# Research on International Logistics Mode under Cross-border Electricity

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**Keywords:** cross-border electronic business environment; logistics; logistics mode

**Abstract:** Electronic business has become an important part of the current economy. At the same time, along with the economic globalization and information globalization, electricity providers have been gradually "internationalized." The traditional logistics model has been unable to adapt to the current cross-border business environment. In order to further promote the development of electricity providers, researching and selecting the appropriate international logistics model is very important. In the cross-border business activities, because multi-countries are involved, and the distance of transportation becomes longer, the logistics cost will be higher. Electronic business activities of the original intention are to facilitate the consumers, so that consumers can enjoy a more affordable, more convenient consumer experience. This paper will elaborate on the meaning, status and types of cross-border electricity providers discuss the cross-border business environment to select the appropriate logistics model approach.

#### 1. Introduction

On-line shopping has become a common way of people shopping. Through the network, consumers can not only buy domestic products, but also the ability to purchase high-quality goods abroad. As a direct way to buy on-line do not need foreign trade agents, so the cost will be relatively low. But by the distance on the space constraints, whether the goods can arrive on time, how the quality of goods is and how to deal with the relevant issues are what cross-border electronic businesses will meet. Once these problems have not been effectively addressed, not only will they give consumers a certain amount of economic losses, but also affect consumer confidence in cross-border electricity providers, hindering the development of cross-border electronic business. Therefore, the appropriate and good international logistics model for the development of cross-border business is very important.

### 2. Definition of cross - border electricity supplier

Literally, cross-border e-commerce can be understood as cross-border or cross-border e-commerce activities. In 2012, Abba Asosheh thought that cross-border electronic business should refer to those businessmen who are in different counties deal with these activities through e-commerce platform [1]. In 2013 Cao Shuyan thought that cross-border e-commerce businessmen are people from different countries or regions through the network, e-mail or courier and other forms to do business. With the characteristics of a small amount of transactions, the frequency of transactions and speed and so on, it is the newly international trade model [2]. Although China has not formed a unified definition of cross-border electricity providers, but from the above two explanations, however, cross-border electricity providers should have the following characteristics: (1) It must occur in two or more different Between countries; (2) It must be through the Internet and professional electronic business platform carried out; (3) It needs to express and other logistics means to achieve the transmission and transportation of goods.

# 3. Introduction to the Types of Logistics Models for Cross- border Electric Businessmen

### 3.1 International packages and international courier

International packages and international courier is the most traditional and most simple logistics

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model. International packages include China Post, HK Post and Singapore Post. However, the international express most of the time refers to Fed EX, DHL, TNT and UPS. As the two logistics methods almost have a global transportation network, so the scope and channels of transport naturally have more advantages than other logistics companies. This has also led to a result that most small businesses can only choose this logistics model. International postal mainly refers to EMS. Although the price is cheap with clearance ability, but it is slow. In order to meet the needs of consumption, the international packet also opened a special service, EMS or e-mail treasure. But the price of EMS is more expensive, and e-mail treasure can only be sent to the United States. Although the EMS that passes the international express customs clearance is fast, but the price is also more expensive. In addition, the international packet loss rate is high, if it is not registered parts, it cannot be tracking the package. The international express is not as comprehensive and perfect as international packet logistics network, so for remote areas cannot be sent to or need to add a lot of additional costs.

#### 3.2 Overseas storage

Overseas warehousing is the establishment of warehouses in other countries in order to cut logistics costs and expand overseas markets. Overseas warehousing is mainly divided into three steps [3]: (1) the first-way transport: sellers or e-commerce platform will transport those required goods to overseas warehouses; (2) warehousing management: through the current development of the logistics information system, the overseas warehousing of goods will monitor remotely and management; (3) local distribution: overseas warehousing centre is based on the information on the order, and then they deliver these things to clients according to their information. Overseas warehousing can not only effectively reduce the cost of logistics, but also increase the types of goods, breaking the international packet / courier for goods volume, weight and freight restrictions. As the overseas warehousing use local delivery, thus greatly reducing the delivery time and ensure the safety of the goods. Different from the traditional logistics model of goods, they are simply waiting for the logistics company for distribution. Overseas warehousing can better control the supply chain; take the initiative to the buyer for delivery. Data analysis found that overseas warehousing can effectively reduce the cost of logistics time and ensure the quality of delivery, which can bring higher value for the business. However, overseas warehousing also has the problems of high maintenance cost, risking of unsold goods and limited scope of distribution. Especially the cross-border e-commerce market is gradually mature and the developing, overseas warehousing is not able to meet the many different distribution needs of consumers.

