

Cross-Border E-commerce Application Ability and Foreign Trade Enterprise Performance

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Abstract: With the help of communication technology, China's developed cross-border retail e-commerce B2C and B2B have broken through trade barriers and shortened the distance between buyers and sellers, whose Online transactions have been implemented in different countries or regions of the world. China's foreign trade transformation and upgrading and stable foreign trade growth have an increasingly important strategic position. The main objective of this study was to explore Yiwu Qiaohuo Tianxia E-commerce Co., Ltd who specializes in Alibaba's domestic and international wholesale business. A survey questionnaire was used for data collection which was applied to draw the 24 research participants from several demographic, which includes Yiwu Qiaohuo Tianxia E-commerce Co., Ltd., that were categorized into four, namely regular, quantitative method and deductive approach was used in the process to assess the validity of findings that results to a qualitative research and to understand the correlation of the quantitative findings based from the survey. With the proposed framework, the acceptability of the visualized used of Questionnaire could result to a highly sustainable China's foreign trade e-commerce B2B and B2C online and offline transactions in the country that can gratify and promote China's foreign trade e-commerce new growth in China's foreign trade e-commerce.

Keywords: cross e-commerce; application ability; foreign trade; enterprise performance

1. Introduction

China's cross-border e-commerce development status Cross-border e-commerce refers to the new international trade mode in which the two sides of the transaction are in different countries or regions, through the Internet in the form of mail or express delivery, with a small amount, a large number of times, and a fast speed. Many small and medium-sized enterprises in China are developing cross-border e-commerce, and the development trend is also optimistic. With the increasingly fierce competition in the international market, only a good development strategy can help companies stand up. Cross-border e-commerce is a new thing that can be born at any time. In the process of developing foreign trade enterprises, not only will it bring success, but also various problems will arise [1].

Yiwu's foreign trade enterprises have maintained steady growth, benefiting from the innovative attempts of local foreign trade enterprises in e-commerce and trade platforms. The textile industry is a traditional industry in Shaoxing. Hu Keqin, dean of the Zhejiang Modern Textile Industry Research Institute and director of the Shaoxing Textile Industry Productivity Promotion Center, told the 21st Century Business Reporter that the overall situation in the country is not very good. Although the overall trend of the textile industry is growing, at present, the export is more difficult and not very optimistic. A good trend is that large-volume, low-priced products are shrinking, new product development, and high-end product sales are increasing. This is a common phenomenon and is forced by the market. Therefore, it is necessary to understand the current status of cross-border e-commerce development. Through the cross-border e-commerce platform, the threshold of international trade can be lowered, and traditional small and medium-sized foreign trade enterprises have the opportunity to enter the international market to participate in competition; they can directly contact with overseas market terminals, reduce international trade transactions, reduce transaction costs, and increase profit margins; Directly handle all foreign trade procedures online, shorten the distance and time of international trade, make international trade activities paperless and simple, and improve work efficiency; open up space for international trade, enabling customers to obtain business online anytime, anywhere Business or product information; can understand and grasp the international market demand and fashion trends, so that small and medium-sized foreign trade enterprises can actively adjust product R&D and production according to market demand, improve their international competitiveness, and help foreign trade transformation and upgrading [2,3].

According to the statistics of the Cross-border E-Commerce Industrial Park Development Model and Industrial Overall Planning Research Report released by the Prospective Industry Research Institute, the total cross-border e-commerce transaction in China was 5.4 trillion yuan in 2015, a year-on-year increase of 28.60%. By 2016, the total amount of cross-border e-commerce transactions in China increased to 6.7 trillion yuan, a year-on-year increase of 24.14%. As of the end of 2017, China's cross-border e-commerce transactions totaled 8.06 trillion yuan, a year-on-year increase of 20.3%. It is estimated that the total cross-border e-commerce

transaction in China will reach 9.7 trillion yuan in 2018, and the compound annual growth rate in the next five years (2018-2022) will be about 20.61%. It is estimated that the total cross-border e-commerce transaction in China will reach 20.5 trillion in 2022. yuan.

2. Cross-border E-commerce Concept and Development Status

2.1. The Concept of Cross-border E-commerce

Cross-border e-commerce refers to a more advanced form of e-commerce application process. It refers to the fact that both parties in different countries or regions use the Internet to clear customs by mail or express delivery, and digitize the display, negotiation and transaction links in traditional trade, a new trade method to achieve import and export of products. The current mainstream cross-border e-commerce models mainly include B2B, B2C and C2C. Under the B2B model, enterprises usually advertise and information online, and first trade and customs clearance. In essence, they belong to traditional trade and are now included in customs. Trade statistics. Under the B2C model, enterprises directly target consumers, mainly selling personal consumer goods, mainly through aviation parcels, mailings, and express delivery. Most of them are not included in customs registration. We usually refer to the small cross-border e-commerce mainly including B2C and C2C modes.

