

# Where Is the Blue Ocean? Value Innovation Strategies in the Development of Rural Tourism across the Strait

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## Abstract

As the rural tourism market continues to expanding, there is a high degree of homogenization in rural tourism in mainland China. The highly homogeneity in rural tourism has brought about the Red Sea of rural tourism competition. Then, sailing to the Blue Ocean of less competition becomes the crucial in rural tourism development. In this paper, the case studies of Beireng Village in Hainan and Taomi Village in Taiwan are selected. The value innovation strategy is used as the path analysis to carry out the comparative analysis of four dimensions: Innovation of residents' concept, Innovation of marketing method of rural tourism, Innovation of goods and services in rural tourism, and Innovation of management in rural tourism. Through the analysis, we can learn that Taiwan's Taomi Village is a rural tourism development strategy based on Ecology, with significant social and economic benefits. At the same time, in Hainan's Beireng Village, after the fever of First Lady Diplomacy has faded, it has fallen into the dilemma of tourism development. Finally, this study also proposes avoiding fierce homogeneous competition and creating Blue Ocean suitable for their story based on the action structure of Eliminate-Reduce-Create-Enhance.

## Keywords

Value Innovation, Rural Tourism Development, Cross-Strait, Comparative Study

## 1. Introduction

Rural tourism plays an active role in improving the traditional economic structure of rural areas and raising villagers' income. Rural tourism attracts tourists

by highlighting local culture, folklore, natural resources, ecological resources, and particular agriculture. The traditional rural economy is based on small-scale farming and breeding, but with the rise of rural tourism, villagers' income has increased significantly. In recent years, experiential countryside tourism has emerged, and urban tourists seek rural tourism projects that combine unique B&Bs and agricultural work. 2016's *China Rural Tourism Development Index Report* points out that 2016 is the first year of China's Great Rural Tourism Era, and rural tourism development is significant in scale, investment and impact. It has become a new way of life for people, and through giant data projections, it is predicted that the rural tourism boom in China will continue for more than ten years, reaching 3 billion people in 2025. In 2018, the national leisure agriculture and rural tourism received 3 billion people, and the business income reached 800 billion yuan (Qiao, 2019). A substantial rural tourism market has been formed. At the same time, the tourism products and services in rural tourism are seriously homogenized, and the quality of rural tourism varies, with similar project planning and lack of novelty. The high homogeneity of rural tourism has resulted in increased market substitution and the "Red Sea" phenomenon of price competition. How can we differentiate our characteristics to develop rural tourism?

In this study, we use Kim and Mauborgne's (1999) Value Innovation Strategy theory as a framework to compare Taiwan Taomi Village and Hainan Beireng Village. The two sides of the Taiwan Strait are close to each other in terms of people and places, especially the frequent agricultural cooperation between Hainan and Taiwan and the possibility of learning from each other in rural tourism. Therefore, this study focuses on Innovation in residents' perceptions, Innovation in the marketing of rural tourism, Innovation in products and services in rural tourism, and Innovation in the management of rural tourism, which can not only be used as a reference for each other but also for other rural tourism development.

## 2. Research Methods and Literature Review

### 2.1. Research Methods

This study adopts a qualitative-oriented comparative research method, secondary data analysis, and interview methods.

The main objectives of the comparative study are: firstly, to summarize the experience of rural tourism represented by the model of Beireng. The comparative research method started in the 1980s, and many scholars and experts applied this research method to social sciences, economic management, law, and natural sciences. Comparative studies are mainly qualitative-oriented studies, in which the similarities and differences are summarized by "seeking differences among similarities and similarities among dissimilarities". This study belongs to the latter category, seeking similarities among dissimilarities.

Secondary data are non-primary data. Primary data are obtained through fieldwork or interviews, while secondary data are the results of excavation and

research by scholars or literature cited and verified by academia. The advantage of secondary sources that have been carefully selected is that they are recognized and validated by the academic community. The secondary sources are somewhat influenced by the subjective arguments of the scholars themselves, but the accumulation of secondary sources can compensate for this disadvantage.

