

Cross-Border E-commerce: A Review of the Literature 2000-2022

Wanwan Li

Economics and Trade School, Taizhou Vocational & Technical College, Taizhou 318000, China.

Abstract: In this paper, we searched the literature on cross-border e-commerce from 2000 to 2022 through the search engine in Web of Science database, mainly by the keywords of "cross-border e-commerce". The frequency and degree of application of marketing and management theories such as industrial structure theory, comparative advantage theory, economy of scale theory, consumer welfare theory, circulation theory, supply chain theory, and synergy theory in cross-border e-commerce research are clarified. The study shows that the most used and authoritative theories in cross-border e-commerce theory research are development trend theory, consumer welfare theory, production cost theory, and economy of scale theory.

Keywords: Cross-Border E-Commerce; Development Trend Theory; Consumer Welfare Theory; Production Cost Theory; Economy of Scale Theory

1. Introduction

With the expansion of Internet applications and the rapid growth of global economic integration, cross-border e-commerce has emerged as a new mode of international trade and a new trend in trade development. In recent years, cross-border e-commerce has emerged as a new focal point of China's foreign trade, gradually reshaping the overall pattern of China's foreign trade (Ma et al., 2019). Cross-border e-commerce provides a historic opportunity for enterprises, particularly SMEs, to expand into international markets, particularly emerging markets, in light of the deteriorating growth rate of China's traditional foreign trade, China's rising labour costs, RMB appreciation, and increased market volatility (Hsiao et al., 2017). In terms of the structure of China's cross-border e-commerce exports, the proportion of cross-border e-commerce exports to total exports in 2021 is 89.2 %, suggesting that cross-border e-commerce exports dominate China's international trade. As cross-border e-commerce exports are subject to increased state control, it is still important for the state to strengthen the relevant supporting policy and regulatory structure, as well as trade facilitation measures, to fulfil the rising real demand of Chinese consumers for foreign goods (Wang et al., 2021).

Table 1 Most common management and business theories in cross-border e-commerce studies.

Theory	Number of references used	Contribution
Development trend theory	19	Study on operation and management mode and countermeasures of small and micro enterprises of cross-border E-commerce between China and Russia
Theory of consumer demand	10	Cross-border e-commerce promotes the healthy development of China's international trade
Production cost theory	12	Path analysis of traditional textile manufacturing enterprises developing cross-border e-commerce in digital economy era
Industrial structure theory	5	Development status, advantages and suggestions of cross-border e-commerce
Theory of Comparative	4	Development status and strategy analysis of cross-border e-commerce

Advantage		in China
Economy of scale theory	14	Analysis of Chinese smes improving their competitive advantages in foreign trade under the background of cross-border e-commerce
Consumer welfare theory	9	Research on the development strategy of China-Russia cross-border e-commerce under the Belt and Road Initiative
Circulation theory	7	Challenges and countermeasures of China's development of cross-border e-commerce industry under the superposition advantages of "Free Trade Zone + comprehensive pilot zone"
Supply Chain Theory	3	Development and advantages of cross-border e-commerce in the "Internet Plus" era
Synergy theory	6	Analysis of development status and development path of cross-border e-commerce in China

2. Theoretical foundations

This paper collects research reports related to cross-border e-commerce between 2000 and 2022 and composes the related literature, focusing on the comparative analysis of the theories used in cross-border e-commerce research. After sorting out and summarizing the relevant theories, the frequency of use and degree of application of marketing and management theories, such as industrial structure theory, comparative advantage theory, economy of scale theory, consumer welfare theory, circulation theory, supply chain theory, and synergy theory, in cross-border e-commerce research are clarified. The study shows that the most used and authoritative theories in the theoretical research of cross-border e-commerce are the development trend theory, consumer welfare theory, production cost theory, and economy of scale theory, which will provide sufficient theoretical support for the author's future analysis and research on cross-border e-commerce. The application of each theory is shown as follows.

Development trend theory shows that the future cross-border e-commerce will have stronger development momentum, and strong development momentum makes the cross-border e-commerce main body grow; cross-border e-commerce is based on the huge domestic consumer demand market, and relies on the theory of population consumption demand to release domestic consumption demand and promote domestic consumption upgrading with the help of cross-border e-commerce imports.

Production cost theory suggests that cross-border e-commerce has changed domestic production costs. As an innovative business model in the Internet era, one of the salient features of cross-border e-commerce is that it breaks information asymmetry and can effectively match the demand for production factors, thus significantly reducing the production costs of production manufacturers; industrial structure theory suggests that cross-border e-commerce has adjusted the domestic industrial structure, optimized through business model innovation domestic industrial structure and promote the adjustment of domestic industrial structure, and derive more new industrial models through digital industrialization, and promote the transformation and upgrading of many traditional industries.

The theory of comparative advantage, the theory of economies of scale and the theory of consumer welfare can provide adequate and reasonable explanations for cross-border e-commerce. Consumers benefit equally from online trade, and the intercommunication and information sharing among domestic and foreign consumers are also the core elements of promoting cross-border e-commerce. In particular, circulation theory argues that the development of cross-border e-commerce has blurred the boundaries between domestic and foreign trade, wholesale and retail. Supply chain theory is accompanied by the rapid development of information technology, global economic integration to promote the formation of a globalized market, more and more exchanges between enterprises and business partners, and more and more fierce market competition, and the thinking and value of supply chain becomes more and more important.

Synergy theory believes that the purpose of synergy is to establish a concept and method to deal with complex systems with a unified view. Therefore, it is also necessary to emphasize the coordination and cooperative development between the network system of cross-border e-commerce and the service objects as well as the external economic, social and natural environment.

3. Discussion

In general, these experts concur that the advantages of China's cross-border e-commerce boom have in some respects surpassed the restrictions of classic trade theories and broadened the scope of trade theory. In analyzing the advantages of China's cross-border e-commerce development, however, the majority of studies continue to employ classical trade theories, such as the development trend theory, consumer demand theory, production cost theory, and economy of scale.

References

- [1] Ma, Y, Ruangkanjanases, A and Chen, SC. Investigating the Impact of Critical Factors on Continuance Intention towards Cross-Border Shopping Websites[J]. Sustainability, 2019 ,11 (21).
- [2] Hsiao, YH, Chen, MC and Liao, WC. Logistics service design for cross-border E-commerce using Kansei engineering with text-mining-based online content analysis[J]. Telematics and Informatics. 2017, 34 (4) :284-302.
- [3] Wang, Y, Agyemang, M and Jia, F.Resource Orchestration in Supply Chain Service-Based Business Model: The Case of a Cross-Border E-Commerce Company[J]. Sustainability, 2021 ,13 (21).
- [4] Wang, SH. Designing information systems for electronic commerce[J]. Industrial Management & Data Systems,2001 , 101 (5-6) :304-314.
- [5] Wang, L, Yang, JZ and Yin, S. Electronic commerce international logistics performance influence factor analysis[J]. International Journal Of Mobile Communications, 2015,13 (5):498-509.
- [6] Hsu, CL, Westland, JC and Chiang CH. Editorial: Electronic Commerce Research in seven maps[J]. Electronic Commerce Research, 2015, 15 (2):147-158.

This work was sponsored in part by Taizhou Federation of Social Sciences Research Project in 2022 (22YB03)