Study on Operation Mode and Optimization of China's Cross-border E-commerce Logistics

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Abstract. The current China's cross-border e-commerce is a new type of trade that is developing rapidly. Its cross-border e-commerce logistics industry in China has great potential, but the lag in cross-border logistics development also restricts the development of cross-border e-commerce. This article first describes the development status of China's cross-border e-commerce, and analyzes the status and operation mode of cross-border e-commerce logistics. Second, it analyzes the existence of cross-border e-commerce logistics in China. Finally, some countermeasures are proposed for the existence of cross-border e-commerce logistics.

Introduction

Cross-border e-commerce refers to merchants and consumers belonging to different borders, using cross-border e-commerce platforms to achieve information or commodity transactions, payment settlement, and through cross-border logistics distribution of goods, to achieve information flow, capital flow, logistics, An International Trade Pattern of "Four Flows and Oneness" in Business. In December 2012, China's cross-border trade e-commerce service pilot work was initiated. Zhengzhou, Shanghai, Chongqing, Ningbo, and Hangzhou were approved as the first batch of pilot cities for cross-border e-commerce. Since then, the State Council, the Ministry of Finance, the Ministry of Commerce, the National Development and Reform Commission, the General Administration of Customs, the State Administration of Taxation, and the General Administration of Quality Supervision, Inspection and Quarantine have successively issued many favorable policies and regulations to provide a good policy environment for cross-border e-commerce development in China. E-commerce has risen to national strategy. The data shows that China's cross-border e-commerce transaction growth has been strong since 2011. In 2017, China’s cross-border e-commerce transactions totaled 7.6 trillion yuan, an increase of 13.4 %(Fig 1) year-on-year, of which exports of cross-border e-commerce transactions amounted to 5.5 trillion yuan. The scale of cross-border e-commerce transactions is 1.2 trillion yuan. It can be predicted that under the influence of the international economic downturn, China’s foreign trade situation will not be optimistic for a period of time. Cross-border e-commerce is the “blue sea” of China’s international trade and is expected to become a new driving force for the development of China’s international trade in the future.

The status of China's cross-border E-commerce Logistics

The relationship between logistics and cross-border e-commerce

As a link connecting buyers and sellers, logistics plays an important role in e-commerce transactions. The relationship between e-commerce and logistics is a condition of mutuality, mutual motivation, and mutual restraint. When the relationship is properly handled and the measures taken are effective, both can promote each other and jointly accelerate development; In the process of electronic commerce, information flow, business flow, capital flow, and logistics are involved. Information flow and capital flow can be realized in a virtual environment through computers and network communication equipment. However, the logistics link cannot be realized in a virtual environment. The efficient, high-quality and low-cost operation of the logistics system is the guarantee for the development of e-commerce.

Cross-border e-commerce connects buyers and sellers in different countries and regions. It also has the characteristics of large geographic span, long time cycle, and complex operational procedures, which sets new requirements for the development of the logistics industry. Logistics companies need to constantly update information technology and logistics technology, reduce logistics costs, improve the level of intelligent management, improve customer service levels, and thus promote the effectiveness of cross-border e-commerce.

Cross-border e-commerce export logistics model

Cross-border e-commerce export logistics model is mainly divided into overseas warehouse model, international express delivery model, international parcel model and special line model, etc.

The overseas warehouse model means that export e-commerce stores goods to overseas warehouses first, and then sorts, packages, and delivers on a large scale according to the order status. First of all, the overseas warehouse model has greatly reduced the logistics costs. Secondly, the overseas warehouse model has a faster delivery speed and a reliable return policy, which improves user experience satisfaction. In addition, cross-border e-commerce sellers can monitor overseas warehousing online and remotely after selecting the overseas warehouse model, real-time update the data information of overseas warehousing goods, and after delivery, the remote monitoring system can update and display the inventory status in a timely manner. Therefore, overseas warehouses have become the more commonly used logistics model in the field of cross-border e-commerce. The establishment of overseas warehouses has also become an inevitable trend in the development of cross-border logistics.

The international express logistics model is mainly carried out by the four giants of DHL, FedEx Express, TNT, UPS and other international express logistics business of cross-border e-commerce. This model has relatively fast delivery speed, good service, low parcel loss rate, and user satisfaction. Higher, but higher prices.

The international parcel mode has a relatively wide range of logistics channels, plus it can obtain state tax subsidies, so the logistics price is low. However, there are many restrictions on international parcel delivery, and the delivery speed of international parcels is very slow, and the loss rate of non-registered items is also high. Outgoing private parcels cannot enjoy normal export tax rebates, which will cause certain losses to cross-border e-commerce.

