Progress Models and Strategic Suggestions for Cross Border E-commerce

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Abstract: *With the advancement of globalization and the progress of digitization, CBEC has become an increasingly important business model. This article provided a framework introduction to the progress mode and strategic suggestions of CBEC. Then, in terms of progress mode, it introduced the four main modes of CBEC: self-operated mode, platform mode, purchasing mode, and direct mail mode. The platform model is currently the most popular model, which can provide better goods, services, and logistics experiences, while also allowing the platform itself to generate more revenue. The progress models and strategy recommendations of CBEC were explained in the results and discussions, which showed the inventory, visits, and order quantities of the three models at critical moments. It can be found that the highest inventory level of the purchasing model is 3900, and the number of visits and orders is also higher than the other two models, reaching 1200262. In short, CBEC is a field full of opportunities and challenges. Finally, this article has certain guiding significance for promoting the healthy progress of CBEC and improving the competitiveness of enterprises.*

Keywords: Cross-border E-commerce, Progress Model, Strategic Recommendations, Product Model

1. Introduction

With the acceleration of globalization and the continuous maturity of internet technology, CBEC has developed rapidly. The CBEC market in various regions around the world has attracted the attention of many companies due to its enormous commercial potential, and various e-commerce companies have set up CBEC markets [1-2]. According to analysis, global consumer online retail sales in 2021 have reached $4.28 trillion, with CBEC contributing significantly. In 2019, the global CBEC transaction volume reached 3.8 trillion US dollars, and it is expected to grow to 9.2 trillion US dollars by 2026 [3-4]. Cross border e-commerce refers to conducting e-commerce activities globally, trading goods or services across countries or regions through online platforms or e-commerce websites. With the progress of internet technology, CBEC has become a global and rapidly developing business model, which has had a huge impact on international trade and economic progress. How to build a progress model for CBEC and expand the cross-border market has become a hot topic of exploration, and the main focus would be on CBEC [5].

The rapid progress of CBEC and cross-border logistics delivery are also facing increasing pressure and challenges. Yuan Huihui has built a collaborative progress model for CBEC and logistics that meets market demand. It has become a research hotspot in the field of cross-border trade. By analyzing the current situation of CBEC and logistics, he explored the idea of building a collaborative progress model between CBEC and logistics, and elaborated on the main contents of this model, including reasonable planning of logistics routes, improving transportation efficiency, optimizing distribution organizations, and strengthening information construction [6]. The main exploration aims to explore the innovation and progress direction of China's CBEC logistics model, in order to promote the progress of China's CBEC and logistics industry. Liu Changrong believed that with the rise of CBEC, logistics services have gradually become an important part of supporting CBEC, and traditional logistics models are no longer able to meet the needs of modern CBEC business operations [7]. The main purpose is to explore the collaborative progress of CBEC and logistics industries based on the path of industrial integration. Liu Yan believed that with the increasing demand for CBEC and logistics services, achieving coordinated progress between the two has become one of the important research areas in the industry. Based on the theory of industrial integration, he explored the path and mode of industrial collaborative progress in response to the current situation and difficulties of CBEC and

logistics industries. He also explained the industrial integration model centered on logistics service providers and led by logistics and warehousing, and proposed strategies and measures for collaborative progress on this basis [8].

This article explores the progress models and strategic recommendations of CBEC. Through the analysis of CBEC platforms, it can be found that the progress of CBEC cannot be separated from a standardized management system, a safe and reliable transaction mechanism, the support of international trade customs clearance and a perfect logistics and distribution network. At the same time, it can explain strategic suggestions for CBEC enterprises, such as strengthening the construction of cross-border logistics channels, enhancing the company's brand influence, innovating internet applications, and improving the efficiency of enterprise supply chain management. Overall, CBEC has very broad progress prospects and huge business opportunities. Through effective strategies and progress models, CBEC would become one of the mainstream ways in the future commercial market.

