

Current Status and Suggestions of Cross-border E-commerce Logistics in China Against the Background of Internet Era

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ABSTRACT

In the context of the continuous development of the Internet, economic models and information exchange have entered the globalization, and people have more diverse choices. With the growth of the national economy, cross-border e-commerce can better meet people's needs, and cross-border e-commerce logistics has also become a hot industry. At the same time, cross-border e-commerce logistics also faces many problems, such as high cost, poor timeliness and lack of supply chain management. Therefore, this paper summarizes the development status and existing problems of China's cross-border e-commerce logistics in the context of the Internet era, and gives relevant suggestions.

Keywords: *Internet era, Cross-border e-commerce logistics in China, Current status, Suggestions.*

1. INTRODUCTION

On the basis of the Internet, cross-border e-commerce logistics has broken the fixed mode of traditional foreign trade channels and provided enterprises with convenient conditions to deal directly with wholesalers, retailers and consumers. At the same time, it also reduces the cumbersome consumption process to a certain extent, brings greater profit space to enterprises and offers consumers more favorable purchase prices. In 2013, many traditional enterprises transformed to cross-border e-commerce, and the transaction scale reached 3.1 trillion yuan. In 2014, the transaction scale increased to 4 trillion yuan, with a year-on-year growth rate of 30.6%. In 2021, the transaction scale has reached 9 trillion yuan. But China's rapidly developing cross-border e-commerce also faces many problems, and its logistics problems are more prominent. Next I will elaborate on the current development status of cross-border e-commerce logistics in China, summarize the existing problems and propose relevant suggestions and reflections.

2. THE CURRENT DEVELOPMENT STATUS OF CROSS-BORDER E-COMMERCE LOGISTICS IN CHINA

2.1 *Technical Policy Support of the Chinese Government*

In order to encourage the development of cross-border e-commerce logistics industry, the Chinese government has issued a series of relevant policies and systems[1]. China has implemented the national strategy of jointly building the "the Belt and Road" and achieved the perfect combination of the Internet and the real economy. The government has improved and formulated a targeted regulatory system for cross-border e-commerce logistics to promote its healthy, orderly and sustainable development. The government has also provided various preferential policies for the cross-border e-commerce logistics industry, such as tax relief, customs clearance facilitation and so on. During the COVID-19, the government actively responded to the challenges in the fields of foreign trade, foreign investment and consumption to reduce the impact of the epidemic on the development of cross-border e-commerce logistics[1]. The emergence of this

new industry provides more employment opportunities for people waiting for employment, while achieving the import and export of high-quality goods, so as to play the advantages of China as a manufacturing powerhouse.

2.2 Diversity and Breadth of Transportation Modes

An important feature of cross-border e-commerce logistics is the diversification of its international transportation modes. According to the international transport distance, commodity characteristics and external conditions, cross-border e-commerce logistics adopts appropriate and preferential transport modes to improve speed, reduce costs, and safely and punctually deliver goods to global consumers. Traditional logistics models include international postal parcels, cross-border dedicated logistics and so on, while emerging logistics models include overseas warehouses, logistics alliance models and so on[2].

With the increasing convenience of the Internet and the diversified needs of Chinese consumers, the scope of cross-border e-commerce logistics business continues to expand, involving many countries and regions around the world [3]. However, there are differences in laws and regulations, currency exchange rates, language and culture among different regions, which bring more challenges to China's cross-border e-commerce logistics.

3. PROBLEMS IN CROSS-BORDER E-COMMERCE LOGISTICS IN CHINA

3.1 High Cost

The cross-border e-commerce logistics market in China is constantly expanding, and the continuous rise of express delivery costs has become one of the major challenges of cross-border e-commerce logistics. The imperfect infrastructure, incomplete logistics system, and high actual risks of cross-border e-commerce logistics have invisibly increased the cost of express delivery. At the same time, it contains many aspects of costs, such as international transportation, domestic delivery, tariffs and so on, so the profit margin of China's cross-border e-commerce logistics has significantly decreased.

3.1.1 Increasing Express Price

Since November 1, 2015, the real-name registration system for express delivery has been implemented. The implementation of this policy has led to a continuous increase in express delivery prices, which has brought significant economic problems to China's cross-border e-commerce logistics and consumers. This not only increases the operating costs of cross-border e-commerce logistics, but also leads to a corresponding increase in cross-border shopping costs for consumers. Therefore, how to balance real-name registration and express delivery prices has become a problem that needs to be solved at present. During the COVID-19, customs clearance, disinfection and sterilization and other cumbersome steps have increased the cost of logistics and transportation, and the profits of cross-border e-commerce logistics have also declined sharply.

3.1.2 Fluctuating Currency Exchange Rate

The fluctuation of currency exchange rates has a direct impact on China's cross-border e-commerce logistics. Due to the instability of the RMB exchange rate, the import cost is constantly floating with the appreciation and depreciation of China's currency. During the COVID-19, the global economy has been affected, and the volatility of the international financial market has increasingly intensified, which has also increased the pressure on China's cross-border e-commerce logistics.