Zhejiang Yiwu Langsha Knitting Co., Ltd. is also doing cross-border e-commerce, but the current total volume is still not big enough, which requires a lot of brand precipitation, but the group still has some foreign trade foundation in this respect, so the situation is relatively good. Including machine substitutions, companies have to go, but to calculate the cost. Zhejiang Yiwu E-Commerce Office provided data to 21st Century Business Herald reporters. In the first half of this year, Yiwu e-commerce realized a transaction volume of 61.8 billion yuan, up 31% year-on-year; 6869 home appliance business enterprises increased by 23% year-on-year; 400,000 tickets for cross-border express delivery, an increase of 43%. At present, the number of e-commerce entities registered with industry and commerce has reached 29,250. Yiwu e-commerce related people said that Yiwu traditional enterprises have become the mainstream in the application of e-commerce. For example, Langsha, Ouyi cabinets and other enterprises use e-commerce to enter e-commerce. Next, Yiwu will explore a new model of cross-border e-commerce development in the "market procurement trade + overseas warehouse" system, and strive to achieve cross-border e-commerce import business of "general trade in + mailing out".

2.2. Status of China's Cross-border E-commerce Development

In the context of the global financial crisis of 2018, coupled with the impact of the appreciation of the renminbi and the continuous rise in labor costs, China's traditional foreign trade industry has suffered a great blow. The growth rate of import and export has dropped

significantly. Many foreign trade enterprises, especially small and medium-sized foreign trade enterprises, have closed down. In sharp contrast, cross-border e-commerce has shown a good momentum of development because of its low intermediate links, low prices and high profit margins. The reasons are as follows: Traditional foreign trade exports generally include six links: "Chinese factories – Chinese exporters – foreign importers – foreign wholesalers – foreign retailers – foreign consumers". Under this model, the largest share of profits in foreign trade is obtained by the circulation intermediary. After the introduction of cross-border e-commerce, the export link can be simplified as "Chinese factories – foreign retailers – foreign consumers or further simplified as "Chinese factories – foreign consumers", bypassing many foreign trade brokers, on the one hand, the price of export goods can be further decline, to improve the competitiveness of China's goods in foreign markets, on the other hand, exporters can get most of the profits. Under the global trend of rapid e-commerce development and the globalization of China's e-commerce, China's cross-border e-commerce transactions will continue to scale. With rapid development, the proportion of e-commerce in China's import and export trade will be larger and larger. Although China's cross-border e-commerce development shows a very good situation, even some people are boldly predicting that e-commerce giants of cross-border trade may be China has emerged, but we must clearly understand that the development of cross-border e-commerce in China is still in its infancy, and there are still many problems.

In recent years, with the rise in wages, China's garment processing in the textile industry chain has gradually lost its price advantage, leading to the relocation of some garment processing enterprises. In Southeast Asia, Vietnam, Indonesia, Cambodia, and garment factories in India and Bangladesh in South Asia have sprung up everywhere, using local low-cost labor to produce ready-to-wear garments for export to Europe and the United States. Although the garment processing industry in these emerging countries is growing rapidly, the self-sufficiency rate of domestic fabrics is seriously insufficient and requires a large amount of dependence on imports.

According to the report, with the continuous improvement of China's textile technology level, China's fabric imports continue to decrease in recent years. The continuous enhancement of the independent research and development capabilities of fabrics has enabled some high-end fabrics that were monopolized by Europe and the United States to achieve independent production in China. The export of Chinese fabrics has also trended from low-end to high-end, especially functional fabrics and printing. At present, Southeast Asian countries have become the main market for the export of printed and dyed fabrics in China.

3. Problems with Cross-border E-commerce

Despite the many advantages of cross-border trade e-commerce, there are still many discordant factors that hinder and restrict the development of cross-border trade e-commerce. The specific performance is in three aspects: customs clearance efficiency, logistics and electronic payment and tax refund.

3.1. The Efficiency of Customs Clearance is Low

The so-called traditional trade generally refers to the trade of goods, usually characterized by large batch size, long cycle and low frequency. The e-commerce suppliers and customers directly meet, this change will lead to changes in the entire cross-border trade e-commerce industry chain or links. Therefore, the batch size between a single customer and a single customer is small, and the corresponding frequency also changes, from the low frequency in the past to the high frequency. Such frequency conversion reduces customs clearance efficiency and poses new challenges to customs regulation.

Cross-border trade e-commerce will inevitably involve customs clearance supervision and taxation in the course of transactions. A large amount of goods enter the country through express mail channels and postal channels, which brings higher requirements to the customs supervision and taxation. In the face of problems such as postal delivery and return of cross-border goods, the current customs supervision mode is still not well resolved. Some e-commerce companies have had some problems in cross-border trade, especially the difficulty of fast customs clearance and standard settlement. Therefore, relevant enterprises and society are eagerly expecting customs to further improve customs clearance efficiency.