The interview method is to conduct face-to-face interviews with people related to this study and examine the secondary data's arguments regarding primary data from the interviews.

This study also has some limitations. Compared to the academic research on Taomi Village in Nantou, few academic studies on Beireng Village in Qionghai are media reports or review articles. Therefore, there are fewer literary sources to cite; interviews were conducted with tourists who had visited the two villages, and there is a lack of more first-hand information for argumentation. If discussions with villagers, local officials, and other participants were added as a supplement, the logic of the argument would be more complete and persuasive.

## 2.2. Rural Development and Rural Tourism

Rural development is a collection of multi-dimensional concepts, including economic, ecological, and governance dimensions. However, rural development has been mainly assigned the value of the economic size for a long time. The core of the traditional development theory required to imitate the Western developed countries is economic growth (Li, 2010). It is undeniable that the economic approach to rural development has led to substantial and rapid increases in villagers' incomes and promoted rural development. The long-term economic model of rural development has brought about some drawbacks while increasing the income level and improving the living conditions of villagers. Some scholars even argue that the neglect of the rural environment and rural cultural aspects has caused a substantial decline in rural life (Yuan, 2011). Since 1980, Taiwan has been exploring the "Sustainable Development" model of rural development. Guided by the concept of ecological conservation, Taiwan focuses on agricultural production, rural life, and rural ecology. It instills the concept of "Production, Living, and Ecology" into specific policies as an introduction point for policies (Zhong, 2016). The mainland has also proposed many policy practices with the goal of Sustainable Development and has achieved considerable success. From Socialist New-countryside to Beautiful Countryside to Rural Vitalization, they are no longer limited to economic considerations. In particular, Rural Vitalization emphasizes the comprehensive revitalization of the countryside and promotes rural economy, politics, culture, society, ecological civilization, and Party building with systematic thinking (Wang & Dai, 2022).

Because of the apparent spillover effect of tourism on economic development, especially in rural development, rural tourism can play a significant role in promoting rural development. And rural tourism has formed a considerable tourism market; rural tourism has grown into necessary support for China's tourism

industry, especially in 2013-2015, rural tourism has achieved explosive growth with an average annual growth rate of 43%, which is outstanding for tourism development and enriching and benefiting the people. In 2018, the national leisure agriculture and rural tourism received 3 billion person-times, with a business income of 800 billion yuan. Agricultural Tourism Coupling will become the leading mode of rural tourism development in China (Yuan, 2013). Due to the explosive growth of rural tourism, there are also some problems worth noting: the homogenization of rural tourism is still very serious due to its characteristics and lack of its highlights; the lack of endogenous power in rural tourism due to institutional or other reasons (Wang & Dai, 2022); in the process of developing rural tourism, the low service and reception level of management and service personnel also can hurt rural tourism (Zeng & Qin, 2019).

### 2.3. Value Innovation

Value innovation, the cornerstone of the Blue Ocean Strategy, was first introduced by Kim and Mauborgne (1999). Value innovation refers to the use of new strategic thinking and execution models to create Blue Oceans and move away from the fierce competition of the Red Oceans, emphasizing new value for customers. In other words, instead of rushing to beat the competition, this strategy focuses on creating value leaps for customers and companies, thus opening up uncontested market space.

The Blue Ocean strategy emphasizes value reinvention and innovation rather than technological innovation or breakthrough technological development (Kim & Mauborgne, 2005a, 2005b), using innovation to expand customer value or to provide the best services to customers and future markets through innovative approaches (Aiman-Smith et al., 2005; Harmsen & Jensen, 2004). However, the Blue Ocean strategy creators do not consider competition for company survival; instead, they follow a different strategic philosophy and pursue value innovation. It is easy to see that this strategy does not aim to beat the competition but instead creates a value leap for the customer and the company.