3.2 Lack of Supply Chain Management

3.2.1 Supply Chain Channels

In the early stage of China's cross-border e-commerce logistics, major e-commerce logistics platforms can only make compromises in the supply chain in order to compete for market share and e-commerce dividends, while lacking the corresponding management experience [4]. This compromise has led to the sale of counterfeit goods, resulting in losses to consumers and greatly reducing their trust.

Many enterprises face multiple challenges in choosing cross-border e-commerce logistics channels. To begin with, because of the intricate nature of the cross-border e-commerce logistics supply chain, enterprises may encounter difficulties such as information mismatch and unclear processes when choosing the most suitable route. Secondly, some companies in the field of cross-

border e-commerce logistics have limited scale and resources, so they cannot compete with larger enterprises.

3.2.2 *Supply Chain Complexity*

The supply chain of cross-border e-commerce logistics is a sophisticated system. Cross border e-commerce presents its own needs to overseas suppliers, who need to prepare goods and delivery them through logistics companies. The goods are sent to the bonded warehouse area for sorting out, and then through the logistics company, suitable express delivery is found to reach consumers. Every step in the supply chain management of cross-border e-commerce logistics is crucial and requires close cooperation between various links and the supervision of dedicated personnel.

Taking the supply chain management of cross-border e-commerce logistics in Guangxi as an example, the region adopts independent logistics transportation methods but is relatively single. They choose to entrust the international logistics business to a third-party freight company, but this model is not perfectly match the domestic logistics, which will lead to delayed information transmission and consumers cannot obtain real-time logistics information like domestic rookies. In addition, cross-border e-commerce logistics in Guangxi does not have its own storage area and delivery center, and can only rely on third-party freight companies to store and sort goods. To some extent, it will increase logistics, labor, time and other costs, and it will also be difficult to achieve independent, controllable and effective supervision[5].

3.3 *Loss and Lack of Professional Talents*

At present, China's cross-border e-commerce logistics industry is facing a shortage of professional talents, and the staff engaged in this logistics cannot have both international trade and traditional logistics knowledge. When cultivating students in this field, universities tend to prioritize theory over practice, resulting in a mismatch between students and the actual talents needed by enterprises. The inadequacy of this knowledge structure makes it difficult for students to adapt to the needs of enterprises after entering the workplace, which to a certain extent hinders the healthy development of cross-border e-commerce logistics in China[6].

The shortage of talent in the cross-border e-commerce logistics industry is also related to the

late start of training institutions in related fields, which failed to meet market demand in a timely manner. The number of training institutions is limited and immature, which also leads to the training of talents is not adapted to the development of the industry, so there is a lagging phenomenon. The lack of significant improvement in salary and social recognition in some regions has led to a large loss of talents and brought heavy losses to the industry[7].

3.4 *Poor Timeliness*

Cross-border transport logistics is the transportation of goods from multiple countries or regions. The differences in climate and transportation convenience in different countries or regions will cause the problem of timeliness of cross-border transport logistics.

3.4.1 *Differences in Transported Items*

Due to the continuous development of cross-border e-commerce logistics in China, more and more consumers are purchasing large and heavy items on cross-border e-commerce, which have particularly high requirements for logistics.

If the company wants to achieve high efficiency, it will need to spend higher costs. But logistics companies choose low-cost mode of transportation to obtain more profits. Low cost brings low efficiency, and low transportation speed and consumption time will make consumers dissatisfied, resulting in complaints, returns and refunds, a sharp decrease in trust and other issues.

3.4.2 *Differences in Transportation Distance*

The differences in geographical location can also have an impact on the timeliness of cross-border e-commerce logistics. At present, with the popularization of online shopping, consumers living in remote areas will also choose to purchase essential goods on cross-border e-commerce. However, due to the geographical distance of their location is too long and too many transit links, the time to receive the goods will not only be greatly extended, but also the difficulty of returns and exchanges increase.

For example, goods are transported from New York to Beijing, both of which are international first-tier cities with relatively perfect transportation networks and facilities, and the goods can be

transported to the hands of consumers faster. But if the goods are transported from remote mountainous areas in the United States to rural areas in China, both are relatively underdeveloped areas and with inconvenient transportation facilities and less advanced transportation networks, the transportation time may be several times or even more than ten times longer. Transport times from remote mountainous areas in the United States to rural areas in China may take several months or even longer, while from New York to Beijing typically take between days and weeks.

