

Research on Optimization and Innovation Strategies of Supply Chain from the Perspective of Cross-Border Electronic Commerce

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Abstract: In recent years, the cross-border electronic commerce(CBEC) in China has undergoing rapid development, and the CBEC industry is growing its scale. The supply chain system of CBEC involves a wide range of enterprises, with high degree of informatization and fast operation efficiency, but it also faces a lot of uncertainties. This paper first analyzes the obstacles that affect the growth of CBEC in China, then puts forward some optimization and innovation strategies of CBEC supply chain, in order to help enterprises in this field to optimize supply chain system, and constantly accelerate the growth of CBEC industry in China.

1. Introduction

Supply chain is a kind of distribution system, which connecting different enterprises organically. The system involves the production of goods, the transportation of logistics, the sharing and transmission of information, the sales of stores, orders, inventory and other different links ^[1]. Profit is the ultimate goal of an enterprise. Different enterprises in the supply chain often have some difficulties and obstacles in cooperation to ensure their own interests. With the unceasing development of cross-border electronic commerce(CBEC), the global environment and world market demand are all changeable, so enterprises in supply chain usually face many uncertainties. Small changes of any enterprise in supply chain may change the cost and efficiency of supply chain system, and these changes are often difficult to predict. Therefore, in order to reduce the uncertainty of supply chain and protect the fundamental interests of the enterprises in supply chain, it is imperative to optimize and innovate supply chain system.

2. Factors Influencing the Development of Cbec Supply Chain in China

2.1 Irregular Goods Source with Many Fake and Inferior Goods

China's CBEC platforms, especially B2C platforms, hold relatively low access threshold for the commodities provided by merchants, causing many fake and shoddy commodities on the trading platform. Moreover, merchants also say that they guarantee that the commodities sold online are absolutely "brand purchasing" or "authentic", while many consumers can't accurately identify the authenticity of the goods when they buy them. Consumers are often been cheated, even don't know that they have bought fake and inferior goods. In the long run, the e-commerce trading platform will inevitably lose quite a lot of customers, seriously bruise the image and reputation of CBEC platforms, then to greatly impede the sound development of CBEC.

2.2 Lack of a Perfect Regulatory System in e-Payment Which is Highly Risky

At present, there is still a lack of perfect laws and regulations and related regulatory system in the aspect of electronic payment in China, and there is a great risk in electronic payment. CBEC has relatively large liquidity in terms of capital. Different currencies, exchange rates, and languages, cultures and relevant laws of different countries brought many obstacles to CBEC e-payment. Therefore, compared with domestic online payment, cross-border transactions will face greater payment risks ^[2].

2.3 Heavy Tax on Cross-Border Commodity and Complicated Customs Clearance Procedures

The products sold on CBEC platforms often go through complicated procedures when they are imported or exported, and they also need to pay various taxes such as value-added tax, consumption tax and tariff. In the era of economic globalization, CBEC has vast prospects. Massive commodities enter or leave the customs every day. Each commodity needs to go through a series of customs clearance or entry procedures and pay various taxes, which greatly reduces the efficiency and increases the cost of commodity customs clearance.

2.4 High Cost and Low Efficiency of Cross-Border Commodity Circulation

Higher cross-border commodity tax burden and more complicated customs clearance procedures increase the circulation cost of cross-border commodities, reduce the circulation efficiency, and to a large extent hinder the development of CBEC in China. In addition, the logistics system of CBEC needs to be further improved in terms of perfection. There is a relatively serious fragmentation phenomenon in the logistics system, and each link forms its own system, which is difficult to exchange and share information in real time, and the overall logistics supply chain is not smooth^[3]. Relevant surveys show that compared with CBEC transactions, Chinese Internet users will be more satisfied with domestic e-commerce transactions. The main reasons for the low satisfaction of Internet users with CBEC transactions are high logistics cost, slow logistics speed, cumbersome return and exchange process and the large amount of fake goods.

In addition, although China's CBEC has stepped forward rapidly in recent years, it is still in the initial stage of development. As far as the CBEC industry is concerned, the number of such platforms is not very large, and the global popularity and influence also need to be improved, and many e-commerce enterprises also show deficiencies in model and strength, so the systematic supply chain of CBEC hasn't really formed.

