

Advantages Analysis and International Operation Strategy for Cross-Border e-Commerce

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Keywords: Cross-border e-Commerce, Advantage Analysis, International Operation Strategy.

Abstract: With the development of Internet, e-commerce has gradually replaced traditional sales industry, and becomes a new generation business platform. For its evident advantages, e-commerce has changed the traditional concept of consumption to some extent. However, due to its booming, the market competition of e-commerce is fiercer in recent years. E-commerce should have the whole world in view as China's domestic market could not meet the market demands. Thus, cross-border e-commerce model emerges. Additionally, it also needs further excavation to analyze international operation strategy. Based on the advantages of cross-border e-commerce, the work discussed the future development of cross-border e-commerce and the way to perfect international operations system.

1 INTRODUCTION

E-commerce is a business model based on the Internet, where sellers can fully exhibit their products. Besides, with present technology, online payment has been achieved, which enables customers to enjoy shopping without ever leaving their homes. Such e-commerce is the future development direction. In order to make profit from it, many industries have carried on e-commerce transformation. Constant development of China's market economy brings up plenty of large-scale e-commerce sites, resulting in the fierce competition of e-commerce in some areas in China. Facing with the worldwide Internet sales, e-commerce operators should not just focus on domestic market. Therefore, cross-border e-commerce begins to rise and gradually reflects its unique advantage, and its international operations strategy has also been attached great importance. This work discusses mainly the advantages and international operation strategy of cross-border e-commerce.

2 CONCEPT AND MODEL ANALYSIS OF CROSS-BORDER E-COMMERCE

At present, the interpretation of cross-border e-commerce model and its advantages analysis is a way to further discuss e-commerce model. In fact, e-

commerce model has emerged long ago, while some industry didn't adopt it. It is believed that with the development of the Internet as well as science and technology, e-commerce will inevitably enter the whole field. As the inevitable trend of future economy and operation system, e-commerce model should be explored in depth.

2.1 Page Setup

In traditional business concept, product storage and distribution channels are highly emphasized. In such business model, salesmen are an important role and occupy a large proportion. However, the obvious drawback of traditional business models is that only the entrepreneurs with abundant capital are invited, while keeping small-scale individuals out. The reason is that it is difficult to get through traditional sales channels, and plenty of money should be invested on advertising, thus increasing operating costs. In addition, setting up and maintaining shops and warehouses require a lot of money, so small companies are unable to continue normal operations fundamentally. Therefore, the traditional business and market belongs to the minority.

However, the emergence of e-commerce has fundamentally changed the concept, thus enabling more people to venture. So what is e-commerce? What advantages does E-commerce have?

2.1.1 Concept of e-Commerce

With regards to e-commerce, it is an internet platform where sellers can display their low cost products. By browsing these web pages, buyers can choose their favorite products and purchase them through online transactions. In addition, the types of payment are relatively flexible. Both direct payment and secured transaction by third party are all allowed, making online shopping more convenient. E-commerce, to be exact, is an internet platform where sellers can sales their products to buyers. With the development of e-commerce, different business models have emerged, in which the main management models are B2B, B2C and C2C. Among them, B2B is business-to-business e-commerce model, generally aiming at the relationship between manufacturers and dealers. B2C is actually business-to-customer model, which aims at the relationship between dealers and end buyers. While C2C is relatively common, the online Taobao shop is the simplest C2C model.

2.1.2 Advantages Analysis of e-Commerce

With the advantage of internet, e-commerce has achieved that customers can buy the right products without leaving home. It can be said that it is a business model considering from the customers. And with the door-to-door service, customers can get their products at homes. Additionally, customers can search their right products through cloud search engine, and can also do a direct comparison for the numerous products. Therefore, purchasing the products without leaving home, lots of time has been saved. Through multiple comparisons, customers can purchase the products with high performance-price ratio.

In terms of the sellers, they can sell their goods through websites to reduce inventory, thereby reducing costs. Most important, sellers can achieve sales without storefronts. Such sales mode can largely reduce the operating costs. In transaction process, the salesmen can also be the customer service staff and managers. Further, this low cost e-commerce transaction model also provides the entrepreneurial opportunity for many meddle-small enterprises, or even the sellers with small capital.

Thus, the advantages of e-commerce model are obvious, no matter from the perspective of sellers or from the customers.

2.2 Concept and Model Analysis of Cross-border e-Commerce

Cross-border e-commerce, the requirement of future development, is operated based on the e-commerce model. Therefore, to analyze cross-border e-commerce, the background and occurring causes should be discussed firstly, so as to further explore its business model.

2.2.1 Background of Cross-border e-Commerce

With the development of internet and science and technology, and people's consumption concept keeping with the times, e-commerce occupies most of the market. Because of this, pileup of e-commerce appears in market. That is, where there is an advantage, there will be competition. Competition would undoubtedly lead to market saturation, then, the stagnancy period of market would appear, thus affecting the sellers' profits. Therefore, from the analysis of e-commerce market, there are some drawbacks, including competing saturation. To reduce the market competition pressure in China, e-commerce should have the whole world in view. That is the reason cross-border e-commerce emerges.