2. Development Mode and Strategic Suggestions

2.1 Development Model of Cross Border E-commerce

CBEC refers to the use of internet technology by enterprises to engage in cross-border business activities through the internet. With the rapid progress of global economic integration and technology, CBEC has become an increasingly important trade model [9-10]. In the progress process of CBEC, there are mainly several progress models as shown in Figure 1:
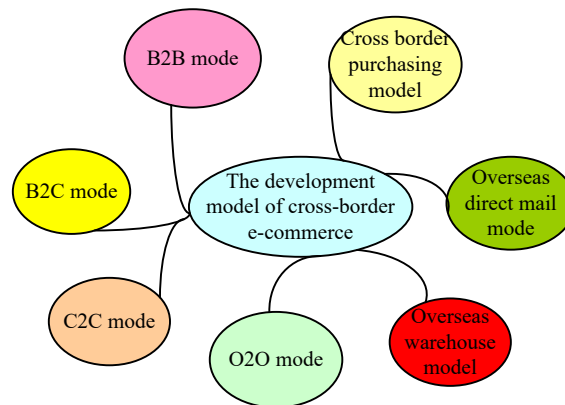

Figure 1: Specific flowchart of the progress model of CBEC.

As shown in Figure 1, there are 7 progress models in CBEC:

1) B2B mode refers to the e-commerce mode between enterprises, which mainly involves trade between enterprises to meet their respective needs [11-12].

2) B2C mode refers to the enterprise to consumer e-commerce mode, which mainly involves enterprises providing goods or services to consumers through the internet.

3) C2C mode refers to the e-commerce mode between consumers, which mainly involves the exchange of second-hand goods or the sale of goods manufactured or created by consumers.

4) O2O mode refers to an e-commerce mode from online to offline, which obtains customers through the network and provides better experiences and services for customers offline.

5) Overseas warehouse model refers to establish a warehouse overseas to make the inventory of goods more sufficient, quickly respond to customer needs, and improve customer satisfaction.

6) Overseas direct mail mode refers to directly mail Chinese goods overseas, allowing consumers to purchase Chinese goods online while providing faster and more convenient logistics services.

7) Cross border purchasing model refers to provide services for Chinese consumers to purchase overseas goods through purchasing websites, social media, and other channels.

In the progress of CBEC, each model has its unique advantages and scope of application [13-14]. Enterprises can choose suitable CBEC models based on their own resources and operational strategies, further expand cross-border trade, and improve market competitiveness. At the same time, the progress

of CBEC also requires continuous exploration and innovation. In the future, more new models and technologies would emerge to provide more reliable, convenient, and secure services for the progress of CBEC for enterprises [15-16].

2.2 Strategy Recommendations

This paper can provide the following strategic suggestions for the progress model and strategy of CBEC:

1) Focusing on emerging markets: With the continuous growth of network connectivity and globalization, emerging markets are becoming increasingly popular targets for CBEC. Enterprises can identify gaps that need to be filled, determine market demand, and seek better opportunities through reasonable analysis of emerging markets [17-18].

2) Establishing a stable supply chain: Maintaining the smoothness and stability of the supply chain is one of the keys to the success of CBEC. Enterprises need to draw lessons from supply chain management and establish a robust supply chain system to ensure timely and accurate provision of products and services to customers.

3) Optimizing customer experience: Customer experience is the foundation of successful e-commerce. Enterprises need to optimize customer experience at multiple levels: from website design and layout to product descriptions and personalized recommendations, from shopping processes to payment methods and after-sales services, from after-sales support to communication channels, etc., to comprehensively improve customer experience and unprecedented customer satisfaction [19-20].

4) Seizing the opportunity of mobile e-commerce: Mobile e-commerce is becoming the focus of future progress. Enterprises should seize the business opportunities brought by mobile e-commerce, develop products and services suitable for various mobile devices, optimize the mobile interaction experience of websites, use social media and promotional activities to increase market exposure, and continuously iterate and upgrade user experience.

