigm of the innovation-decision-making process (cognition, persuasion, decision-making, implementation, and decision), we have summarized the following: "Improve the operation mechanism to enhance the methodological self-confidence of common prosperity; protect the ecological environment to broaden the connotation of the common prosperity of the times; pay attention to the reorganization of the industry to consolidate the material basis of the common prosperity; enrich the spiritual connotation of the common prosperity by condensing the thematic culture; establish the distribution mechanism; and establish the distribution mechanism to promote the development of the common prosperity. The realization path of "common prosperity" is to establish a distribution mechanism to ensure the fair guarantee of common prosperity.

#### 1. Introduction

Under the strategic background of comprehensively promoting rural revitalization and common wealth, the innovative rural operation mode has become an important path to activate the endogenous power of the countryside through the integration of resources by professional subjects and the cultivation of new business models, but the diffusion mechanism and the transformation path of common wealth still need to be explored in depth. The theory of innovation diffusion provides an important perspective for analyzing this process, however, the existing research mostly focuses on the adoption of technology but neglects institutional innovation, and lacks the connection between the behavior of micro subjects and the meso diffusion mechanism. In this paper, we take Cenbu Village in Qingpu District, Shanghai as an example, which has achieved a collective

income growth of 320% and a new business participation rate of 75% through the model of "enterprise+cooperative+villagers", which provides an ideal sample for the study of the coupling mechanism of diffusion of innovation and common wealth. Based on Rogers' innovation diffusion theory, this study adopts a mixed method of social network analysis and in-depth interviews, focusing on how rural operation innovation breaks through adoption barriers, how intermediary subjects accelerate diffusion, and how innovation results are transformed into common wealth effectiveness, aiming to expand the rural applicability of innovation diffusion theory and provide practical insights for rural revitalization policies.

#### 2. The Connotation of Rural Operation Empowering Common Wealth

The concept of rural operation was first born in Lin'an District, Hangzhou City, Zhejiang Province. Chen Weihong, the originator of the concept and Deputy Director of the Lin'an Culture, Radio, Television, Tourism, and Sports Bureau, explained in his lecture to the students of the "Bee Program" that rural operation is an organized and systematic endeavor. It involves introducing market-oriented entities into rural areas and conducting comprehensive, systematic, and multi-dimensional operations to integrate rural resource inventories through market-driven approaches, thereby boosting rural tourism and revitalizing the countryside. By cooperating with a team of rural operators who love the countryside, know how to plan and know how to market, we can turn the resource advantages and ecological advantages of the countryside into economic advantages and development advantages.

The common wealth implies the dual goals of productive forces and relations of production, and is a social form of "holistic wealth" that includes material civilization, spiritual civilization and ecological civilization<sup>[1]</sup>. Specifically speaking, village operation is a way to empower common wealth by introducing asset-light operation companies on the basis of village construction under the premise of protecting rural ecology, utilizing all available resources in the village from the perspective of self-profit, revitalizing rural assets in a diversified way, providing asset yields, and promoting the sustainable development of villages; exploring the village culture in depth, refining the theme, and forming a strong market appeal, so that village culture can be transformed into real productivity and realized. Transform village culture into tangible productivity to achieve differentiated development. At the same time, eliminate irregular practices, enhance villagers' mindset, and guide them in leading one another toward prosperity—ultimately advancing together toward common wealth encompassing material, spiritual, and ecological well-being<sup>[2]</sup>.

### 3. Diffusion of innovations theory and Cenbu village village operations to empower the common wealth situation

#### 3.1 Diffusion of Innovation Theory

American scholar E.M. Rogers (Everett M. Rogers) in the book "Diffusion of Innovation" will be the innovation expressed as "when a point of view, method or object is considered by a person or group as 'new', it is an innovation. The definition of an innovation has little to do with whether it is objectively new, whether it is the first time it has been used, etc.; an individual's reaction to it determines whether it is an innovation or not, and if it is perceived to be novel, it is an innovation." Diffusion, on the other hand, is "the process by which an innovation spreads over a specific time period, through a specific channel, and among a specific community" [3]. Rogers' definition of innovation breaks through the traditional cognition, which not only gives new connotation to the concept of innovation, but also effectively broadens the scope of application of this theory. Rogers proposes that the four major elements of innovation diffusion are innovation, communication

channel, time and social system, and the diffusion of innovations with diffusion potential among members of the social system shows an "S-shaped" curve trajectory. From the perspective of innovation elements, social members' perception of the characteristics of an innovation affects the degree of adoption of the innovation in five attributes, namely, relative advantage, compatibility, complexity, trialability and visibility. From the time element, the innovation-decision process is divided into five stages, i.e., cognition, persuasion, decision, implementation, and decision.