Value innovation is created when a company's actions positively impact its cost structure and customer value. Cost reduction is achieved by eliminating and reducing an industry's factors. Increasing the value received by customers is achieved by enhancing and creating elements that the company did not previously offer. Costs are reduced even more in the long run as a superior value leads to higher sales, bringing economies of scale into play (Kim & Mauborgne, 2005a). In short, to break out of the status quo means to break out of established path dependencies, and to create differences means that the company offers products that sell better. Value innovation improves the technical competitiveness of products and creates more value for customers to win the company's success in the market competition. Value innovation is customer value-oriented, providing superior value to important customers in the value chain (Dillon, Lee, & Matheson, 2005). According to Betz (1998), "innovation" is not just about

technology development or product function modification or breakthrough, but also about giving new value to a product through market-defining segmentation actions. Therefore, the “innovation” referred to in value innovation is not only product, technology, manufacturing, and customer innovation but also includes all activities in the company’s overall strategy, which must pursue corporate and customer interests to achieve win-win benefit sharing. According to [Kim & Mauborgne \(2005a\)](#), the four action structures can break the trade-off between differentiation and low cost and identify a new value curve for the industry. Therefore, value innovation pursues “innovation” and is a way to rethink the implementation strategy, emphasizing value reinvention rather than technological innovation or breakthrough technology development.

For the tourism industry, customers tend to have a higher level of demand, with a preference for psychological and social needs. Its core value is the experience of pleasure consumption ([Hopkinson & Pujari, 1999](#)). Therefore, only by transforming the market can the irreplaceable brand image and substantive benefits of eco-tourism be shaped. Only then can a new market space be created by breaking through the existing situation and focusing on customer value. Therefore, this study attempts to determine the value innovation strategies of the Beireng Village in Qionghai and the Taomi Village in Nantou and compare them to see the differences in their differentiated development and the shortcomings in their differentiated product.

### **3. A Comparative Analysis of the Value Innovation Strategies of Qionghai Beireng Village and Nantou Taomi Village**

#### **3.1. The Development and Current Situation of Beireng Village in Qionghai and Taomi Village in Nantou**

The Beireng Village is located in the suburbs of Qionghai City, Hainan, on the banks of Wanquan River, near the highway, only about ten kilometers from downtown Qionghai, close to the Guantang Hot Spring Resort and Baishi Ling scenic spot, half an hour’s drive from the Boao Asia Forum site. The Beireng Village is a natural village under the jurisdiction of the Guantang Village Committee, with 48 households and 162 people, and is a more typical traditional village. Before the renovation, the Beireng Village was an unpleasant appearance, a youth departure, and no industrial development. Due to the Lady’s Diplomacy held by President Peng Liyuan in the Beireng Village during the annual meeting of Boao Forum for Asia in March 2015, the Beireng Village became famous.

The change of the Beireng Village started with the Beautiful Countryside Construction of Qionghai City. Under the leadership of the municipal government, experts were invited to plan the overall layout of the Beireng Village. In May 2014, the Beireng Village started to implement the principle of “No demolition of houses, no occupation of fields, no cutting of trees, and urbanization in place”. It began to renovate the infrastructure such as cement hardening of roads, water and electricity supply, sewage treatment and discharge, and waste

classification and disposal to preserve the characteristics of the Beireng Village to the greatest extent. We are ready to create a village economy with rural ecological experience and tourism as its economic pillar.

At the same time, through the selection activities of the House of Good Folkways, the House of Heavy Filial Piety, and the Most Beautiful Family, the villagers are driven to discipline themselves, attaching importance to both inheriting and promoting good customs and striving to advocate new life and new ways of living that are compatible with the new town and new countryside. It also set up the management committee of the Beireng Village, researched and formulated the village rules and regulations, and usually arranged three cleaners to be responsible for the village sanitation and cleaning every day and supervised the villagers to develop good habits. In addition, to gather the collective consciousness and motivation of the villagers, the Beireng Village to “villagers collective shareholding” form to the village business projects related to dividends, the village business income villagers can enjoy the rewards. Take the “nostalgic taste” farmhouse as an example; in addition to the operator accounting for 52% of the shares, the villagers control the remaining 48% of the claims, every three months the dividends, the villagers have become a fixed income. During the transformation process, the original village architecture and the original distribution of greenery were preserved as far as possible, and no large-scale deforestation was carried out to build houses; the quality of the actual village roads and village roads were improved; commercial facilities were set up according to local conditions; new facilities were also built on the principle of not destroying vegetation.