5) Establishing a global marketing network: Enterprises need to establish a global marketing network. Through appropriate acquisitions and cooperation, one would establish a regional distribution network and market map, promote brand and products, and serve more customers, thus achieving scale gains and economic benefits. 5 strategic proposals are partially structured as shown in Figure 2:
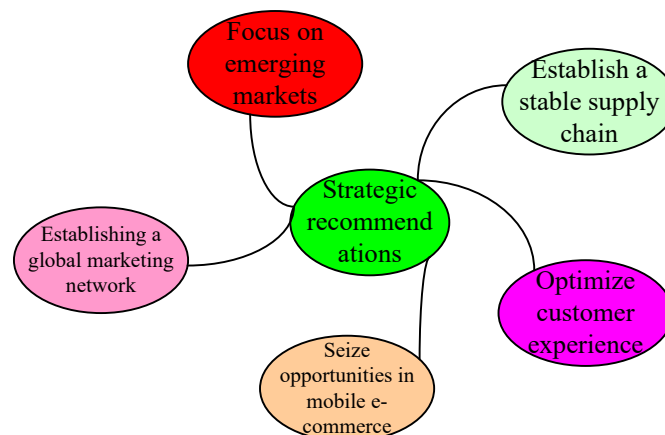

Figure 2: Strategy suggestion structure diagram.

2.3 Product Model

Regarding the product model of CBEC, the first thing to consider is the need for customized or localized improvements in product selection and supply chain management for different countries and regions. When designing a product, it is necessary to fully consider the needs and resources of the target market to ensure that the product can achieve success locally. In addition, CBEC also needs to address a series of issues such as payment and settlement, marketing, etc. In payment and settlement, it is necessary to choose payment methods that are suitable for the local market and carefully consider issues such as cross-border currency exchange. In marketing, it is necessary to develop corresponding strategies, including promoting products and increasing awareness. Moreover, when designing product

models for CBEC, it is necessary to fully consider and comprehensively address all issues to ensure that the product can successfully enter the target market and gain recognition and trust from local consumers [21].

Cross border e-commerce enterprises use online sales models to directly sell x's self-operated products, agency products, and cooperative supplier products to global consumers through the internet. This model can reduce sales costs, expand sales channels, and provide a more convenient shopping experience. The calculation formula is:

$$s(x) \overset{\triangleright}{=} \frac{1}{1-x}, |x| \neq 1$$
(1)

Cross border e-commerce enterprises provide platform services, online payments, logistics warehousing, value-added services, and other service modes to enable CBEC to achieve functions such as order hosting, logistics delivery, and rights protection services. This $s(x)$ mode can provide consumers with one-stop services and $|x|<1$ security guarantees. The expression formula is:

$$s(x) = \frac{1}{1-x} |x| < 1$$
(2)

Cross border e-commerce enterprises closely integrate online shopping malls and offline physical stores through an integrated online and offline model. By providing services such as online purchase, offline pickup, and offline experience, $s(x)$ achieves the effect of improving customer satisfaction and enhancing brand affinity. The final calculation result is:

$$s(x) = \sum_{n=0}^{\infty} x^n = 1 + x + x^2 + x^3 + x^n$$
(3)

3. Experiment on the Development Model of Cross Border E-commerce

In order to explore the progress model of CBEC, an experiment was conducted this time. The purpose of the experiment is to analyze the progress of CBEC in different modes and compare the advantages and disadvantages of different modes. This experiment is divided into three parts: introduction, analysis, and results.

3.1 Introduction

This experiment first outlined the background and current situation of CBEC, as well as the definitions and characteristics of different progress models. Furthermore, three progress models were introduced in this experiment: CBEC platform+self operation, CBEC platform+purchasing agent, and CBEC platform+overseas warehouse.

3.2 Evaluation

Then, based on the comparison of three impact indicators of different models: profit, sales, and customer service experience, data analysis and comparison were conducted. The data is sourced from two datasheets, where Table 1 shows profit margins, sales, and customer satisfaction under different models. As shown in Figure 3, the inventory, access, and order quantities of the three modes at critical node times are shown.

Table 1: Profit margin, sales volume, and customer satisfaction under different CBEC models.

Three impact indicators	Profit margin	Sales revenue (10000 yuan)	Customer satisfaction
Self-support	11.3%	225.6	78.2divide
Purchase on behalf	6.5%	342.1	85.3divide
Overseas warehouse	8.9%	278.2	80.9divide

Table 1 shows the profit margins, sales, and customer satisfaction of three CBEC models. It can be seen that the profit margin of the self-operated model is the highest at 11.3%, but it performs the worst

in terms of customer satisfaction. The sales revenue of the purchasing model is the highest, reaching 3.421 million yuan, but the profit margin is relatively low, which is only 6.5%. The overseas warehouse model performs relatively balanced in terms of profit margin and customer satisfaction [22].

