

Research on the Strategies of China's Cross-border E-Commerce Promoting Foreign Trade Transformation and Upgrading from the Perspective of Industrial Integration

Xie Yashen

Shijiazhuang University of Applied Technology, Hebei Province, Shijiazhuang City, 050081, China

Keywords: Cross-border E-commerce; Globalization; Foreign Trade; Transition

Abstract: With the improvement of science and technology and the development of economic globalization, cross-border e-commerce is a common means of business in foreign trade, and also a new development trend of enterprises. It can not only bring more benefits to enterprises, improve their visibility and promote their development, but also enable consumers to buy products at more favorable prices. The renewal of sub-products promotes the reform of e-commerce. Under the new historical conditions, e-commerce in China is facing a great competitive choice. Facing the severe development form, if e-commerce wants to break the status quo and enhance its position in the competition, it must expand the service scope and improve the service quality. Under the background of the continuous improvement of cross-border electronic commerce's development level, China's relevant foreign trade enterprises should clarify the boosting role played by cross-border electronic commerce in the development of foreign trade. In order to consolidate its development status under such conditions, cross-border electronic commerce must open up a larger market and realize the transformation and upgrading of foreign trade.

1. Introduction

Cross-border electronic commerce refers to a kind of international commercial activity that is divided into trading subjects in different customs territory, which completes the transaction and settlement of commodities through e-commerce platform, and delivers commodities through cross-border logistics to complete the transaction [1]. The rapid development of Internet technology and the increasing degree of economic globalization have greatly promoted the development of cross-border electronic commerce in China [2]. The development of cross-border electronic commerce has brought new opportunities to the foreign trade of Chinese enterprises, and has become more and more important in the current foreign trade, changing the mode of China's foreign trade [3]. China's cross-border e-commerce has developed rapidly. In foreign trade, the proportion of cross-border e-commerce platforms in China has also increased. China's cross-border e-commerce development has also achieved certain results. In the process of development of e-commerce, more emphasis is placed on the quality of development. From the perspective of the development form of e-commerce, it provides a more convenient way for foreign trade development [4]. Cross-border e-commerce has broken the limitations of distance, broke through the obstacles before the state and the country, and made the transaction global and international.

The development of cross-border e-commerce has provided new opportunities for foreign trade. China's e-commerce platform has been increasing and its status has also increased [5]. In the process of development, China's foreign trade is still insufficient, such as the added value of products to be upgraded, the imbalance of industrial structure, and the uncoordinated regional trade. These shortcomings hinder the transformation and upgrading of foreign trade. With the increase of international demand, the competition between e-commerce industry is becoming more and more fierce, and its development is also facing enormous economic pressure [6]. Under the background of the continuous improvement of cross-border e-commerce development, China's relevant foreign trade enterprises should clarify the role of cross-border e-commerce in the development of foreign trade. To enable foreign trade to achieve transformation and development at an early date, thus

steadily and sustainably developing [7]. It is in this overall unfavorable traditional foreign trade environment that cross-border electronic commerce has achieved counter-trend growth, becoming a new channel for mainland enterprises to explore the international market and a new means to accelerate the transformation of foreign trade development mode. In order to consolidate its development status under such conditions, cross-border electronic commerce must open up a larger market and realize the transformation of foreign trade.

2. The Promoting Role of Cross-border Electronic Commerce in the Transformation and Upgrading of Foreign Trade

2.1 Upgrading of Foreign Trade Services

In the wave of information technology, many enterprises have invested in the establishment of their own management information systems and achieved relatively successful applications. In order to make effective use of existing investments, enterprises will require new systems to be able to integrate and share data with existing systems. And establish more e-commerce trading platforms to enhance the team building of cross-border e-commerce enterprises in China. When China's foreign trade enterprises carry out online marketing, they need to change the traditional marketing concepts and marketing perspectives, and formulate new marketing strategies from the perspective of consumers. The use of e-commerce by foreign trade enterprises should not only be limited to understanding market prices, supply and demand information, but also use e-commerce to evaluate and improve their own products, services and brands irregularly and quantitatively. In the process of making and implementing strategic decisions, enterprises need to conform to the local social environment. Changes in the technological environment will directly affect the enterprise's execution process and management methods. Enterprises operating through advanced technologies will have more competitive advantages than similar enterprises using backward technologies. The action intensity of each influencing factor in cross-border electronic commerce is shown in Table 1.