In 2015, the village was awarded “China’s Most Beautiful Leisure Village” by the Ministry of Agriculture, and in 2016, it was selected as “National Beautiful and Livable Village Model”. After developing rural resort tourism, 80% of villagers in the Beilan Village participated in rural tourism projects. The per capita annual income of villagers increased from more than 8000 yuan in 2014 to more than 16,000 yuan in 2015. The village received more than 100,000 visitors during the Spring Festival in 2016 and 2017. The development of the Beilan Village has also driven the rapid growth of related industries around the area, radiating more than 2800 people around the local employment. The transformation and development of the Beilan Village show the characteristics of “government-led, villagers’ participation and economic induction”.

The Taomi Village is located in Puli, Nantou County, Taiwan, situated in the middle of Taiwan Island. The Taomi Village is located in the mountainous and hilly area of Taomi Village, which is rich in water resources and wildlife, close to Taiwan Chi-Nan University and near Sun Moon Lake. Streams pass through the Taomi Village, forming dense stretches of natural ponds and wetlands in the valley floor, stream banks, and lowlands on both sides. Before the Chi-Chi earthquake, the Taomi was a traditional rural village located on a landfill. Until the 1990s, the Taomi Village was still the poorest place in Nantou County, facing problems such as an aging population, serious out-migration of residents, and

declining agricultural development. In the Chi-Chi earthquake, more than half of the 369 households in the Taomi Village were completely or half-collapsed, and the disaster was severe (New Hometown Schooling Park, 2013). After the disaster, the village was rebuilt and reborn. In the context of Taiwan's Community Construction Program, the villagers of the Taomi Village, the New Hometown Foundation, and experts and scholars from Taiwan Chi-Nan University discussed the development vision of the Taomi Village with a focus on exploring the rich ecological resources of the area (Luo & Liang, 2017). The concept of the Taomi Ecological Village was proposed. Together, they hope to transform the reborn Taomi community into an ecotourism and tourism industry, combined with ecological conservation and ecological conservation education. Then, with the support and enlightenment of the New Hometown Cultural and Educational Foundation, the community members' sense of Home was raised. The community members made good use of their own and external resources. With the concerted efforts of the community, government, academia, enterprises, and non-profit organizations, the Taomi Village was successfully transformed and became a valuable model of community creation in Taiwan (Cheng et al., 2010).

In 2016, the Taomi Village, with more than 1200 locals, received an average of 1500 visitors per day on holidays and 500 visitors per day on weekdays, with annual revenue of 2 million RMB from entrance fees and 8 million RMB from the accommodation, catering, agricultural products, and handicrafts. At the same time, it has also gained good social influence. According to Liao, Chairman of the New Hometown Cultural and Educational Foundation, the Taomi community slowly gathered consensus from the panic of the Chi-Chi earthquake. He found its community characteristics from the mountains and water that nurtured the homeland. With cross-sectoral cooperation, the Taomi community has set an essential indicator of the earthquake reconstruction, promoting and stimulating the feasibility of industrial transformation in the mountains and rural areas and initiating the demonstration of eco-tourism in Taiwan.

"Community ownership, bottom-up and pluralism of participating subjects" are the main characteristics of Taiwan's community creation program (Fu et al., 2019), and the post-earthquake reconstruction of the Taomi Village fully embodies such characteristics. In detail, the village reconstruction process in the Taomi Village is characterized by the following features: a comprehensive, multi-disciplinary community reconstruction support system, a diversity of participating parties, covering relevant departments, enterprises, universities, and nonprofit organizations, and implementation of participatory learning for residents to improve villagers' awareness and practical skills and Implementation of a public fund system to practice sustainable development (Liu, 2018).

### **3.2. Resident Perception Innovation: The Cornerstone of All Value Innovation Strategies**

In rural tourism development, value innovation strategy is almost always based on the local villagers' "concept change". The perception of local villagers can di-

rectly affect the outcome of rural tourism. Before the transformation of the village, the inhabitants of Hainan were no different from any other traditional village, with a departure of youth and no industrial development. In addition, Hainan has always been a slow pace of life, especially in rural areas.