Figure 3: Inventory, visits, and order quantity of different modes at key node times.

Figure 3 shows the inventory, access, and order quantities of the three modes at critical node times. It can be observed that at critical moments, the inventory of the purchasing mode reaches a maximum of 3900, and the number of visits and orders is also higher than the other two modes, reaching 1200262. The self-operated model performs relatively poorly in terms of order quantity.

3.3 Results

Finally, the differences and advantages and disadvantages between different progress models were discovered. The CBEC platform and self-operated model performs best in terms of profit margin, but the customer service experience is relatively poor. The CBEC platform and purchasing model performs more prominently in terms of sales, but the profit margin is generally lower. The CBEC platform and overseas warehouse model balances profit margins and customer service experience, but performs mediocrely in terms of sales.

In summary, this experiment compares different models and selects different CBEC models for different needs and goals.

3.4 Summary

Based on the comprehensive experimental results, different CBEC models are suitable for different business needs and goals. The self-operated model is suitable for e-commerce enterprises that pursue high profit margins and have certain brand strength, but it requires investing more funds and time to handle and manage all logistics and inventory. The purchasing model is suitable for e-commerce enterprises pursuing high sales and market share, but it is necessary to pay attention to controlling costs and avoiding the instability of the purchasing party. The overseas warehouse model is suitable for enterprises that pursue a balance between profit margin and customer service experience, but need to consider costs and the complexity of cross-border logistics. In summary, this experiment provides reference and inspiration for enterprises when choosing progress models by comparing the advantages and disadvantages of different CBEC models. At the same time, data analysis also provides more

objective and accurate references for enterprises in the decision-making process.

4. Development Model and Strategy Suggestion Results and Discussion of Cross border E-commerce

4.1 Synopsis

With the popularization of global digitization, CBEC has become an important progress direction in the current e-commerce industry. This article would explore the progress model and strategic recommendations of CBEC based on market trends and progress technologies.

4.2 Evaluation and Results

From the perspective of market trends and progress technologies, it can be seen that CBEC is a rapidly developing field, and the progress potential of the market is still enormous. Specifically, CBEC sales, customer numbers, and the proportion of cross-border logistics services have all shown an increasing trend year by year. According to Figure 4 of the data, CBEC platforms had sales revenue of 50-120 billion yuan, customer numbers of 2-4 million yuan, average unit price of 250-300 yuan, and cross-border logistics services accounted for 40-60% from 2018 to 2021. This also indicates that there is still great progress space for CBEC. Therefore, CBEC platforms need to seize market opportunities, actively expand overseas markets, use new technologies to optimize platform service experience and improve customer loyalty. The implementation of these strategies can effectively increase the number of platform users and transaction volume. As mentioned earlier, strengthening data analysis and fully utilizing artificial intelligence technology can more accurately analyze user behavior, and improve user experience and repurchase rate. While cooperating with third-party logistics service providers to improve the quality of logistics services can reduce the risk of after-sales rights protection, improve user satisfaction, and directly promote sales growth. At the same time, actively expanding overseas markets can rapidly increase new customers and transaction volume by continuously increasing the number of overseas relationship networks and representative stores.
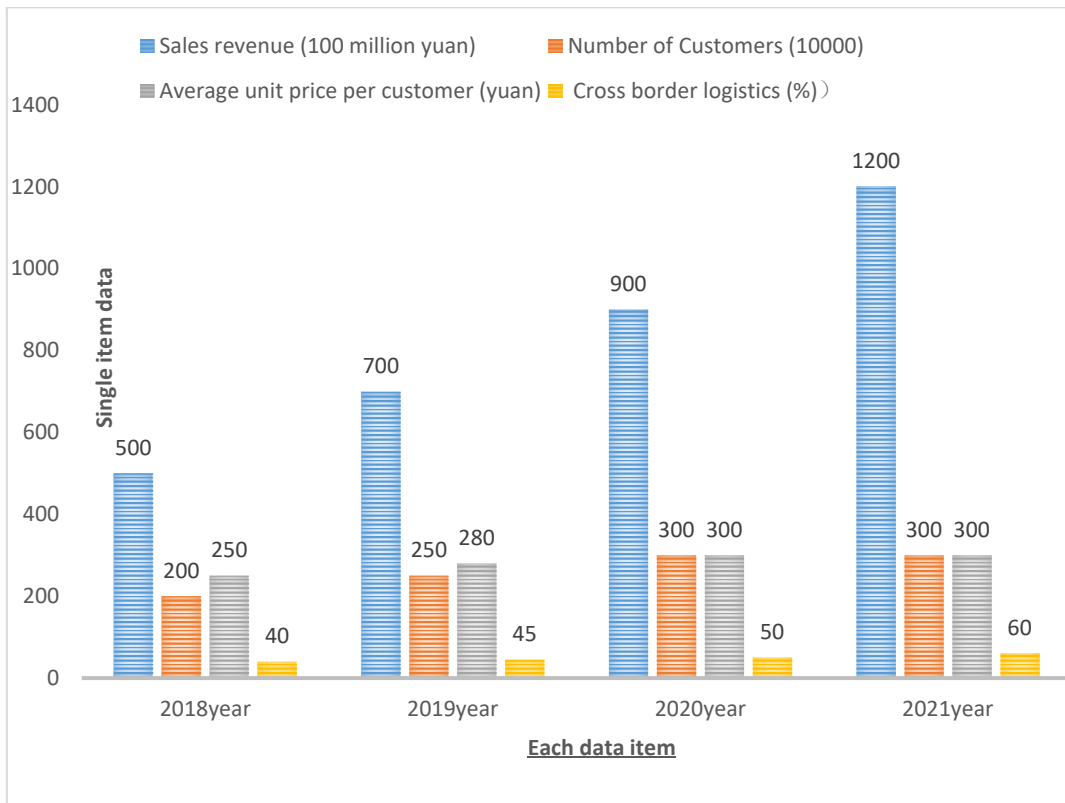

