

## Cross-Border Electronic Commerce

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### Abstract

Economic globalization is the inevitable result of world economic development and an important feature of global economic development. It can promote the rational allocation of resources and production factors, and contribute to the effective flow of global capital and products. Under the background of economic globalization, e-commerce has realized leapfrog development and has become a new economic breakthrough point in China, which has gained wide attention from all walks of life. By analyzing the development characteristics and current problems of e-commerce, this paper explores the innovative development trend of e-commerce, so as to provide theoretical support for the reform and development of e-commerce. After the reform and opening up, the focus of the transformation and upgrading of foreign trade has been gradually placed on cross-border e-commerce. This paper will analyze the origin and development of China's e-commerce, "One Belt And One Road", and the challenges and opportunities in the new background of us-china trade, clarify the development background of China's cross-border e-commerce, and analyze how to propose effective measures to deal with the main problems, so as to promote the development of international trade.

### Keywords

Cross-border trade; E-commerce; Economic globalization.

## 1. Introduction

### 1.1. The Development Characteristics of E-Commerce under the Background of Economic Globalization

Under the background of information age, information technology into the society in various industries, constantly to cloud storage and cloud computing as the main characteristics, promotes many enterprises to develop in the direction of electronic, help enterprise efficient processing and analysis of huge amounts of data information, and can pass the big data reflects the operating status of enterprises, promote the enterprise to make the transition to informatization. Under the background of the rapid development of "Internet + international trade", cross-border e-commerce enterprises can communicate with the world and sell their products thousands of miles away through a single network cable. With the rapid development of cross-border e-commerce and its significant role in the transformation and upgrading of foreign trade, relevant departments and governments of China attach great importance to the development of cross-border e-commerce, so many policies have been introduced to protect its continued development. In recent years, China's social and economic development. At present, China's cross-border e-commerce is mainly divided into three forms: first, the transaction scale is gradually increasing and e-commerce occupies an important position; Secondly, e-commerce is export-oriented; Thirdly, the application of B2B model in e-commerce continues to increase in scope.

## 2. Key Research Questions

- (1) The importance of Cross-Border Electronic Commerce to economy
- (2) The suggestion and strategy of Cross-Border Electronic Commerce
- (3) Problems in Cross-Border Electronic Commerce
- (4) Implementation steps of Cross-Border Electronic Commerce

## 3. Methodology

The methodology involves surveys, interviews, data collection from field research and modelling. Qualitative analysis will be done on the data collected to account for the reasons for various phenomena. Quantitative analysis will be done to form parameters for modelling. In the end, financial mathematical models will be built to propose solutions and make forecasts and set up database for future studies and application. In terms of qualitative analysis, social sciences such as sociology, economy and probably anthropology will be involved. In terms of quantitative analysis, the key is the data analysis and modelling. Analysis with Excel of Microsoft for analysis is very useful for thipic.

## 4. Significance of the Research

Under the background of economic globalization, some enterprises to actively explore the mobile payment of electronic commerce, can reserve the user data to an electronic chip about 5 mm only, can be implanted into the skin at the same time, the people by means of the effect can be quickly implement identity authentication information chip, this is a creative breakthrough of e-commerce. With the gradual improvement of information technology level, e-commerce is gradually innovating towards automation and intelligence, and constantly providing people with high-quality modern life [5].At the same time, in order to comply with the development momentum of economic globalization, cross-border e-commerce emerges at the right moment, mainly through e-commerce platform to complete transactions, electronic payment and settlement, and the use of cross-border logistics to transport goods, complete transactions, which is a promising emerging industry.

Under the background of information age, information technology used into the society in various industries, constantly to cloud storage and cloud computing as the main characteristics, promotes many enterprises to develop in the direction of electronic, help enterprise efficient processing and analysis of huge amounts of data information, and can pass the big data reflects the operating status of enterprises, promote the enterprise to make the transition to informatization. Based on this, information technology has given rise to the electronic commerce business further, through the establishment of virtualization platform, promote complete online two-way interaction between enterprises and consumers, help consumers anytime, anywhere access to effective information, strengthen the communication between the service object frequency, this not only to meet consumers' real demands a greater extent, promote the enterprises to maximize economic benefits, at the same time as the electronic commerce development to build a solid foundation.