3.2. Logistics and Electronic Payment Issues

Logistics typically includes warehousing, sorting, packaging, and distribution services. It serves as a link between buyers and sellers and plays an important role in e-commerce transactions.

In China, there are many difficulties and problems in the beginning of cross-border logistics.

4. How to Promote the Development of Mobile Cross-border Trade E-commerce

4.1. Improve Customs Clearance Efficiency

The booming cross-border trade e-commerce puts higher demands on the customs supervision system. According to the "Global Trade Safety and Facility Standard Framework" promulgated by the World Customs Organization, the Customs should do a good job in the supervision and inspection of actual goods. In addition, it is necessary to rely on the electronic port on the basis of paperless customs clearance, and use information technology as a means to solve bottleneck problems such as difficulty in fast customs clearance, standard settlement and tax refund in the development of small B2B and B2C services, improve customs clearance efficiency and reduce customs clearance costs. For this problem, the pilot cities have taken some measures to

improve efficiency. For example, Hangzhou cross-border trade e-commerce service platform is mainly for small-scale cross-border trade e-commerce. When exporting, cross-border trade e-commerce is included in the management of general trade goods. When importing, goods ordered overseas are cleared into customs through the platform. Centralized declaration within the specified time, thereby improving customs clearance efficiency.

4.2. Solving the Tax Refund Problem

Standardizing the export tax rebate policy will drive the development of foreign trade exports of relevant enterprises, especially small and medium-sized enterprises. Tax incentives combined with the characteristics of e-commerce itself will also play a positive role in reducing corporate costs and promoting foreign trade transformation and upgrading. On the export side, through automatic comparison of electronic orders, electronic payment vouchers, electronic waybills and customs declaration lists, classification and customs clearance, rapid inspection and release, and regular summary of inventory data to form general trade declarations, through the electronic data network with national tax and foreign exchange departments, To handle tax refunds and foreign exchange settlements for enterprises, and to support the development of small and medium-sized micro-electronics enterprises. In terms of import, the first is to establish a cross-border direct purchase channel for sunlight, and create a number of e-commerce platforms that clearly mark commodity prices, taxes and freight rates, and provide domestic buyers with a safe and quality online shopping environment, so that taxes and fees should be collected. The supervision is fast and convenient. The second is to give full play to the advantages of customs bonded regional supervision, allowing e-commerce enterprises to deposit consumer goods that are welcomed by the national economy and the people's livelihood and domestic consumers into the tax filing area in advance. Domestic consumers can purchase and distribute the goods in batches after purchase, saving the cost of international mail transportation. Speed up shopping delivery time. In addition, it is also possible to implement a taxation policy that is adapted to e-commerce exports to solve the problem that e-commerce export enterprises cannot handle export tax rebates.

5. Establish a Good Management System

Cross-border e-commerce platform should start from the aspects of technology, service and product quality, establish a good management system, and lay a solid foundation for the development of cross-border trade. The technical aspect is to strengthen the construction and management of the operation platform, and improve the speed and security of the transaction; the service aspect is to do a good background service to enhance the user experience of the platform; the product quality is to do the inspection of the goods and prevent Counterfeit and shoddy products are mixed in, so that the interests of users are guaranteed, thus establishing a good corporate image.

6. Measures to Solve Problems in Cross-border E-commerce—establishing a New Cross-border Third-party Logistics Enterprise Model

The existing cross-border logistics mainly includes international parcels and express delivery, overseas warehousing, and post-aggregation scale transportation. For small and medium-sized enterprises that are small cross-border e-commerce entities, international parcels and express delivery are almost the only options. At present, most cross-border logistics are monopolized by foreign companies, such as the United States Federal Express, and they often charge higher fees. Therefore, the future development direction of cross-border logistics should be to strengthen resource integration capabilities, establish new cross-border third-party logistics enterprises, improve the efficiency of processing warehousing, inventory, orders, logistics and distribution, improve service quality, and better serve cross-border trade. E-commerce. Improve China's cross-border electronic payment supervision and foreign exchange management system.

7. Conclusion

This research be based on the recovery questionnaire, the following analysis: which using the confirmatory factor analysis (CFA) to test the measurement model of latent variables, analyze the validity of the measurement;

and using high-level models to analyze cross-border e-commerce applications, foreign trade Whether the marketing ability and marketing performance of the enterprise can be expressed by the first-order factor; which using the full model for path analysis and test research hypothesis. This study conducted a confirmatory factor analysis on the questions of the questionnaire to determine whether each question has construct validity.

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