In 2014, the Beireng Village carried out the Construction of Beautiful Village, improving the road, water supply, power supply, communication, and other infrastructure to give the whole village a new look and change the villagers' mindset. Villagers also gradually feel the feeling of "master of Beireng". The general reason for this change is twofold: 1) the construction of beautiful countryside has given villagers a sense of belonging, and they feel that their homes can be as clean as new; 2) the media coverage has given villagers a sense of honor.

Interviewee A3 confirms the latter reason: I have lived in the residential community next to the Beireng Village for seven years, and I go to live there for a few months every year. When I first came here, I met some villagers from the Beireng Village who brought their chickens and ducks to sell in the small vegetable market next to it. Since the transformation of Beireng Village a few years ago, especially in the past two years, when talking with them, they will take the initiative to invite you to go to their village, saying that it is different now. Between words, you can feel the pride of the residents of the Beireng Village now (A3).

The Taomi Village in Nantou, Taiwan, was reborn because of the post-earthquake reconstruction after the Chi-Chi earthquake. Therefore, the community consensus of the Taomi villagers to rebuild their homes still exists. In particular, the concept of Three Lives (Ecology, Production, and Life) has been internalized in the hearts of the villagers, who believe that this ecological community model of environmental conservation can condense the shared consciousness of the ecological environment as the main body, and gradually realize that maintaining the ecological environment is to keep their own homes.

### **3.3. Innovation of Marketing Modes for Rural Tourism**

While competition in the mainland rural tourism market is intensifying, the homogenization of rural tourism is becoming more and more serious. Focusing on the marketing approach of rural tourism is also very important for local rural tourism. In short, rural tourism is to find a certain point where people mention the place to connect with something specific, which can also cause a particular topic of discussion and drive word-of-mouth marketing. For example, certain scenic spots are well known to the public through a film or TV production, causing a topic of discussion. Overall, rural tourism marketing on the mainland is still not innovative enough. The most significant marketing point of the Beireng Village is the Lady Diplomacy during the Boao Forum for Asia in 2015. Tourists wanted to try the Lady's Coffee.

Two interviewees also mentioned that they wanted to try the coffee that the President's wife said was good (A1) and take a picture at the angle where the

President's wife took a picture (A2). The clever marketing brought about by Lady's Diplomacy is very successful, but in the long run, the attraction function of this innovative marketing will diminish with time intervals.

Regarding the marketing of Taiwan Naomi Village, the Paper Church and the Frog play two critical roles. The marketing of the Taomi Village is also around Ecology, and the Paper Church and the Frog have introduced ecological imagery into the tourism of the Taomi Village, creating a successful word-of-mouth marketing. In particular, the Paper Church has ecological imagery and forms the main body of a tour by combining ecology, culture, creativity, and unique construction techniques. Such imagery is long-term, but everyone who mentions the Taomi will want to see the paper church.

When I went there, I saw the guideline that a church was made of paper, and I thought it was extraordinary, so I wanted to see it. There is nothing special to see on-site, but I will be pretty impressed with the paper church (B1). I was impressed by the number of frogs I heard before getting to the waterfront (B2).

Compared with the Bereng Village, the marketing technique of Nantou Taomi Village in Taiwan is to dig deeper around one element and use other elements as a supplement, which can make its imagery and the Taomi Village as a connection, which will impress visitors more.

### 3.4. Innovation of Commodities and Services in Rural Tourism

Rural tourism is all about providing physical and non-physical tourism services for tourists to purchase. Especially in the age of e-commerce, the only way to make tourists have more desire to buy is to introduce some added value into the physical products. That is to say, let the tourists buy not only the goods but also a kind of consumption of thoughts or feelings. As mentioned above, the Beireng Village Lady's Coffee is a good example. A cup of Hainan local production of coffee, attached to another meaning, will make consumers more willing to desire to buy. However, the village still has some of the common problems in the development of rural tourism on the mainland:

A lot of varieties of tourist goods, but the characteristics are not strong. All do not buy tourist souvenirs, the whole of Hainan is similar, and online can also be purchased cheap (A3). Nothing exceptional food and drink is next to the neighborhood near the entrance can eat things; drinks are also supermarkets can buy varieties or is every where you can buy fresh coconut (A1). In addition to these physical products, service products are also an essential component of rural tourism consumption. There is nothing to serve, just a rental bike ride. There is no guide service either, just come and go independently (A2).

