

On the Development Trend of Cross-border E-Commerce in China under the Trend of International E-Commerce

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Abstract: At present, under the background of economic globalization and information sharing, Chinese enterprises generally adopt cross-border e-commerce business model in order to expand the international market. As the main component of foreign trade, the development of cross-border e-commerce has attracted great attention of the whole society. The article discusses some new problems that cannot be ignored in the current development of cross-border electronic commerce in China, and also briefly discusses the current situation and trend of cross-border electronic commerce development at home and abroad. It also focuses on the development trend of cross-border e-commerce in China.

1. Introduction

Cross-border e-commerce is a new type of international trade that is formed by trade partners in different regions or countries, giving full play to the role of the Internet platform and using customs clearance through logistics or mail. Cross-border e-commerce is mainly based on international trade, opening up the international trade market, requiring enterprises to have certain international development and innovation capabilities [1]. However, in recent years, international e-commerce based on information technology has developed rapidly around the world, and has gradually become an important force for countries to participate in international division of labor and cooperation, promote international trade facilitation and optimize global resource allocation [2]. On the issue of helping traditional foreign trade out of difficulties, e-commerce as a marketing model innovation can effectively help foreign trade enterprises to solve the problem of asymmetric supply and demand information. Based on the definition of cross-border e-commerce theories, this paper will analyze the current development situation and bottlenecks in cross-border electronic commerce from a macro perspective. Then, from the microscopic point of view, the development trend of cross-border electronic commerce in China is discussed.

2. Overall Development of Global International Electronic Commerce

Cross-border trade fairs involve cultural and linguistic differences, which are quite different from domestic trade. Due to the different cultural backgrounds of consumers in different countries and regions, e-commerce enterprises need talents with special language and cultural literacy to carry out effective communication with consumers [3]. Global international e-commerce is between physical and virtual. At present, global international e-commerce involves various fields of international economy such as goods, services, exhibition, tourism, insurance, finance and so on, and is in a period of rapid development. Cross-border e-commerce is gradually emerging in international economic and trade due to its advantages of flexibility and convenience [4]. China's cross-border e-commerce has really begun to flourish since its inception in 2013, and it still shows more problems in the development process. The global e-commerce transaction model covers the basic modes of e-commerce such as B2B, B2C, C2C, C2B, B2G, etc., and has continuously adapted to the needs of the international market, and an updated business model has emerged [5]. However, it is undeniable that the B2B model is still the main mode of international e-commerce. A large number of domestic and foreign enterprises have found more business partnerships through the Internet to

find business opportunities. Many cross-border e-commerce companies have failed to pay enough attention to this and hinder the further development of the business.

The international e-commerce development environment in the United States, Japan, Singapore, South Korea and other countries has achieved remarkable results and is in the first echelon. Cross-border e-commerce in China, Russia, Chile and other countries is in a very promising development stage in terms of policy environment, technology level, application level and effect [6]. The Internet economy has become the globalization and modernization of the Chinese economy. It is not only to rectify the existing economic order, but also to regulate the economic behavior of various stakeholders by formulating rules and making institutional arrangements. Procurement and trade between enterprises have a long history of development and market share, accounting for more than 85% of the total trade volume, belonging to the most common type of cross-border electronic commerce [7]. Among them, the cross-border B2B e-commerce includes not only the online transaction through the cross-border transaction platform, but also the offline transaction through online matching. Many other countries are still in the process of starting up and improving their catch-up. According to the report of UNCTAD, from the point of view of international trade, international e-commerce is expected to account for 30% to 40% of world trade in 2015 [8]. Judging from this. The next 10 years will be a golden period for the development of cross-border electronic commerce.

3. Problems in China's Cross-border E-commerce Trade

3.1. Lack of professional talents

As consumers in different countries and regions have different cultural backgrounds, e-commerce enterprises need talents with special language and cultural literacy to carry out effective communication with consumers. On the one hand, the talent base is relatively small, especially the serious shortage of professional talents in line with international trade. Trade talents with international quality are the main demand of China's foreign trade companies. On the other hand, there is a certain disconnect between the traditional education mode in our country and the scheme of training talents in colleges and universities and the enterprise practice. It takes a lot of resources to cultivate talents with comprehensive literacy. Many cross-border e-commerce companies have not paid enough attention to this and hindered the further development of the business. Under the background that China's import and export trade has entered a period of easing, with the continuous development of Internet technology and information technology, cross-border e-commerce is low-mouthed, low-cost, with few intermediate links, high convenience and high profit margin. The characteristics have become a new type of trade that is currently developing as a huge potential.

3.2. The development of cross-border logistics is relatively slow

Due to the rapid development of cross-border e-commerce in recent years, cross-border e-commerce pilot cities have become the hot spot of declaration. The establishment of pilot cities provides a powerful development environment for the development of cross-border e-commerce. Logistics transportation is very important to cross-border electronic transactions, so the development of logistics industry is also related to the overall level of cross-border electronic commerce. Many payment service providers have gradually developed into third-party international payment platforms. With the vigorous development of third-party payment platform in recent years, at the same time, it also accompanies with a series of problems. For cross-border logistics, postal parcel is a common way, with relatively slow delivery speed, serious accumulation of goods and difficult guarantee of after-sales service. If it exceeds a certain amount, customs declaration must be made for tax payment or transportation must be canceled. With the continuous upgrading of logistics supporting facilities, especially the rise of overseas warehouse mode, export e-commerce companies are accelerating their category and regional expansion. The further improvement of the entire payment system will also help facilitate and secure cross-border shopping, which will

undoubtedly promote the substantial development of cross-border payment business.

