

The Development of Small and Medium Enterprises Cross-Border E-Commerce in China

Wanwan Li, Ling Ding, Yaqi Lian

Taizhou Vocational & Technical College, Taizhou 318000, Zhejiang, China.

Abstract: E-commerce is one of the most dynamic and important sectors of the economy. The latest trend in this market is cross-border trade. It is based on selling products to customers who are located in other countries. However, it is connected to several problems, such as a high cost and long time of delivery, language barriers, different legal and tax conditionings. The previous studies were conducted on the basis of the scholars' experience in the field of e-commerce. And the issue of cross-border commerce was mainly analysed with the use of reports of the European Commission. However, the aim of my article is to analysis of cross border ecommerce in small and medium enterprises in China.

Keywords: Cross-Border Commerce; Small and Medium Enterprise; Development

1. Introduction

E-commerce is a set of transactions made by computer networks. These transactions most frequently concern the purchase or sale of goods and services ordered electronically, but the payment for and delivery of the goods or services may be performed in any form (Kawa A., Zdrenka W., 2015). The main difference between cross-border e-commerce and national trade is that in the case of the former, shopping is done from sellers located in a foreign country. But the most popular method of Cross-border E-commerce is carrying out these transactions through the Internet, hence the name is electronic commerce. Ecommerce is the main factor of economic growth and increasing employment levels in china. And there was a rise in relation to the previous year.

2. The development of Cross-border E-commerce in China

The rapid development of cross-border e-commerce has become a new momentum driving the growth of China's foreign trade. What is more, these trends have stimulated the transformation and upgrading of traditional foreign trade modes in multiple dimensions of sustainability: to presents a tendency of solid growth; to have a relatively stable situation for logistics facilitation but a drastic fluctuation in customs facilitation; to compete for cheaper and more efficient marketing techniques and to experience a remarkable amelioration of risk magnitude. (Shuzhong Ma, Yuxi Chai, Hongsheng Zhang, 2018). According to the report released by the China Electronic Commerce Research Center, China's e-commerce transactions amounted to 10.5 trillion Yuan in the first half of 2016, accounting for about 30% of GDP. There are also many studies examining the impact of cross-border e-commerce on consumer welfare from the perspectives of price, transaction cost and product diversity (Lendle, A.; Olarreaga, M.; Schropp, S. 2012). Therefore, the following should also be taken into account: delivery cost, time and quality of delivery, communication in a foreign language, payment currency, payment terms, legal and tax conditionings and dealing with retures (Duch-Brown, N.; Martens, B. 2014).

3. The Cross-border E-commerce of small and medium enterprise

The classification standard of small and medium-sized enterprises has different standards in different countries and

different industries. In our country (Yang Jianzheng, 2014) the enterprise generally refers to that whose workers are less than 500 or whose sales volume is less than 150 million yuan, engaged in foreign trade (import and export), and have the import and export business right of legal products within the related fields of the registered enterprises stipulated by the state. It aims to help small to medium enterprises understand the unique Chinese e-commerce ecosystem and develop an appropriate e-commerce strategy that enables them to enter the Chinese e-commerce ecosystem. The conceptual framework of this research is based on a new model of small and medium size enterprises exporting developed by the eBay Public Policy Lab research team. The four key building blocks in this new model of SME exporting include: Connectivity to the global Internet at lost cost and without gatekeepers: Global platform-based marketing, marketplace and payment services; Efficient, modern and “connected” package-level logistics and delivery services; Legal, regulatory and public policy framework supporting direct SME to consumer global commerce (Qiu Yanfan, 2019).but in china, there are also many problems in small and medium enterprises, for example, Analysis of influence factors affecting cross border electrical commerce of small and medium sized foreign trade enterprises in Gansu: (Lu Xudong, 2015, Yang Nachuan, 2015) The development of enterprises is not perfect and there are financial problems: Lack of professional talents in enterprises; The market competitiveness of the enterprise's own product is not strong; Enterprise operation model is inexplicit; Political factors, Economic factors, Social factors, Technical factors, Environmental factors and Legal factors do impact the development of Cross-border E-commerce of small and medium enterprise.

Otherwise, in recent years, the rapid growth of cross-border electronic commerce has accelerated consumption, trade, services. China's cross-border electronic commerce development is particularly prominent, based on the following four reasons: Growth momentum: technological progress; Consumption upgrade(Online shopping is the base to create large-scale users of new consumer, as of the end of June 2016, Chinese online shopping users reached 448 million, online shopping utilization rate reached 63%.); Industry foundation (China has the advantages of traditional manufacturing base and superior export products, as well as design for consumer goods manufacturing technology and manufacturing level especially in the clothing, shoes and hats, bags, 3C, digital home appliances and other consumer goods.); Credit protection(To provide integrated services through foreign trade platform, information of customs, inspection, tax, foreign exchange and other services, cross-border electronic business platform can help enterprises to establish a global network of trade credit system);and the scholars also found that Main Obstacles in China's Cross-Border Electronic Commerce Development: Poor Customs Clearance Service; Imperfection in the Market Supervision System; The Unreasonable Mode of Settlement.

4. The effective ways to promote small and medium enterprises

cross-border e-commerce

Therefore, Domestic scholars (Zhu Kai, 2014) mainly take small and medium-sized foreign trade enterprises, cross-border e-commerce or e-commerce as the research object study on the development status, internal and external influence factors, cross border e-commerce mode selection factors and so on. Countermeasures and suggestions: The enterprise consummates its own: 1. Cultivating professional e-business talents; 2. Enhancing the market competitiveness of enterprises' product development; 3. Adaptation of multi style platform operation; Improving the relevant legal system; (Yuye Fang, 2017) other scholars tackle the solution with developing cross-border electronic supplier, and the related service support system should be optimized, also, cross-border e-commerce market supervision system should be more perfect, and international cooperation in cross-border e-commerce has to been continuously strengthened; cross-border business platform will have greater development.

Conclusion

To sum up, in order to seek better and faster development of China's cross-border e-commerce, the need for the help of

relevant departments of the policy and the electronic supplier enterprise itself is important. Only when the relevant laws and regulations, construction, industry norms, enterprise back-end logistics procedures standardization, intelligence put into effect, the assistant guaranteeing effect of cross-border e-commerce development can be seen.

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