#### 3.2 The current situation of Cenbu Village's rural operation empowering common wealth

Cenbu Village is located in Xicen Community, Jinze Town, Qingpu District, Shanghai. Relying on its unique ecological location, Cenbu Village has built a three-dimensional governance model of "government guidance + enterprise operation + villagers' participation" through the introduction of the Smiling Straw Hat Group, a market-oriented operation body. To "national tide culture village" as the positioning, revitalization of unused farm buildings 8, house base more than 700 square meters, to create a bed and breakfast, cultural and creative space and water sports and other forms of business, to promote the "farmhouse into a guest room, the village into a scenic spot". On the path to achieving common prosperity, the village has implemented a "guaranteed income + dividends" mechanism, increasing the average annual rental income for villagers to 90,000 yuan per building while creating 60 jobs. In 2023, the village's collective income reached 800,000 yuan. Additionally, through the development of an eco-IP, the introduction of low-carbon industries, and cultural activities, the village has achieved synergistic progress in three key areas: higher material incomes, spiritual enrichment, and ecological conservation. The practice of Cenbu Village confirms the logic of "activating rural resources through market-oriented operation" in the theory of diffusion of innovations, and provides a replicable model for the common prosperity of villages in the suburbs of megacities<sup>[4]</sup>.

### **3.3** Adaptation of Diffusion of Innovations Theory in Cenbucun's Rural Operation Enabling Common Wealth

Diffusion of innovations theory emphasizes the process of accepting and adopting new ideas and things<sup>[3]</sup>, and its theoretical research framework also has important theoretical guidance value and practical applicability to the study of Cenbu Village's rural operation and empowerment of common wealth. As a new idea, the recognition of local government and villagers largely determines whether rural operation can bloom and blossom in the countryside, thus contributing to the goal of common prosperity. Therefore, based on the perspective of innovation diffusion theory, this paper analyzes the theoretical logic of Cenbu Village's rural operation empowering common wealth from the dimensions of five important attributes of innovation diffusion (i.e., comparative advantage, compatibility, complexity, trialability, and observability), and focuses on the five phases of innovation-decision making (i.e., cognition, persuasion, decision making, implementation, and confirmation) to explore the corresponding path of rural operation in Cenbu Village.

# **4.** Theoretical Logic of Rural Operation Enabling Common Wealth Based on Diffusion of Innovation Theory

Rogers proposed five important attributes of innovation diffusion, including relative advantage, compatibility, complexity, testability and observability. If a certain innovation has the characteristics of relative advantage, high compatibility, low complexity, testability and easy observability, then the spreading range and the speed of adoption and recognition of this kind of new thing will be better than other similar things. Based on the above theory, taking Cembu Village as an example, we

summarize the theoretical logic of village operation empowering common prosperity through the analysis of its five attributes: relative advantage, compatibility, complexity, testability and observability.

### 4.1 Relative advantage: one policy for one village, thousands of villages with thousands of faces

The theory of relative advantage holds that the comparative advantage of an innovation is positively correlated with its adoption rate. In the practice of rural operation, this advantage is highlighted by the differentiated development model of "one policy for one village, thousands of villages with thousands of faces". Based on the positioning of municipal rural revitalization demonstration village, Cenbu Village innovatively takes "national tide culture" as the core theme, and builds its competitive advantage through three major paths: firstly, in terms of industrial integration, Cenbu Village systematically integrates the elements of non-genetic inheritance, hanbok experience, and agricultural products to create a "gathering place for the national tide scene-like experience". This innovative model not only includes traditional business forms such as sightseeing agriculture and water sports, but also forms a complete micro-resort industry chain through carriers such as village bazaars and cultural and creative spaces. Secondly, in terms of resource allocation, the project fully respects the rural texture, relying on the natural water system and ecological base, and organically integrates the "national tide" fashion elements with local culture. This development strategy not only preserves the original rural landscape, but also enhances the value of resources through cultural empowerment. Finally, in terms of demonstration effect, the "cultural industry-led" rural development model pioneered by Cenbu Village provides a model for suburban villages in Shanghai. Its successful experience shows that differentiated positioning, cultural IP creation and in-depth integration of industries are the key elements for achieving comparative advantages in rural operations. This model not only avoids homogeneous competition, but also effectively enhances the sustainable competitiveness of the countryside through the characteristic development path<sup>[4]</sup>.