4. SUGGESTIONS FOR THE FUTURE DEVELOPMENT OF CROSS-BORDER E-COMMERCE LOGISTICS IN CHINA

By summarizing the current situation and related issues of cross-border e-commerce logistics in China, it is necessary to effectively reduce transportation costs, strengthen the supervision of the supply chain, attach importance to the cultivation of professional talents, and improve the timeliness of transportation in order to facilitate the sustainable growth in cross-border e-commerce logistics in China. By coordinating the cooperation and supervision of various links, China's cross-border e-commerce logistics can serve consumers with more favorable prices and a more perfect system to enhance their sense of happiness.

4.1 Reducing Transportation Costs Effectively

The rise of cross-border e-commerce provides consumers with more choices and convenience, so effectively reducing the transportation cost of cross-border e-commerce logistics is crucial for both enterprises and consumers.

4.1.1 Optimizing Warehouse Management in China

Warehouse management is the key to cross-border e-commerce logistics. By rationally planning the layout of warehouses, establishing their own warehouses, entrusting third-party warehousing providers and so on, unnecessary losses such as losses of stored goods and delivery costs can be reduced, and sellers can also understand real-time inventory situations.

4.1.2 Multi-channel Collaboration

Cross-border e-commerce logistics can choose a variety of courier companies for cooperative transportation to reduce transportation costs. Cross-border e-commerce logistics enterprises at different levels can cooperate with third-party logistics enterprises to reduce cumbersome processes and improve delivery speed, so as to achieve mutual benefit and win-win results.

4.1.3 Introduction of Advanced Technologies

The cross-border e-commerce logistics industry also needs to be constantly updated and replaced with the progress of technology. Artificial intelligence technology is introduced to realize intelligent warehouse management, automated delivery, and personalized service to consumers. The introduction of big data technology, through big data analysis of customer needs, automatically recommended the appropriate logistics model. The introduction of drone technology, through remote control and automatic positioning and navigation, has enhanced the safety of logistics and also helped to reduce the cost of cross-border e-commerce logistics to a certain extent.

4.2 Strengthening the Supervision of Supply Chain

4.2.1 Building a Sound Logistics System

Cross border e-commerce logistics involves complex steps, including generating orders, storing goods, selecting suitable logistics companies, sorting express delivery, assigning couriers and so on. Each step requires quick division of labor and cooperation, and forming a fixed pattern is the key. At the same time, cross-border e-commerce logistics also requires sound laws and regulations to support and protect. The government cooperates with customs, quarantine and other necessary departments to develop a sound legal and regulatory system according to the needs of the market.

4.2.2 Paying More Attention to the Customs System

Cross-border e-commerce logistics needs to form a complete customs management system that includes customs regulations and policies of various countries, and should also strengthen the

training and update of the system. Customs policies not only ensure national security, but also protect the rights and interests of consumers, while curbing illegal activities such as tax evasion and smuggling. Cross border e-commerce logistics is not an exception to the law.

4.3 Attaching Importance to Professional Personnel Training

In the development of cross-border e-commerce logistics in China, as the core force to promote cross-border business development, the training of professionals is crucial. It is vital to improve the comprehensive quality of cross-border e-commerce logistics professionals and fully stimulate the enthusiasm and creativity of talents in order to promote the development of the industry. It also should strengthen financial incentives for this field, by improving the salary standard and social status of talents in the cross-border e-commerce logistics industry. It is effective to encourage relevant training institutions to carry out targeted talent training, and encourage universities to develop corresponding majors that combine theory and practice.

Cross border e-commerce logistics involves multiple fields, including international trade, taxation, logistics management and so on. So a complete and systematic training system for cross-border e-commerce logistics should be established. At the same time, cross-border e-commerce logistics is to communicate with people from different countries or regions, and professionals should be trained in cross-cultural communication skills and understanding of local culture and politics. Universities or institutions can increase language training courses and organize international social activities.

4.4 Improving the Timeliness of Transportation

China's cross-border e-commerce logistics should actively take measures to optimize the cross-border logistics system and solve the problem of poor logistics timeliness. It can be solved by establishing a more efficient warehouse management system, strictly managing the warehouse, and preventing goods from being detained or lost. It also need to choose fast transportation methods, especially for delivery to remote and rural areas. But fast transportation methods usually have higher costs. Enterprises

must balance the advantages and disadvantages while taking into account a range of factors, and choose the optimal transportation method.

Specialists need to develop emergency remedies and contingency plans for unexpected situations, for example, in extreme weather, transport vehicle malfunctions, road maintenance and other unexpected situations. They can also use information technology to accurately locate items, promptly identify and solve problems, and efficiently oversee the logistics system for cross-border e-commerce in China.

5. CONCLUSION

In the context of the booming development of the Internet, China's cross-border e-commerce logistics has become a necessity in people's lives. This paper summarizes and analyzes the current situation and existing problems of cross-border e-commerce logistics in China, and puts forward relevant suggestions. Cross-border e-commerce logistics should effectively reduce transportation costs, constantly strengthen the supervision of the supply chain, attach importance to the training of professional talents, and improve the timeliness of transportation to strengthen China's global competitiveness and influence, and promote the development of the industry.

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