E-commerce involves a wide range, in recent years, the scope of services covered by e-commerce has been expanding and has gradually penetrated into all aspects of people's life. For example: people purchasing food has a more diversified choices, in addition to the offline store, also can be done through the electronic commerce online trading, for consumers, which effectively reduces the time cost, at the same time, through comparison, can buy the right goods, thereby enhancing shopping satisfaction, further improve the level of China's economic growth.

## 5. Key Findings

### 5.1. The Important of Cross-Border Electronic Commerce to Economy

#### 5.1.1. The Development Background of Cross-Border E-Commerce in China

Limited by the speed of social economy and technological innovation, European and American countries have always occupied an important position in the global e-commerce field. In 2008, the financial crisis broke out. Under this circumstance, China has made continuous research on cross-border trade e-commerce and achieved excellent results. This crisis has become a new opportunity for development. To put it simply, cross-border e-commerce refers to conducting electronic transactions with various countries and regions. Although there are changes in modes and regions, it is directly related to the development of domestic e-commerce, and most of the experience can be directly referred to. Meanwhile, with the arrival of the era of big data, it also provides convenient conditions for the development of cross-border trade e-commerce (Editorial Board, 2019).

#### 5.1.2. The Development Status and Problems of Cross-Border E-Commerce in China

According to the analysis of the current development trend of cross-border e-commerce in China, the most common patterns are as follows: first, the trade between enterprises, also known as B2B mode, is mainly to publish advertising information on the virtual platform, so as to make enterprises well known, but the two sides of the transaction to operate offline; Secondly, the trade between enterprises and consumers can also be called B2C model. At this time, on the basis of dealing with individual needs, enterprises should use all kinds of express delivery to transport products to consumers, and deal with tax, logistics and other related issues scientifically (Editorial Board, 2019). At present, the import volume and export volume of China's cross-border e-commerce have increased in the past year, and the types of services and service targets are also increasing. Among them, the import products include cosmetics and food, and the export products include digital products and clothing. Although the overall development has achieved very excellent results, there are also a large number of problems, specifically: first, cross-border logistics has just started, because express logistics is mainly air freight, not only high investment, but also large expenditure. In practice, the imperfect equipment or system of cross-border logistics will not be able to meet the needs of cross-border transactions, which brings serious obstacles to the rapid development of cross-border e-commerce. Second, ensure that cross-border electronic payments are secure enough to have a direct impact on the outcome of transactions. Such as common information omission, hacking attacks will increase the risk of trading capital. Thirdly, for China's tax system, the export tax rebate system plays an important role. In order to improve the core competitiveness of China's products, the tax paid by export products in China will be returned and replaced, so that products without tax costs can compete under the same background.

### 5.2. The Suggestion and Strategy of Cross-Border Electronic Commerce

#### 5.2.1. Establish a Sound Cross-Border Electronic Payment Supervision and Foreign Exchange Management System

In view of the management risks faced by electronic payment, it is necessary to start with the system and strengthen the legal provisions related to electronic payment service transactions. The author studied the United States has issued relevant laws and regulations, including the electronic funds transfer law and the uniform commercial code, etc., in these laws and regulations specify any rights and responsibilities related to the electronic payment, and then combining with the characteristics of electronic payment services in our country put forward the corresponding law, to standardize control of the electronic payment service to participate in the main body (Seitz, 2005). Moreover, the third-party platform should apply to safe according to the different cross-border business, and then the safe should examine and evaluate

the submitted data, and then analyze the annual amount of foreign exchange purchase and payment. Banks can conduct relevant business according to the documents provided by the administration. In addition, in the process of business which is not regulated and not exactly leveled, the bank needs to audit the transaction below the equivalent of 100,000 us dollars, which can prove the authenticity of the third party. In addition to protecting against the capital risk, it can also simplify the document type, so as to facilitate the trade transaction.

### **5.2.2. We will Improve Customs Clearance Efficiency in China's Cross-Border Trade**

As the low efficiency of customs clearance seriously affects the development of cross-border e-commerce, the customs should strengthen the research on this work and put forward a lot of practical methods to improve it. On the one hand, we should optimize the supervision of goods according to the world trade safety standard. On the other hand, modern information technology should be reasonably used in the management to deal with the problem of customs clearance, which can not only improve the efficiency of customs clearance, but also reduce the cost. At the same time, the customs will also improve the declaration procedures for internal management activities. When customs clearance of goods, and goods should not only classify the different enterprises, and thus realize between different enterprises logistics optimization and upgrading, and support to go through some priority to obtain the qualification of , so after a period of time, during the exports of goods information for unified planning and research, can improve the overall efficiency (Seitz, 2005).