#### 4.2 Compatibility: going with the trend and following the law

Compatibility refers to the extent to which an innovation is consistent with the existing value system, past experience and individual user needs. For potential users, the higher the compatibility of an innovation, the lower its uncertainty and the easier it is to meet their needs, thus increasing the likelihood of acceptance<sup>[5]</sup>. In the case of rural operation empowering common wealth, compatibility is mainly reflected in its high degree of conformity with the inherent requirements of the socialist system with Chinese characteristics. Common wealth is a beautiful vision of mankind and the essential requirement of socialism with Chinese characteristics, while rural revitalization is an important way to realize common wealth. The contradiction between the growing needs of our people for a better life and unbalanced and inadequate development is most prominent in the countryside, and to realize the goal of common prosperity, the most arduous and burdensome task is in the countryside, the broadest and deepest foundation is in the countryside, and the greatest potential and backbone is also in the countryside<sup>[6]</sup>. Therefore, seizing rural operations and revitalizing rural resources are particularly important for promoting common prosperity. At the same time, the development model of Cenbu Village is also a microcosm of the promotion of the harmonious development of ecology and economy in response to the call of the State that "green water and green mountains are golden silver mountains"[1]. In order to protect the fireflies preferred living environment, Cenbu Village, multi-pronged measures to consolidate the foundation of watching fireflies, scientific delineation of the "living area" and "ecological forest", regularly turn off the lights to reduce the impact of light pollution on the living environment of the fireflies, and at the same time do a good job of tourists persuasion, guarding Local color, build firefly ecological resources protection system. Cenbu village also fireflies and beautiful ecological harvest dividends.

#### 4.3 Complexity: enterprise operation, professional and efficient

Complexity refers to the relative difficulty of understanding, accepting, and adopting an innovation, which is inversely proportional to the adoption rate of the innovation; therefore, the clearer and easier the innovation is to understand and operate, the easier it is to be accepted by the public. In terms of village operation empowering common wealth, complexity can be reduced mainly by entrusting professional operation companies to operate the whole village. Cenbu Village has improved its management mechanism by establishing the Cenbu Village Operation and Management Committee (hereinafter referred to as the "Management Committee") jointly by Smiling Straw Hat and Cenbu Villagers' Committee. From the perspective of "operation + management", the Management Committee is mainly responsible for the operation and management of the whole village of Cenbu Village, in which Smiling Straw Hat's 100%-owned company, Straw Hat Station Culture Communication Co. As a professional agency for tourism and catering management, Straw Hat Station Culture Communication Co., Ltd. is responsible for the operation of the whole village, planning the overall layout for the development and positioning of the introduced industries, investment and operation, setting up a unified operation platform, optimizing and integrating the resources, and providing a series of services, such as digital system, integrated marketing and publicity activities.

#### 4.4 Trialability: Pilot first, lead by demonstration

Pilotability refers to the extent to which an innovation can be tested under certain conditions. Trying out an innovation can reduce the public's perception of its uncertainty, so the pilotability of an innovation is directly proportional to its adoption rate. After determining the industrial positioning of Cenbucun and formulating the operation plan, Smiling Straw Hat did not operate directly, but conducted trial operation in some projects. In the trial operation stage, the positioning of "national tide" has attracted a gathering of industries and initially formed a national tide IP, and the highest daily turnover of the one-foot garden project, which has been in trial operation only after the National Day, has risen to 70,000 yuan. Smiling Straw Hat's implementation of the whole village operation in Cenbu Village is an attempt to achieve good economic and social benefits, and will be further improved and formed in line with the characteristics of the city of Shanghai's rural revitalization model, rationalize its internal logic, for the implementation of about 90 rural revitalization demonstration villages in Shanghai, as well as the upcoming implementation of rural revitalization demonstration villages to provide lessons and references. Cenbu Village is the first model village for rural revitalization in Shanghai to promote the operation of the whole village with the power of social capital, and through the pilot project, this is by no means the last one.