3. Optimization and Innovation Strategies of Cbec Supply Chain

3.1 Optimize and Innovate Supplier Management

Credit is the "pain point" of CBEC while the source of goods is a significant material basis to guarantee the credit of CBEC platform, and the fundamental to realize the long-term sound growth of CBEC enterprises^[4]. If the CBEC company wants to have a complete supply chain, it must ensure that its suppliers or commodities have good quality. At present, many companies on CBEC platforms still purchase goods through professional teams or individual buyers without creating a complete and smooth supply chain. Many overseas firms or agents lack a comprehensive understanding of CBEC, so it is difficult to achieve in-depth cooperation in the supply chain. Therefore, the small and medium-sized enterprises which engaged in CBEC trade can only realize the supply of goods through multiple channels. However, due to the complex sources of goods and the high purchase price, the operation of small and medium-sized enterprises in China is facing many obstacles. It can be seen that strict management of suppliers is an inevitable requirement for optimizing CBEC supply chain. Reasonably select suppliers, so that suppliers directly connect with the brand. Through this way, the procurement cost of goods can be reduced. We should fully develop the source market and dig out different kinds of goods to meet the consumer demand. In the context of rapid growth of CBEC, many e-commerce trading platforms in China have launched in-depth cooperation with overseas brands through their own efforts. For example, NetEase Koala, an e-commerce platform, directly cooperates with overseas brands or top distributors to independently control the goods. The third-party inspection and self-inspection are relatively strict. When purchasing goods from overseas, consumers will be invited to go together, so as to realize their commitment to authentic goods through such source procurement.

3.2 Optimize and Innovate Logistics Information Management

The growth of CBEC is inseparable from the technical support of modern information technology. To make the supply chain system more complete and smooth, we must fully use

advanced information technology. In recent years, China's logistics information technology has achieved rapid development. However, the level of other countries' logistics information technology is relatively low and the development is relatively slow too, hence this imbalance leads to the rupture of the supply chain^[5]. In addition, some mainstream domestic CBEC companies have established their own overseas warehouses, which are directly connected to the domestic express logistics distribution system. However, the overseas warehouses of different CBEC platforms are not gathered in one place, and they are independent of each other. When the same business enters different CBEC platforms, it needs to connect with the overseas warehouses of different platforms, which is complicated to operate. If different overseas warehouse systems can be interconnected, the logistics cost will be effectively reduced and cross-border logistics will be more convenient.

3.3 Integrate and Optimize the Supply Chain

For CBEC enterprises, its supply chain structure is relatively long, so is the time required in the early stage, and there are many third parties involved, so it greatly reduces the overall management efficiency. Through the integration of multiple different supply chain links, the overall planning and management of supply chain links can be realized, thus creating favorable conditions for the sound and rapid growth of CBEC enterprises^[6]. For example, Amazon integrates all supply chain links, Tmall global also integrates Cainiao logistics in the supply chain through bonded goods preparation and overseas direct mail. NetEase Kaola's operation mode has always been dominated by itself, and it independently controls all aspects of the supply chain. Its self-developed Cloud TMS system and intelligent management system "Xiangyun" have been fully opened to its upstream and downstream partners in the supply chain. Other strong CBEC enterprises are also actively exploring similar operation modes, integrating all aspects of the supply chain by cultivating international logistics, which has become the main growth trend of CBEC.

3.4 Optimize and Innovate the Defense System

In the traditional supply chain, sellers, suppliers and producers all need to preserve a certain amount of goods to avoid the failure to supply goods timely due to market changes. In the mode, in order to deal with the uncertainties in supply chain, the only defense wall that can be built is to reserve a certain amount of stock, but this defense method is far from enough. In order to deal with the uncertainties in supply chain more comprehensively, it is the best way to establish a deep and all-round flexible defense system^[7]. This requires CBEC enterprises to strengthen the flexibility of internal levels such as product research and development, organizational structure, human resource management, corporate culture. They also need to carry out comprehensive and in-depth cooperation with upstream, midstream and downstream enterprises in supply chain. By signing flexible contracts, all parties can establish an interdependent relationship, so as to get mutual benefit and win-win.

4. Conclusion

With the continuous development of CBEC trade, enterprises in this field pay more and more attention to the value and role of supply chain. Although CBEC in China has rapidly developed, there are still some obstacles. By optimizing and innovating the CBEC supply chain, we believe that China's CBEC enterprises will have better layout and development in the future.

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