### **5.2.3. Put Forward Sound Legal Provisions**

In order to accelerate the development of cross-border trade e-commerce in China, the Chinese government should establish a good development environment and optimize relevant laws and regulations, which is also an effective measure to promote the development of international trade economy. To be specific, when proposing relevant laws and regulations, we should not only meet the development trend of China's cross-border e-commerce trade, but also effectively combine with original laws and regulations. More importantly, we should start from the unity and adaptability of international cross-border e-commerce laws and regulations. Only in this way can we guide the steady development of China's cross-border e-commerce trade.

### **5.2.4. Improve the Market Supervision System for Cross-Border E-Commerce**

In order to control the occurrence of the above problems, the Chinese government also proposes a high-quality cross-border trade e-commerce market supervision system. Because cross-border trade e-commerce has the characteristics of virtuality, lability and electronicity, the sustainable development of cross-border trade e-commerce in China is bound to be restricted if it encounters bad behaviors such as fake goods and fraud in the development. However, the construction of relevant market supervision system can not only realize information sharing and coordinated distribution, but also build a fair market environment, so as to accelerate the development of China's cross-border trade e-commerce (Seitz, 2005).

## **5.3. Problems in Cross-Border Electronic Commerce**

Cross-Border Electronic Commerce development lags behind, cross-border electricity, mainly retail amount is small, small size, high frequency, is their common characteristic, general is unlikely to adopt the way of traditional container shipping transportation, main logistics modes include: international small package and international express delivery, B2C foreign trade enterprise alliance goods collection, B2C enterprise itself sets foreign trade goods, the third party logistics mode and overseas warehousing five kind of way. Customs clearance is not easy enough - despite the unimpeded flow of internet-based information, goods do not move freely across borders (Editorial Board, 2008).

The settlement of exchange is not easy to Payment security issues are obvious -- cross-border electronic payment services involve enterprises, individuals, Banks and third-party payment

platforms, etc. Typical cross-border electronic payment services mainly include online banking payment service system and electronic payment services participated by third-party payment platforms.

### **5.3.1. User Information Security Vulnerability Exists**

In the process of e-commerce transactions, there are consumer personal information leakage and other situations, resulting in consumers later received a lot of junk fraud information, bring certain security risks to consumers. E-commerce information security is a prerequisite for promoting the stable development of e-commerce, and a security guarantee for online transactions of users. Therefore, enterprises should pay attention to the protection of users' personal information, strengthen the security of information confidentiality system through effective measures, and reduce the risk of information disclosure (Editorial Board, 2008). In addition, the government needs to crack down on trading institutions that sell user information to create a safe, open and harmonious e-commerce environment for consumers.

### **5.3.2. It is Difficult to Guarantee Product Quality**

The commodities purchased by users through online exchanges usually have quality problems. Some merchants blindly pursue the maximization of economic benefits and use low-quality materials for processing and beautification before selling them to consumers (Arieli, 2008). As a result, it is difficult for consumers to achieve a good purchasing experience when conducting electronic transactions. The main reason for such problems is that there is a lack of sound regulatory authorities, so it is necessary to moderately increase the severity of punishment, actively strengthen the openness and transparency of enterprise information, provide a good complaint channel for consumers, and effectively protect the rights and interests of consumers.

### **5.3.3. Lack of Reasonable Logistics Distribution System**

Due to the wide range of e-commerce services, the distribution of its trading products has always been an important issue faced by e-commerce enterprises, which must be equipped with a scientific and reasonable logistics distribution system to ensure the safe and orderly delivery of goods. However, at the present stage, the logistics distribution system of e-commerce is not perfect, there are fewer goods lost, unreasonable freight price, cost is too high phenomenon, further limited the development of e-commerce.

### **5.3.4. Lack of a Secure and Stable Network Environment**

E-commerce mainly relies on the information network to carry out transactions, in which the security issues have been widely concerned by the society. In e-commerce activities, there are many user information leakage incidents, electronic payment security incidents, product quality safety incidents, and so on, which cause consumers to have concerns when conducting e-commerce activities. Therefore, it is necessary to further improve the security factor of e-commerce network operation environment.