#### 4.5 Observability: Setting up a model and increasing publicity

Observability refers to the extent to which the results of an innovation can be seen by individuals. If the results of an innovation are obvious and spread quickly and widely, then the innovation is more likely to be adopted by the public. In August 2022, at the 2nd Yangtze River Delta Green Ecological Integrated Development Innovation and Entrepreneurship Competition, the debut of the Cenbu Village Whole Village Operation Project caught the eyes of the judges in attendance. In November of the same year, the "whole village operation" implementation plan of Cenbu Village of

Smiling Straw Hat was awarded the title of "Top Ten Agricultural Innovation and Entrepreneurship Typical Leaders of Qingpu District" and was honored at the launching ceremony. The practical economic benefits brought by the village operation were reported by the media, and the idea of village operation empowering common prosperity was further spread. And then led by the higher units, through the implementation of rural operations to empower the common good work emerged in the typical representatives, excellent projects, experience and practice of continuous publicity and promotion, to show the typical representatives of the style and role, and further create a strong rural operations to empower the common good atmosphere, to guide more villages to recognize and understand this new idea, take the initiative to learn to contact, and further promote the common good goal to be reached<sup>[7]</sup>.

# **5.** Optimization Suggestions for the Path of Rural Operation Enabling Common Wealth Based on Diffusion of Innovation Theory

# 5.1 Enhance cognition: improve the operation mechanism and enhance the confidence in the common prosperity method

We have established an operational framework based on four key transformations: "converting resources into capital, products into commodities, villagers into shareholders, and manpower into talents." By integrating operational elements including human resources, cultural assets, land utilization, and landscape features, we strategically align regional resource advantages with market demands. Through localized resource revitalization initiatives, we conduct in-depth development by: introducing corporate partnerships, fostering cooperative development models, implementing cluster-based village development, and executing differentiated specialization strategies tailored to each location<sup>[8]</sup>. At the same time, we should focus on the external "blood transfusion" guide to the endogenous "blood" cultivation, attract new farmers, establish new township sages, train new farmers, improve the political, economic and social treatment of village cadres, and gradually shift from project-driven to talent-driven, to build a professional rural operation talent team. Specialized village operation talent team, give play to the multiplier effect of operation management on village development<sup>[9]</sup>. We strengthen our operational approach of "culture nourishing the soul, landscapes cultivating the body, and industries serving practical needs" to develop distinctive industrial clusters featuring "one town, one specialty" and "one village, one product." This model attracts talent and investment while creating core growth points, ensuring effective government guidance and market efficiency. By establishing a favorable institutional environment for rural market participation, we support the sustainable development of rural operational models<sup>[10]</sup>.

In addition, we should also focus on consolidating and improving the benefit linkage mechanism, forming a closed-loop path of attracting, cultivating, guiding, empowering, standardizing, assessing, and rewarding, so as to be beneficial to enterprises, beneficial to farmers, and effective in rural governance. Operation is front-loaded, rewards are back-loaded, and operation is intervened before the government invests in infrastructure support; annual assessment is implemented, and rewards are given only when the assessment is qualified, which always motivates the operators to pursue the quality of rural operation with an attitude of being responsible for the countryside<sup>[11]</sup>.

# **5.2** Enhancing Persuasion: Protecting the Ecological Environment and Broadening the Connotation of the Common Wealth of the Times

Village operations are constantly broadening the contemporary connotation of common prosperity through the construction of the closed loop of green development of "protect-transform-share". In the practice of Cenbu Village, firstly, it strictly follows the national

ecological protection red line, implements ecological restoration projects such as water system management, successfully restores the firefly habitat and creates ecological IP; secondly, it innovates the path of ecological value transformation, develops organic agriculture, nature education camps, and other new forms of business, and explores the establishment of an ecological premium mechanism for agricultural products and a carbon sink trading system; at the same time, it builds an ecological sharing mechanism, and establishes ecological care positions, At the same time, it builds an ecological sharing mechanism, through the establishment of ecological stewardship positions, the implementation of resources into shares and the "green points" system, so that the villagers become the direct beneficiaries of ecological protection. This mode of transforming ecological advantages into development advantages not only guards the green mountains, but also creates mountains of gold and silver, expanding the common wealth from the material level to the sharing of ecological well-being, and realizing a virtuous cycle of economic and ecological benefits.