The special logistics model is a kind of logistics distribution model that transports goods to overseas through air baggage, and sends it to the destination through a cooperative logistics company. The special logistics model reduces logistics costs through economies of scale, and its price is lower than the international express delivery model. Compared with the international parcel model, the drop rate of dedicated logistics is lower and delivery speed is faster. However, the general green logistics model does not provide customer return services, and the user experience is less satisfactory than the international express delivery model.

Cross-border e-commerce import logistics model

Cross-border e-commerce import logistics model is mainly divided into bonded stocking mode, direct mail mode and transshipment logistics mode.
The Bonded Zone model means that after the seller enters overseas goods through international logistics and other forms of intermodality, it temporarily exists in the bonded area. After the consumer orders, the seller will declare the goods as personal items and apply for inspection, and then transport them to the domestic logistics. Consumer hands. Its advantage lies in speeding up the distribution speed, reducing the logistics costs and ensuring the quality of the goods. Relatively speaking, the shortcomings are mainly due to policy reasons, exchange rate effects, and restrictions on the types of goods.

The overseas direct mail model refers to the purchase of overseas goods by consumers. The sellers directly ship goods from overseas warehouses according to their orders, and transport them to the country through international logistics and multimodal transport, etc., to carry out customs declaration and inspection of goods, and then directly to domestic consumption through domestic logistics. In the hands of the person. Its advantages are mainly rich and varied products, financial pressure and guarantee authenticity. Because of the adoption of the direct mail model, consumers' suspicions are reduced and consumers can feel comfortable buying. However, it also has its shortcomings, mainly including long logistics time and incomplete customer service.

The transshipment logistics model can be subdivided into three types of cross-border e-commerce import transshipment logistics modes: transport companies participating in delivery, customs declaration companies participating in delivery, and grey transshipment. For example, eBay shopping network adopts a logistics model that uses a transit station. After Chinese consumers place orders on overseas shopping sites, they check whether the site supports shipping to China. If you are shipping to China, you can fill out the domestic delivery address and wait for the goods. If you do not support the shipment to China, you need to register as a member of the transshipment company.

Problems in China's Cross-border E-commerce Logistics

At present, there are the following problems in China's cross-border e-commerce logistics:

High logistics costs and long periods of transportation and distributions

In addition to establishing a cross-border logistics network, cross-border e-commerce logistics also needs to take into consideration a series of costs such as cross-border commodity tariffs, commodity inspections, and cross-border express delivery. These costs are very expensive relative to domestic express delivery. In addition, if the cross-border parties complete the transaction, the buyer needs to return for various problems, which will inevitably increase the time and money costs of the transaction.

The cross-border logistics industry chain and links are relatively long and mainly include domestic logistics, domestic customs, international transportation, and foreign customs. There is also time for customs clearance and inspections, which makes cross-border e-commerce logistics far more time than domestic transactions. At present, the main dissatisfaction of consumers for cross-border e-commerce lies in slow logistics. Therefore, the distribution cycle of logistics is also a major obstacle to the development of cross-border e-commerce logistics.

Clearance barriers for cross-border logistics

Cross-border logistics has obstacles in customs clearance. Mainly because of cross-border e-commerce companies' supervision of customs

The neglect of the management system and the existence of trade barriers in the customs are two points. Cross-border e-commerce trade will also encounter exchange rate problems. When a country's currency appreciates or depreciates, the tax rate will change accordingly, thus indirectly reducing the profits of cross-border e-commerce companies.

Different countries have different customs policies and have different examinations of inbound and outbound shipments. In some countries, customs declaration procedures are cumbersome, reporting takes a long time, and expenses are also very high. In addition, the Customs adopts detention methods for non-conforming goods, which will lead to consumers. Unable to receive goods on time.

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Lack of cross-border logistics professionals

Talent is the most valuable strategic resource for developing cross-border e-commerce logistics. As cross-border e-commerce is a new and rapidly developing industry, there has been a clear disconnect and lag in the training of relevant personnel. The cross-border e-commerce industry has different specialties and complexities from the general e-commerce industry. It is precisely for this reason that cross-border e-commerce logistics talents must be multi-talented with a variety of knowledge structures and high levels of adaptability. In addition, in the development of cross-border logistics companies, there is also a shortage of informatized talents.

Low level of information

China's cross-border logistics companies generally have a low level of information. First of all, the overall level of informatization of China's logistics industry is not high, and many basic information platforms are still not perfect or lacking, and it is difficult to take advantage of information integration. Second, many cross-border logistics companies believe that the large investment in information construction has a high risk and leads to low enthusiasm. Thirdly, the level of leadership of the cross-border logistics industry that carries out informatization reforms has not paid enough attention to them, resulting in low enthusiasm for employee participation. Since informatization may reduce jobs and require workflow optimization, employees will inevitably have resistance. Fourth, there is a lack of strategic informationization planning under the thinking of integrating global supply chains.