2.2.2 Concept Analysis of Cross-border e-Commerce Model

Analysis of the appearance background of cross-border e-commerce is conducive to understanding its concept. In fact, cross-border e-commerce is to globalize e-commerce and to let more products flow into market, thus reducing local competition pressure. Then, it is possible to realize cross-border e-commerce with the global Internet.

3 ADVANTAGES ANALYSIS OF CROSS-BORDER E-COMMERCE MODEL

The background, concept and basic models have been explored above. Then, what are the advantages of cross-border e-commerce?

3.1 Cross-border e-Commerce's Effective Capital Transfer

Capital is an important factor that can affect economy. When the expansion of capital occurs in a certain

region, capital transfer is needed, and the transfer ways are market production and occupation. China's reform and opening up was aimed at attracting foreign investment, so as to realize the transfer of foreign capital. The concept of economic globalization is deepening. Cross-border e-commerce is undoubtedly in accordance with the concept of capital transfer, thus to achieve the global economy integration.

3.2 Cross-border e-Commerce Realizing Value Maximization of Commodity

That the scarceness is precious is the basic theory of market. Cross-border e-commerce is to achieve the value maximization of commodity to a certain extent. Through such internationalization form, the domestic commodity can be sold to foreign buyers, thus allowing them to enjoy shopping without leaving home. Through cross-border e-commerce, the goods that are not popular in domestic can be more valuable. So, cross-border e-commerce seems necessary. Thereby, in terms of maximizing the value of commodity, cross-border e-commerce model played a crucial role. It is also the advantage of cross-border e-commerce model.

3.3 Cross-border e-Commerce Effectively Reducing Domestic Abnormal Competition

In fact, cross-border e-commerce model has enjoyed vigorous support from domestic. The fast rising e-commerce has posed a fierce competition in domestic market, which has hindered its development on the contrary. Then, cross-border e-commerce is an appropriate solution to relieve such pressure. Besides, the overseas market is large. Therefore, transferring the competitive market to foreign countries will certainly relieve the competition pressure in domestic.

In sum, the advantages of cross-border e-commerce model are obvious. Especially for economic globalization, it is more significant. Moreover, it can boost the international market so as to maximize the value of goods. Throughout the economic market, cross-border e-commerce model can effectively plan regional markets, thus achieving the economy integration.

4 STRATEGIES OF INTERNATIONAL OPERATIONS

The above analysis has clearly revealed the advantages of cross-border e-commerce, as well as its operation model. So, how to operate this business model more stable and reasonable is still very important. It is required that international operations should establish certain specifications, thus ensuring the rationality and legitimacy of cross-border e-commerce.

4.1 International Operations System of Cross-border e-Commerce

In fact, cross-border e-commerce model in China has taken shape. In domestic, AliExpress and Dhgate are all good cross-border e-commerce models. In such companies, the operators only with certain English foundation could sell the products to foreign countries, thereby reducing domestic competitive pressures. Therefore, the primary conditions of cross-border e-commerce are certain platforms and channels. As the precedent for e-commerce in China, Alibaba is also the pioneer in cross-border e-commerce. For cross-border e-commerce, sound sales channels and express are both important. Therefore, cross-border e-commerce model is similar to general e-commerce. The only difference lies in the product sales. Because certain credit and guarantees problems of products will be caused while passing by the customs. In addition, the expensive delivery charges, in a way, will inherit the development of cross-border e-commerce. However, cross-border e-commerce model is not mature enough—it is understandable that there are some problems. Therefore, continuous improvement is necessary in the development, so as to solve the problem of cross-border e-commerce fundamentally. Once cross-border e-commerce develops in a good environment, it will also drive the global economy.

4.2 International Operations Strategy of Cross-border e-Commerce

In terms of operations, cross-border e-commerce model has obvious advantages. Even so, some problems still exist, such as the constraints of product and mailing. In the mailing process, losing pieces often occur, which will harm the benefits of sellers, as well as the emotion of buyers. Therefore, to ensure the smooth operation of cross-border e-commerce, the

existing problems should be solved. That is, in operational mode, operators should choose some sources that are relatively rare in foreign countries, thereby enhancing the competitiveness abroad. In addition, some sources are forbidden in some countries to protect local region, thus influencing the development of cross-border e-commerce. However, the overall direction is good.

5 CONCLUSIONS

Based on the analysis of the e-commerce model, the work further explored the cross-border e-commerce, including its advantages. Analysis shows that cross-border e-commerce can transfer domestic competition pressure to foreign countries, thus realizing the international e-commerce. In addition, for international management system, the administrators should broaden the types of product. Also, the operators should strengthen mailing efficiency and reduce packet loss rate, thus reducing the pressure that postage brought to sellers. In a word, the advantage of cross-border e-commerce is obvious. Especially for economic globalization, it is more significant. Moreover, it can boost the international market so as to maximize the value of goods. Therefore, it is necessary to strengthen the process of cross-border e-commerce and to achieve a comprehensive cross-border e-commerce model as soon as possible.

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