Figure 4: Analysis of sales data on CBEC platforms.

From Figure 4, it can be seen that from 2018 to 2021, the sales of CBEC increased by 7 million from the original 5 million; the number of customers increased by 1 million from the original 2 million;

the average unit price of customers increased by 50 yuan from the original 250 yuan. The proportion of cross-border logistics services has increased from 40% to 60%, indicating a trend of increasing year by year and a huge potential for future progress. The increase in the proportion of cross-border logistics services indicates that the improvement of cross-border logistics services is the key to progress. In this trend, CBEC platforms need to continuously optimize their own services, improve customer experience, further strengthen investment in cross-border logistics services, improve delivery speed, and enhance customer sedimentation through technical means to obtain more repeat customers.

4.3 Strategy

(1) Cooperation with third-party logistics service providers: CBEC platforms need to establish close relationships with logistics companies, strengthen brand promotion, improve logistics service levels, and improve platform user satisfaction.

(2) Actively expanding overseas markets: Cross border e-commerce platforms need to actively expand overseas markets, expand sales and customer numbers, and enhance brand influence.

(3) Strengthening data analysis: Through data analysis, CBEC platforms should conduct refined management of customers, combined with methods such as customer behavior analysis and precision marketing, to improve customer repurchase rates.

(4) Fully utilizing artificial intelligence technology: Cross border e-commerce platforms should combine artificial intelligence technology to achieve intelligent supply chain management, optimize logistics processes, improve service quality, reduce costs, and enhance brand image.

5. Conclusions

After studying and analyzing CBEC, one can conclude that CBEC is showing a rapid growth trend globally, while also facing a series of challenges and opportunities. Therefore, in the progress of CBEC, enterprises need to choose appropriate progress models based on market conditions and their own advantages, and adopt corresponding strategies to solve potential problems, achieving the goal of effectively expanding the market and improving competitiveness. Firstly, the selection of CBEC progress models should be based on a deep understanding and analysis of the market and consumers. In the field of CBEC, which is full of opportunities and challenges, enterprises need to choose appropriate progress models based on the market and their own strength, and formulate corresponding strategies and supporting measures in order to occupy an advantage in fierce competition and achieve success. At the same time, policy support is also an important guarantee for the progress of CBEC. Enterprises need to closely monitor policy changes and continuously improve their competitiveness in order to establish themselves in the market and achieve significant progress.

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