Inadequate policy support for cross-border e-commerce logistics

Although cross-border e-commerce started relatively late in China, it has developed rapidly and has rapidly risen to a group of e-commerce companies headed by Alibaba Group. However, relevant policy formulation and theoretical research have obviously lagged behind practice activities. As a new growth point of China's international trade, cross-border e-commerce is getting more and more attention from all parties. China’s cross-border e-commerce has already formed a large-scale industrial cluster and trading volume. However, compared with developed countries, China’s cross-border e-commerce policies have obvious deficiencies in terms of support, policy feasibility, and implementation. For example, the obstacles to the ownership management of e-commerce transactions and foreign exchange management and regulatory duties of payment institutions have not yet been resolved.

Solutions to China's Cross-border E-commerce Logistics Solutions

In order to solve the problems faced by the current development of cross-border e-commerce logistics in China, we can improve its service level from the following aspects.

Reasonable choice of cross-border logistics model

At present, the cross-border e-commerce logistics model mainly includes overseas warehouses, direct mail, and logistics in the bonded area. These modes have their own advantages and disadvantages. Therefore, when cross-border e-commerce companies choose an appropriate logistics model, they must comprehensively consider the types of goods, tariff policies of import and export countries, customer requirements for the purchase of goods, and the safety of transportation in order to achieve the purpose of reducing logistics costs.

Improve the customs clearance policy

One of the important reasons that currently affect the speed of cross-border logistics is customs barriers. Cross-border e-commerce logistics adopts more traditional customs declaration methods during customs clearance. This makes it difficult to increase the timeliness of cross-border e-commerce logistics due to the cumbersome procedures of customs clearance and inspection and quarantine. Under such circumstances, China needs to improve the corresponding policies of the customs and open the door for cross-border e-commerce trade to further improve the efficiency of
cross-border e-commerce logistics. First of all, the General Administration of Customs should establish an e-commerce enterprise customs clearance service platform to realize the direct docking of the customs e-port platform with domestic and foreign e-commerce platforms and logistics company systems, so that cross-border e-commerce logistics can be tracked throughout. Secondly, cooperate with other countries to jointly build and improve the inspection and quarantine and customs clearance modes of cross-border e-commerce logistics and corresponding management systems.

**Training Cross-border E-commerce Logistics Talents**

First, the cultivation of personnel in institutions of higher learning is advancing with the times. It is necessary to cultivate practical talents who are proficient in foreign trade business, have cross-language communication skills, and understand e-commerce transaction operations. Second, relevant government departments should jointly accelerate the development of cross-border logistics personnel training. We should start with high-end talents, e-commerce teachers and other aspects, and promote cross-border electricity merchant training system at all levels and in all aspects. Specifically, it can integrate the province's cross-border e-commerce high-quality teachers, unified development of training materials, tailor-made cross-border e-commerce training courses for all regions. At the same time, a group of high-quality training companies and excellent cross-border e-commerce lecturers were introduced to comprehensively improve the level of cross-border e-commerce training services.

**Construction of Cross-border Logistics Information System**

With regard to the current development of cross-border e-commerce logistics, the establishment of a cross-border logistics information system to solve the problem of information asymmetry in cross-border logistics is extremely urgent. The construction of a logistics information platform is one of the main tasks. At the same time, along with the maturity of related technologies such as big data and internet of things, it becomes possible to build a cross-border logistics information platform. The Chinese government can coordinate cross-border e-commerce companies, international logistics companies, customs and other related parties to jointly build a cross-border logistics information system.

**Establishing a logistics strategic alliance for e-commerce companies**

Establishing a logistics strategic alliance for e-commerce companies can integrate resources from different cross-border e-commerce companies in various countries, share logistics information, establish cross-border e-commerce logistics transportation networks, establish a full-range transportation coordination mechanism, and optimize the development of cross-border e-commerce logistics. The environment ultimately promotes the progress of cross-border e-commerce logistics.

**Conclusion**

China's modern logistics industry is still in the development stage, and it lacks specialized operations for cross-border e-commerce logistics, leading to high logistics costs and low logistics efficiency for cross-border e-commerce. Only from the specialized logistics operations can we fundamentally solve the basic problems of cross-border e-commerce logistics, and provide good support and guarantee for the rapid development of cross-border e-commerce.

**Reference**