### 5.3 Boosting decision-making: emphasizing industrial reorganization and consolidating the material foundation of common wealth

The countryside is the place where farmers produce and live. Although the functions of the countryside have been greatly expanded to date, the most basic and important function of the countryside is still the supply of agricultural products no matter when and where. This is irreplaceable and cannot be transferred. Rural tourism is an important extension of the functions of the countryside, but it is by no means the only goal of rural operation. We can't put the cart before the horse, and we can't put the cart before the horse and deviate the rhythm of rural operation. Creating "one village, one product", building townships with special characteristics, and developing modern agriculture should be strengthened as the top priority of rural operation. Even for those villages that are in a position to develop tourism, operators should fully consider how to utilize activities, traffic and facilities to empower the development of the agricultural industry. For rural tourism, only by integrating into the development of the agricultural industry can it gain constant and intrinsic momentum, and can it further strengthen the material foundation of common prosperity.

# 5.4 Strengthen the implementation: condense the theme culture and enrich the spiritual heritage of common prosperity

It is not the case that as long as the culture is unearthed, the rural operation will be a great success. If there is no thematic positioning, the scattered rural culture will be difficult to "string beads into a chain", forming a strong market appeal. In this way, rural culture can not be transformed into real productivity. We have to eliminate the essentials, remove the false and keep the true, the village culture in the real regional identity, personality characteristics of the elements screened out, and combined with industrial development, and ultimately the formation of village thematic positioning. Theme positioning is like a "sea pin" for village operation. The refined theme will eventually become a powerful IP, the carrier of which can be a historical celebrity, an industry, a folklore, or even a building embodying local characteristics, and the connotation of which must become a cultural symbol that meets the needs of consumers and can be transformed into a cultural product, become a commodity in the market, and be upgraded into a cultural gift and a cultural boutique. The refined theme culture can also further enrich the spiritual heritage of common wealth.

# 5.5 Maintaining the decision: establishing a distribution mechanism to ensure the fair guarantee of common wealth

Village operations need to establish a reasonable distribution mechanism. For example, under the cooperation model of "guarantee + dividend" in Cenbu Village, the management committee provides conditions for entrepreneurship and employment, and gives priority to providing jobs for villagers in the village; for those who utilize public resources and space, management fees and public energy consumption fees are collected in accordance with the regulations, and dividends are paid in proportion<sup>[13]</sup>. In addition, Cen Bu Village has about 15 acres of collective operational construction land, also planned to be leased in the form of "guaranteed + dividend", the village economic cooperative receives the current building rental income as a guaranteed base, plus the operator of the land within the scope of various types of operating income of 2% as a dividend, will also bring a fixed income for the village-level collective economy each year. The village collective economy will also receive a fixed income every year. Reasonable distribution, in order to ensure a fair guarantee of common wealth.

#### 6. Conclusion

Rural revitalization is the key foundation for realizing common wealth, and rural operation is becoming an innovative path to solve the current rural development problems. Based on the theory of diffusion of innovations, rural operation has presented multi-dimensional advantages: in terms of relative advantages, it creates a differentiated development model through "one policy for one village"; in terms of compatibility, it is deeply compatible with the construction of ecological civilization and the concept of green development; and in terms of operability, it reduces the complexity of implementation by means of professional operation, and provides room for trial and error in the form of a pilot project. Its implementation path contains five key links: sound operation mechanism to enhance cognition, ecological protection to broaden the connotation, industrial reorganization to consolidate the foundation, cultural condensation to enrich the heritage, and distribution mechanism to ensure fairness. This systematic project requires continuous exploration and dynamic adjustment in order to realize the sustainable development of the countryside in the midst of uncertainty.

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