Table 1 The intensity of each impact factor of cross-border e-commerce

Impact factor	Strength of action
Online payment security	0.121
User information security	0.062
Page style design	0.083
Page response speed	0.117
Convenience of communication	0.058
Received product integrity	0.115
Independent visits	0.223
Personalized service	0.714

Different from traditional transactions, the information flow of cross-border e-commerce in transactions is not a simple two-way flow, but a network of information flow. Enterprises can improve the efficiency of commodity customs clearance and shorten the time of commodity customs clearance when they reform and innovate the management work. From the perspective of import and export, cross-border e-commerce can be divided into export cross-border e-commerce and import cross-border e-commerce. Cross-border e-commerce can realize direct transactions among multinational enterprises, enterprises and end-consumers through e-commerce transaction and service platform. As China is a developing country, the funds for foreign trade and the development of cross-border electronic commerce are limited. Therefore, in the actual development process, more attention should be paid to the application of advanced technology [8]. The continuous development of trade also means that people are demanding more and more professional foreign trade services. Under this situation, professional foreign trade services need to be upgraded continuously and participate in the cross-border electronic commerce link. With the help of cross-border electronic commerce, foreign trade services have been upgraded continuously, with better and more comprehensive services, which can promote its further development.

2.2 Enterprise Production Model

Compared with previous trade, the number of single orders for cross-border e-commerce is small or even single, mainly because cross-border e-commerce promotes transactions between individual consumers and individual enterprises. The platform of cross-border electronic commerce is equivalent to a bridge directly connecting with foreign consumers and enterprises. When conducting cross-border electronic commerce transactions, Chinese enterprises can directly face foreign consumers. For enterprises, large-sum and long-term transactions require a large amount of working capital, more deposit and longer delivery time. Through the service of foreign trade e-commerce, some important intermediate roles in traditional trade will be weakened or even replaced, and the original intermediate costs of traders, wholesalers and other links will be squeezed or even completely disappear [9]. Cross-border e-commerce transactions provide consumers with a variety of forms of consumption, enabling the common development between enterprises and enterprises. Compared with traditional foreign trade sales methods, cross-border e-commerce transactions not only reduce the cost of enterprises, reduce a lot of manpower and material resources, but also improve the efficiency of sales.

When processing large quantities of orders, large inventories will occupy large amounts of liquidity. Therefore, the focus of development is to maintain the relationship of upstream suppliers and ensure funds. The scale of cross-border e-commerce, e-commerce and import and export transactions in China in the past five years is shown in Table 2.

Table 2 China's cross-border e-commerce, e-commerce and import and export transaction scale

Year	Cross-border e-commerce transaction volume (trillion)	Trade volume of import and export trade (trillions)	E-commerce turnover (trillion)
2014	4.2	26.5	10.0
2015	5.2	28.3	14.2
2016	6.3	29.7	16.1
2017	7.5	33.1	19.1
2018	8.9	34.5	22.5

3. Cross-border electronic commerce's Strategies for Promoting Transformation and Upgrading of Foreign Trade

3.1 Developing E-commerce Logistics

Logistics is an important guarantee in the development of cross-border e-commerce. China's advantage in low-cost manufacturing is losing. While foreign trade enterprises are facing pressure, it also provides enterprises with the power to turn pressure into power. Under the background of cross-border e-commerce, the transformation and upgrading of foreign trade should focus on the development of cross-border e-commerce logistics and the establishment of global logistics chain. China's cross-border e-commerce foreign trade transformation is the inevitable development of cross-border e-commerce, which can achieve coordination between enterprises and enterprises, enterprises and consumers. In the initial stage of cross-border e-commerce, enterprises can combine their own characteristics to develop the market of surrounding countries, radiate constantly to the surrounding areas, expand the market scope, and thus improve the development efficiency. The government should participate in the intervention of cross-border commercial logistics, formulate policies to promote the development of third-party logistics, and vigorously build logistics infrastructure such as transportation hubs and ports. When enterprises set foot in the cross-border electronic commerce industry, they should pay attention to creating their own brands and improving the competitiveness of their products.

Many transit points are involved in logistics distribution and are not controlled by people. Due to customs problems, weather problems or workers' strikes in various countries, logistics will be

delayed. Therefore, the international cargo system also needs to count the average time to each country so that it can give a time-range reply when conducting marketing or answering customer inquiries. First of all, it is necessary to find out all the package information and delivery order numbers sent to various countries within a certain period of time. For each package, the specific package location and the current delivery result can be found through the delivery order number. The logistics inquiry process is shown in Fig. 1.