## **5.4. Implementation Steps of Cross-Border Electronic Commerce**

### **5.4.1. The Development Scale of E-Commerce is Largely Determined by the Construction Level of Infrastructure.**

We should make a reasonable and scientific talent training plan and focus on the comprehensive e-commerce talents to promote the development of the entire e-commerce industry. Gradually establish and improve the relevant laws and regulations of e-commerce "One Belt And One Road" initiative to implement a large scale, so that China's e-commerce into the international market, that is to say, e-commerce will become a major force to promote China's economic development (Arieli, 2008).

#### **5.4.2. International Trade is an Organic Combination of Information.**

Capital and logistics, among which logistics is an important pillar. The geographical distance between consumers and suppliers is very long, and the spatial span is also very large, resulting in its high requirements for physical things.

#### **5.4.3. Strengthening and Match the Logistics Infrastructure Construction.**

Under the background of the initiative "area", at the national level to reach a consensus agreement, make China from traditional model to modern logistics operation mode, through the use of cash logistics equipment and the management pattern, to establish a new type of modern logistics system.

#### **5.4.4. Integrity in the Process of E-Commerce Transactions, Buyers and Suppliers Communicate with Virtual Identities**

The identity information of both is uncertain, the transaction time, product quality and commercial credit are not guaranteed, so it is very important to establish credibility facilities. This requires an intermediary that is neither affiliated with the supplier nor with the buyer to help complete the transaction. We should support capable and competent enterprises to provide credit assessment, promote the development of third-party intermediaries, and strengthen the construction of credit facilities.

#### **5.4.5. The Development of E-Commerce is not Limited by Time and Space, and it Develops More Rapidly in the Context of Economic Globalization**

China's e-commerce has just started in recent years, compared with developed countries naturally there is a big gap, therefore, China should speed up the exchange with international trade and strengthen its cooperation, in which to obtain effective information, learn good experience and make up for its own shortcomings. We should also actively participate in the formulation of new e-commerce rules to improve international compatibility.

#### **5.4.6. Strengthen Support for Rural E-Commerce Innovation and Entrepreneurship, and Actively Develop the Rural Market**

According to the development trend of the e-commerce industry, the rural market is a potential market that needs to be fully developed. In addition, the rural areas are also a key driver of domestic consumption. Therefore, the rural market can make use of its rural characteristic commodities to create a supply market in the direction of "taobao village" and fully tap the potential consumption capacity of rural areas (Anson, Boffa and Helble, 2018). In addition, under the background of economic globalization, the government can improve the support of rural electricity business, such as the innovation of rural electricity entrepreneurship competition, and talent introduction of rural electricity business plan, etc., effectively improve China's agricultural products business information system of public service function, optimize the professional in the field of service quality, and promote the domestic large and medium-sized wholesale markets, supermarkets and e-commerce enterprise coordinated, organize agricultural products online sales and build perfect agricultural consumption database (Anson, Boffa and Helble, 2018).

#### **5.4.7. Improve Legal Supervision and Maintain the Security of E-Commerce**

Due to the continuous progress of economic globalization, both cross-border e-commerce and traditional e-commerce are flourishing. However, due to the lack of effective legal supervision in the field of e-commerce, some suppliers, distributors, and sellers who hold a lucky mind can take advantage of it. Therefore, the government needs to strictly control the legal supervision of e-commerce, focusing on the construction of online payment credit and the security and standardization of online platform transactions. From the perspective of credit construction, the government should introduce targeted laws and regulations, actively improve the security of Internet finance, and strengthen the standard construction of Internet finance and payment

system through effective policies (Anson, Boffa and Helble, 2018). From the perspective of online platform transaction, the government should actively provide reasonable policy support, create a safe, fair and democratic online transaction environment for consumers, and effectively protect consumers' personal rights and interests. To sum up, the future economic development will gradually move towards globalization, the interaction and communication between countries will be more frequent, and people will have more opportunities to contact with international things, which is a rare development opportunity for the e-commerce industry. At the same time, the development of economic globalization has also brought new challenges to the e-commerce industry. Therefore, in order to achieve a new breakthrough across national boundaries, e-commerce should actively introduce excellent talents and take diversified measures to provide high-quality products and services for consumers, to enhance its core competitiveness (Editorial Board, 2019).

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