3.3. Customs clearance efficiency

The so-called “customs clearance efficiency” mainly refers to the release of goods from the beginning of customs declaration until the end of the customs declaration. During this period, the proportion of the total time spent on the entrusted logistics enterprises that undertake commodity goods is called “customs clearance efficiency” in the industry. In the face of sluggish global market demand, its growth is hard to avoid falling and falling. Factors such as Brexit and the rise of trade protection forces under the Trump regime in the United States have brought uncertainty to cross-border e-commerce exports. Imperfect customs clearance system, imperfect window service mode, more regulatory departments, unclear functional boundaries, too decentralized management, low customs clearance rate of product logistics, high logistics costs, seriously affecting consumers' market consumption behavior. Therefore, in cross-border e-commerce trade, the volume of commodity transactions between a single supplier and a single customer will continue to decrease, and under the constraints of this situation, the frequency of commodity transactions will change accordingly. Therefore, imperfect customs clearance management system will be one of the main factors hindering the development of cross-border e-commerce in China.

4. Future Development Trend of Cross-Border E-Commerce Industry in China

4.1. Further expansion of online shopping scale

With the rapid development of the Internet and the gradual transformation of information services, cross-border e-commerce is shifting from a traditional service model to a full-service online service model, and the electronic trading model is constantly changing. China's cross-border e-commerce is developing rapidly, but there are no corresponding laws and regulations to reduce the economic risks of enterprises. The state will train lawyers with solid legal knowledge to provide legal services to cross-border companies. At present, China's cross-border e-commerce trade is dominated by export business. In 2015, export business accounted for 88.7%, while import proportion was only 15.3%. With the growth of domestic market demand for overseas commodities, the proportion of cross-border e-commerce imports will gradually increase, and the structure of cross-border e-commerce import and export business will have a significant change. It can be seen from this that B2B cross-border electronic commerce trading mode basically belongs to the category of traditional foreign trade, and this cross-border trading mode has been formally incorporated into the customs statistics of our country. Provide diversified modes of logistics and transportation for customers to purchase, so that consumers can obtain the most desired products and services in the shortest possible time. Therefore, the further expansion of online shopping scale will be the main trend in the future development of cross-border e-commerce.

As can be seen from Figure 1 below, in the cross-border e-commerce trade, although the domestic export e-commerce enterprises account for a relatively large proportion of trade, the proportion of imported e-commerce is low. It is not difficult to find that the scale of import and export of China's cross-border e-commerce trade is changing, and the proportion of imports is rising year by year.

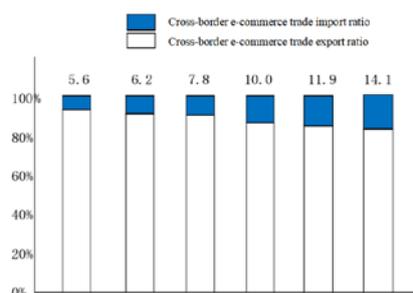


Fig.1. The size import and export structure of cross-border e-commerce transaction in China from 2016 to 2018

4.2. Orders are fragmented

As an innovative mode of traditional foreign trade, the regional distribution of cross-border electronic commerce's development is not completely matched with that of traditional foreign trade. People's demand standards for products and services are gradually improving. Cross-border e-commerce companies need to provide corresponding products and services for different customer groups to meet diversified and diversified market demands. At present, most domestic trade enterprises are still mainly providing information services. According to the current development requirements and the cooperation mechanism in all links of the national economic industrial chain. Therefore, the demand for multi-batch and small-batch foreign trade orders will further increase and become an important basic driving force to promote the development of cross-border e-commerce. To some extent, the inventory quantity is inversely proportional to the liquidity capital of cross-border e-commerce. That is to say, the more the inventory is, the less the liquidity capital of cross-border e-commerce, the higher the warehousing cost, the greater the capital risk faced by enterprises. Through cross-border e-commerce, more and more Chinese enterprises can go out of the country, gain the recognition of the world market, accelerate the transformation and upgrading of enterprises in the new trade model, and provide new opportunities for the development of Chinese enterprises.

4.3. Mobile trend

With the continuous development of Internet technology and information technology, the rapid innovation of the mobile industry, the use of mobile phones, tablets, etc. has further increased. At present, many new e-commerce platforms will focus on helping enterprises reduce transaction costs, that is, post-transaction services. In the next few years, there will inevitably be a basic development trend of multi-level service system among various industrial sectors in the national economy. At the same time, there will also be small-scale domestic e-commerce trade, and there will be explosive growth. Based on this background, major cross-border e-commerce companies began to develop smart phone APP clients to provide consumers with convenient mobile online shopping models. With the increase in spending power, this king's goods can no longer meet people's needs. Consumers can access information on products from all over the world through the Internet to meet the diverse needs of consumers. The study found that more than 30% of China's cross-border e-commerce companies are currently developing and designing mobile handset applications, and mobileization will be an inevitable trend for China's cross-border e-commerce development.

5. Conclusion

To sum up, cross-border trade e-commerce as a rapidly developing industry has driven the country's economic growth and has become an inevitable trend of cross-border trade in the future, which is both an opportunity and a challenge for China's vast foreign trade enterprises. As an important subject in cross-border electronic commerce, platform and manufacturing enterprises should base themselves on the long term, not just rely on policies to grab dividends, but also deal with the increasingly acute problems in their current development process. Cross-border e-commerce transactions are different from the traditional e-commerce industry in China. The market and service targets of cross-border e-commerce are all over the world, and the difference is very obvious. Cross-border e-commerce has broad prospects for development. Chinese enterprises should seize the opportunity to promote the development of China's trade with me. Under the concerted efforts of the government and enterprises, create favorable conditions for cross-border electronic trade.

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