Fig. 1 Logistics query process

3.2 Perfecting Industry Development Norms

Judging from the industry in cross-border electronic commerce, it is a new industry and is still in development. It still needs to further improve its industry standards in order to promote the development of the industry in cross-border electronic commerce. With the development of electronic commerce, technology has also been innovated, bringing together many intensive products, which is conducive to the return of funds. In the current stage of enterprise development, cross-border electronic commerce is a new and powerful booster. Enterprises should pay more attention to the development of cross-border electronic commerce [10]. Cross-border electronic commerce, China, should standardize its own environment, operate in good faith and attract more customers. Foreign trade enterprises should be encouraged to develop their cross-border e-commerce business in accordance with their own characteristics, and give certain policy support. In order to adapt to the new trade development, professional foreign trade services need to be upgraded and participate in cross-border e-commerce links. This will not only drive the development of the industry, but also continuously improve the service level and enhance the risk response mechanism in the international competition. China's foreign trade enterprises should take the initiative to learn from and learn from the advanced experience of domestic and foreign enterprises, and combine with their actual conditions to explore a development path suiTable for their own.

4. Conclusion

With the development of network technology and the trend of economic globalization, cross-border e-commerce, as a new mode of foreign trade, has built a bridge between Chinese enterprises and foreign consumers and enterprises. The emergence of cross-border e-commerce facilitates people's lives, promotes the development of economic globalization, and also improves the competitiveness of enterprises in the international market and increases their profits. But it brings opportunities and challenges to enterprises. Foreign trade enterprises need to reform and innovate their products and services in order to make themselves more competitive in the international market. Under this background, if enterprises want to develop in the big environment of cross-border electronic commerce, they need to strengthen innovation and continuously improve their competitiveness so as to enhance their competitiveness and industry influence. China's foreign trade enterprises should take the initiative to learn from the advanced experience of domestic and foreign enterprises, and combine with their own actual situation to explore a suiTable development path. By improving the standardization of cross-border e-commerce industry and supporting the development of enterprises' cross-border e-commerce through national policies, and further ensuring the safety of network information, enterprises can be helped to develop their own

cross-border e-commerce business, thus driving the transformation and upgrading of China's foreign trade.

References

- [1] Kim H M, Lee H H. Asset specificity and capability of e-Trade performance: evidence from Korea[J]. *Journal of Korea Trade*, 2016, 20(1):2-20.
- [2] Hur J, Hyun H J. Trade Openness and Vertical Structure:Evidence from Korean Firm-Level Data[J]. *Working Papers*, 2011, 25(4):701-720.
- [3] Yoon H, Lee J J. Technology-acquiring cross-border M&As by emerging market firms: role of bilateral trade openness [J]. *Technology Analysis & Strategic Management*, 2016, 28(3):251-265.
- [4] Commendatore P, Kubin I, Petraglia C, et al. Regional integration, international liberalisation and the dynamics of industrial agglomeration[J]. *Journal of Economic Dynamics and Control*, 2014, 48:265-287.
- [5] Weber C, Vogel P. Contingent certificate allocation rules and incentives for power plant investment and disinvestment [J]. *Journal of Regulatory Economics*, 2014, 46(3):292-317.
- [6] Anwar S, Sun S. Unionisation and Firm Performance in China's Manufacturing Industries[J]. *Journal of Labor Research*, 2015, 36(1):78-102.
- [7] Tseng H L, Lee Y C, Chu P Y. Improvisational Capabilities in e-Commerce Adoption: A Multiyear Comparison[J]. *Journal of Global Information Technology Management*, 2015, 18(1):48-66.
- [8] Palese B, Usai A. The relative importance of service quality dimensions in E-commerce experiences [J]. *International Journal of Information Management*, 2018, 40:132-140.
- [9] Currim I S, Mintz O, Siddarth S. Information Accessed or Information Available? The Impact on Consumer Preferences Inferred at a Durable Product E-commerce Website[J]. *Journal of Interactive Marketing*, 2015, 29:11-25.
- [10] Cerutti E. Drivers of Cross-Border Banking Exposures During The Crisis[J]. *Journal of Banking & Finance*, 2014, 55:340-357.