From the simple descriptions of the interviewees, we can see that the tourism consumption in the Beilan Village is still following the old road of rural tourism development in mainland China, and the characteristics of both physical products and tourism service products are not strong, so there is a lot of room for improvement.

Innovation, as mentioned before, should not only be limited to technology development or product function transformation or breakthrough but should also be defined by the market to give new value to the product. In the case of the Taomi Village, it seems to be doing better. From the perspective of the Taomi Village's physical products, it is not just about buying the sentiment of rebuilding after the disaster and building a home together, but also about actively connecting with the Ecology. For example, the Chi-Chi earthquake, Paper Dome paper artwork, the Frog home of the golden thread praying frog, and so on. In terms of tourism services, there is the Paper Dome New Hometown Schooling Park Schooling Tour, Natural Ecology Tour, Simple Art Creation Tour, and Eco-Environmental Education and Research Activities. From the development of the tourism as mentioned earlier products in the Taomi Village, it is evident that the Taomi actively connects tourism products with the ecology of the Taomi, so that tourists will still think of the Taomi after seeing the purchased products or experiencing the tourism services of Taomi. When tourists think of the Taomi, they will naturally think of the excellent ecology of the Taomi. In this way, Ecology is strengthened as the overall image of the Taomi marketing, forming a virtuous circle. It is worth mentioning that the Taomi Village has established its own brand.

Paper Dome, New Hometown Natural Ecological Leisure Farm. Many scenic spots on the mainland have been to; souvenir goods are not much to buy, rarely see themselves very satisfied. To the Taomi village to see those very well-designed, very creative small goods, although the price is slightly higher, I still want to buy (B1).

Tourism consumption in rural tourism is even more critical because tourism consumption can be directly related to residents' income. Therefore, in rural tourism development, it is essential to increase the added value of tourism goods and tourism services. In particular, the increasing homogenization of mainland China's rural tourism market breaks through such path dependence and stimulates tourists' desire to buy.

### **3.5. Management Innovation in Rural Tourism**

Management refers to the integrated allocation of people, money, and materials. In rural tourism is reflected in attracting more young people to return, allocating the existing human resources to maximize the effectiveness, how the income distribution can better motivate the villagers, how to manage public facilities, etc.—attracting young people to return, returning youth to stay. This is the process of rural tourism development and must be actively faced.

Hainan Qionghai Beireng village to create Nostalgia as the mainline of the Beireng village tourism culture, coupled with media publicity, hoping to arouse the feelings of villagers back home; through the establishment of the village business model, so that the villagers of word-of-mouth to become an attraction for villagers to return home; the city is also promoting the equalization of public

services in urban and rural areas, and create more space for entrepreneurship and employment. Eighty percent of the villagers in the Beireng Village are participating in the tourism project, and villagers can make dividends from the tourism income of the whole village. In June 2018, based on the formulation of the village rules and regulations, the Beireng Village established its management committee to give full play to the role of the organization, strict supervision to ensure the effective implementation of the village rules and regulations, mobilize the villagers' consciousness and initiative, cultivate good habits, promote the change of customs, and further promote civilized construction of the countryside. In addition, to further mobilize the villagers to do a good job in environmental health management, the Beireng Village also carries out activities such as ecological health contests and civilized family contests in the village. Further, it motivates the villagers to improve the human living environment by issuing bonuses at the end of the year.