## 3.3 Cross-border third-party logistics model

Cross-border third-party logistics refers to both cross-border electronic business is not a business, nor is the electricity consumers, but for cross-border business activities to provide logistics services mode of operation [4]. Cross-border third-party logistics enterprises generally have a very professional operation of equipment, distribution processes and management experience. The foreign trade logistics management is weak and do not have good management ability. The cooperation can achieve a complementary role, so that foreign trade enterprises focus more on the development of their core business. But as for the logistics model, there are two shortcomings: First, foreign trade enterprises for the logistics risk control can be reduced. As the work will be entrusted to all the logistics of cross-border third-party logistics companies, which virtually is weakened foreign trade companies for the logistics control. When the cross-border third-party logistics company has quality of service or other problems, it will directly affect the image of foreign trade companies. Second, foreign trade companies cannot be timely customer feedback. The development of cross-border electricity supplier provides more consumers for foreign trade companies, but each consumer's demand is not the same. The development of cross-border electricity supplier provides more consumer's demand is not the same.

#### 4. Choice to the Types of Logistics Models for Cross - border Electric Businessmen

## 4.1 Factors of the Types of Logistics Models for Cross - border Electric Businessmen

Cross-border electric business logistics is based on the current "universal online shopping" context, when it is the choice of an effective logistics model if it is out of the actual situation, it is unrealistic. In general, the impact of cross-border business model in the logistics of the main factors:

# (1) Macroeconomic factors

The macro factors of cross-border electronic business logistics model include policy factors, economic factors and legal factors. China's cross-border business development cannot do without the support of the state. To ensure the healthy development of China's cross-border electricity providers, on August 21, 2013 the State Council issued" on supporting cross-border e-commerce retail export policy advice", the Ministry of Finance and the State Administration of Taxation announced the "No. 56, 2014 Announcement of the General Administration of Customs, (on cross-border trade in e-commerce import and export of goods, customs clearance, Articles on the regulation of the notice) "[5.6]. China's economic upgrading is undoubtedly to promote the development of cross-border electronic business logistics. Consumer's high demand for goods and logistics services is also the basic driving force for the development of logistics model. Due to the increase in cross-border business activities, the logistics service problems arising from the dispute is not a minority. However, China is not on the cross-border electronic business logistics management related to the development of effective laws, leading to problems when consumers are vulnerable to a passive situation. And this situation is not conducive to cross-border electricity providers and the logistics industry standard development.

### (2) Micro - factors

Cross-border electronic business logistics mode selection of micro factors are: 1) the nature of the goods: Different goods for the logistics model requirements are not the same. Businesses should pay attention to the nature of their goods to choose the most appropriate logistics model to maximize the quality of logistics and cargo security. 2) Logistics costs: Logistics cost is one of the key factors to determine the logistics model. Logistics costs include inventory maintenance costs, transportation costs, procurement costs, customer maintenance costs [7]. In considering these costs, the logistics model for the choice to provide sufficient basis. 3) After-sales problem: In modern economic activities, after-sales service directly affects the image of enterprises in the minds of consumers. Good after-sales service is not only to maintain the existing customer base, but also for the formation of good business shape, this is so-called "word of mouth benefits."

### 4.2 Approaches of the Types of Logistics Models for Cross - border Electric Businessmen

(1) Matrix decision-making method: This approach is to require enterprises to deal with logistics business according to their own capacity, as well as the importance of logistics for the development of enterprises in two aspects to determine the logistics model. If the enterprise relies on logistics business processing capacity a higher degree of dependence on the logistics, it can be used to manage their own. On the contrary, you may need the help of cross-border third-party management. (2) Analytic Hierarchy Process (AHP): This method is to decompose the elements related to the enterprise development decision into the target, criterion, scheme and so on, and make qualitative and quantitative analysis on this basis. This approach can help companies understand the needs of each level of the logistics model, and then a comprehensive selection. However, due to the subjective impact of the method set in the larger indicators, it is also prone to errors. (3) fuzzy comprehensive evaluation method: The method is to qualitative evaluation into quantitative evaluation, in order to analyze the logistics model is more suiTable for the development needs of enterprises. This approach quantifies some of the ambiguities and makes it clearer and clearer. But only a fuzzy evaluation matrix can be obtained. The judgment matrix and related influential factors need to be further processed, and the process is complicated.

#### 5. Conclusion

In general, the cross-border business environment, logistics mode selection is to meet the current cross-border development of China's electricity business, but also in line with foreign trade enterprises of their own development needs. With the gradual development of cross-border electronic business activities, its logistics model is bound to be more diversified. But no matter what kind of logistics model, foreign trade companies should uphold the "guarantee the quality of goods, pay attention to logistics services, and is committed to providing consumers with a good spirit of consumer experience and principles.

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