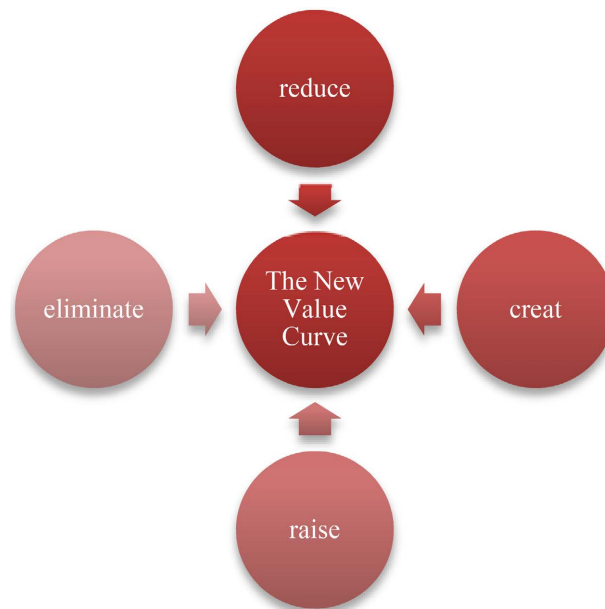
The positioning of the Taomi Village in Nantou, Taiwan is Ecological Village, mainly through the implementation of Respect for local culture and participatory learning of residents, so that residents and parties involved in post-disaster reconstruction are actively engaged in the development of the Taomi Village, attracting not only residents but also those who are interested in ecology. We are attracting residents and young people with a passion for ecology. At the same time, a special education fund set up with donations from outside manufacturers will support training for leisure agriculture-oriented personnel and help local villagers improve their knowledge and skills in various aspects of management to achieve the joint development of individuals, rural tourism, and their villages. In addition, to achieve sustainable development, the Taomi Village has implemented a Public Fund system. The Public Fund" is used for public expenditure and social welfare, with a proportion of the tourism revenue generated by the central business unit of the village (Zhou, 2015). The Public Fund is also used for matters related to ecological conservation, thus promoting a virtuous cycle of development in the Taomi Village.

#### **4. Recommendations: Analysis Based on Four Action Structures**

Kim and Mauborgne (2005a) developed four action structures (Figure 1) to rebuild the value base and shape a new value curve on the consumer side. As they suggest, to break the trade-off between differentiation and low cost and to create a new value curve, the industry's strategic logic, and business model must be challenged by four questions:

- 1) What factors taken for granted in the industry should be eliminated? Often, factors that have existed for a long time are taken for granted, but their value is gradually lost or even detrimental to the current value.

- 2) Which factors should be reduced to well below industry standards? Some elements are over-emphasized without realizing it and increase the cost to mitigate



**Figure 1.** The four actions framework (Kim & Mauborgne, 2005b: p. 114).

such factors.

3) Which factors should be upgraded to far exceed industry standards? What are the blind spots that customers need to accommodate and find ways to solve?

4) What factors are not provided and should be created? There is a need to develop a whole new base of buyer value, create new demand, and change strategic industry pricing.

This study attempts to analyze the value innovation strategy based on the four action structures and make specific recommendations for future rural tourism development strategies in the Beireng Village, Qionghai, Hainan, and the Taomi Village Nantou, Taiwan.

#### 4.1. For Beireng Village, Qionghai

- **Eliminate:** The Beireng Village tourism projects and tourism goods single, reflected in the catering and tourism goods especially obvious. In the winter there is the phenomenon of price increase of 30%, so it will be to make the tourist's products feeling reduced, affecting the overall image; because the village road is generally narrow and winding, more suitable for walking, should not appear the phenomenon of people and vehicles grabbing the road, so bike riding rental and electric coach ride project, it is recommended to cancel.
- **Reduce:** Reduce the excessive Refinement of the buildings in the village. In places where it is not necessary to decorate, it is required to decorate for the sake of decorating. Some villagers purchase European-style courtyard decorations for aesthetic reasons. These excessive Refinements increase the extra cost and destroy the overall atmosphere.
- **Create:** The most important features of The Beireng Village are: it is in the

tropics, there are hot springs nearby, and there are many developed and mature Migratory Bird Residential Communities within a ten-minute walk, and it is close to hot spring hotels. For this reason, it is suggested that one or two kinds of tropical ornamental plants be planted on a large scale, such as trillium, which has a long flowering period and beautiful colors and is suitable for viewing; hot spring water should be introduced to create a diet or health project featuring Hot Spring Health and to create a “Bei Reng” brand. The entrance channel of the village should be increased and connected with the nearby hotels or communities to become a back garden for the residents.

- **Raise:** The main line of ecological marketing of the Taomi Village is worth learning from the Beireng Village. Form a cooperative relationship with several scenic spots nearby, a one-stop multi-location style for group tours. Refinement of tourism services, such as establishing a medical clinic, all back to deepen the excellent impression of tourists to the Beireng Village.

#### 4.2. About Nantou Taomi Village, Taiwan

- **Reduce:** Some studies have pointed out (Cheng et al., 2010) that the ecological carrying capacity of the Taomi Village is facing a significant challenge. At the same time, the Taomi Village is already the most crucial selling point for ecology. Reducing the ecological carrying capacity will help improve tourists’ sense of travel experience and contribute to sustainable development. So, it is necessary to suggest establishing an environmental carrying capacity control system.
- **Eliminate:** In the vicinity of the Paper Church, some vendors and hawkers will affect the surrounding movement; it is recommended to standardize the management; if there is indeed a consumer demand, you can designate areas for management.
- **Create:** The Paper Church can be used as the main body to create an exhibition hall for paper products or ecological products, forming another imagery marketing; generate more participation in interactive tourism projects, such as participation in paper recycling, making paper products, etc.
- **Raise:** To continuously enhance the overall imagery of the Taomi Village, such as gradually transforming the village buildings into green buildings to deepen the imagery of ecology; to improve the tourist guide system of the Taomi Village with new technology to make it more humane; to form a cooperative relationship with the relevant biological conservation department or association of the neighboring Jinan University in Taiwan to gradually give the Taomi Village the connotation of a rural ecological education base.

### 5. Conclusion

The application of the Value Innovation Strategies in the development of rural tourism is compared between the two sides of the Taiwan Strait in four dimensions: Innovation in residents’ perceptions, Innovation in the marketing of rural

tourism, Innovation in products and services in rural tourism, and Innovation in the management of rural tourism.

Obviously, the rural tourism development of the Beireng Village in Qionghai lacks holistic planning. There is no way to create the Imagery Marketing of the Beireng Village, which is a point that needs attention in the development of rural tourism in the Beireng Village. In contrast, the post-disaster reconstruction development of the Taomi Village in Taiwan is a collaborative, bottom-up model to promote the Taomi development, including non-profit organizations, experts, and scholars who play a significant role in the development of the Taomi Village. Because of this, will local villagers form a kind of dependency in the long run? These are all areas that deserve attention in the future. In addition, the villages on both sides of the Taiwan Strait were chosen as cases for comparison in this study because the paths of economic and social development on both sides of the Strait are not the same and bring different thinking. It is precisely this different way of thinking that makes it possible for the two sides of the Taiwan Strait to learn from each other and to take their strengths and make up for their weaknesses.

Finally, back to the level of comparative research, the two villages in this study, the Taomi village, and the Beireng village, have very different styles of Value Innovation strategies in developing their respective rural tourism due to various social development paths. The similarities in rural tourism development are summarized as respecting local culture and Inspiring local people. Of course, this also extends to two unavoidable issues in rural tourism development: first, how to respect local culture; second, how to better motivate local people. After the above two issues are well explained, it is possible to develop rural tourism better and drive the development of the rural economy. This is the most important conclusion of this study: to develop rural tourism; we must respect the local culture and motivate the local people.

(In this paper, interviewees A1 A2 for both of them were interviewed on July 20, 2019, and A3 she was interviewed on August 14, 2019, all of the above interviewees were tourists who visited the Beireng Village in Qionghai, where they were also interviewed, and A3 was also a resident who lived in a neighborhood near the Beireng Village. In addition, B1 and B2, tourists who visited the Taomi Village in Nantou, Taiwan, were interviewed on July 1, 2019, and the location of the interview was also in the Taomi Village.)

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## **Conflicts of Interest**

The authors declare no conflicts of interest regarding the publication of this paper.

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