Analysis on Operation Mode of Ali International Cross-Border E-Commerce Platform

——Taking Green Electronics as an Example

Jinhong Huang[1,a], and Lun Luo[2,b]

[1]School of Electronic Commerce Wuhan Technology and Business University Wuhan, China

[2]Engineering Department China Railway 11 Bureau Group Co., LTD Wuhan, China

[a] 30157704@qq.com, [b] 85257070@qq.com

Abstract: At the beginning of 2018, the number of global Internet users exceeded 4 billion. In the era of digital economy, cross-border e-commerce has become the mainstream trade mode. However, in most countries, middle and small-sized enterprises are the main body of trade and have encountered practical problems in cross-border e-commerce. By providing advanced information collection and display, convenient delivery process and helping enterprises alleviate credit and financing bottlenecks and other services, Alibaba provides a convenient path for small and medium-sized enterprises on the road of cross-border e-commerce.

1. The Development Status of Cross-Border E-Commerce

With the development of information technology, cross-border e-commerce has become an important driving force for the transformation of enterprises in China's foreign trade industry. Meanwhile, the number of Internet users in China keeps increasing. As of June 2016, the number of Internet users in China was 710 million, with a penetration rate of 51.7%(as shown in fig. 1). This is 3.1 percentage points above the global average and represents an increase of 4.29 billion people in 2016. The increase rate was 6.2%. With the increase of the number of Internet users, the frequency of the use of the Internet model has obviously increased. The popularity of the Internet and the support of relevant logistics and payment methods make cross-border e-commerce develop rapidly and become an important means for the development of modern international trade. In terms of the mode, B2B is still the leader in cross-border e-commerce, accounting for 90% of the total e-commerce.

Fig. 1 The number of Internet users and the penetration rate of the Internet

662   **DOI: 10.25236/icemc.2019.120**

1.1 Diversified Participants.

The development of cross-border e-commerce has diversified participants in international trade activities, including enterprises and commodities.

1.2 Diversified Trading Modes.

The operation modes of cross-border e-commerce are mainly B2B, B2C and C2C, and now there are O2O online transaction modes. This gives traders more options in the traditional single trading model. According to research data from the consulting, the size of China's online shopping market and B2C market was 2 trillion yuan in 2016, accounting for 55.3 percent of the total market. It was 3.2 percentage points higher than 2015, and the growth rate was 31.6%, far exceeding 15.6% of C2C market (as shown in fig. 2).
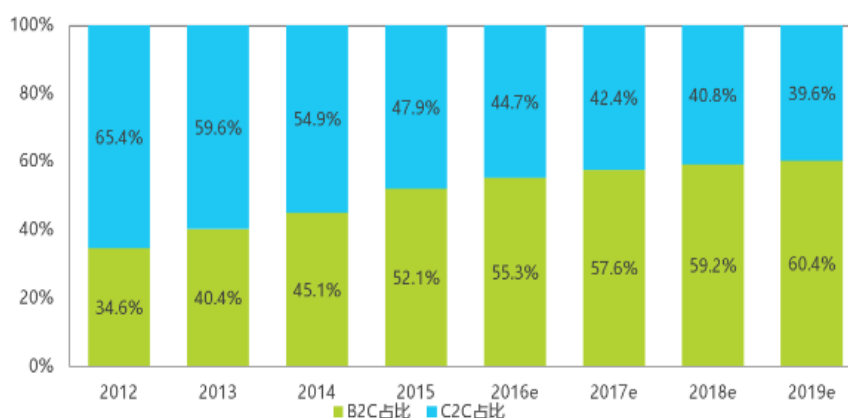
Fig. 2 2012-2019 China network shopping market transaction size structure

1.3 The Improving Support System

China has initially established a supporting service system for cross-border e-commerce, and issued a series of supporting policies to support the development of cross-border e-commerce and promote the steady development of cross-border e-commerce. At the same time, cross-border e-commerce enterprises continue to extend to the industrial chain of other industries, and strives to integrate services, so as to improve the industrial chain and service chain.

1.4 Developing Logistics, Payment and other Industries

Transactions on cross-border e-commerce platforms are bound to be supported and coordinated by other industries, among which logistics and payment are the most prominent industries. Of course, they are also developing rapidly.

2. Overview and Model of Ali International E-Commerce Platform

2.1 Overview of the platform.

Ali international is a trade platform to help middle and small-sized enterprises expand overseas trade markets. Alibaba international station provides shop decoration, product display, marketing promotion, business negotiation, store management and other service tools, which can effectively help suppliers to obtain business inquiries and orders, help small and medium-sized enterprises to develop overseas markets with low cost and high efficiency.

With a large number of participants, members from more than 200 countries (regions) actively trade on Alibaba international station. The product category is rich, it has 21 first level categories, including products of various aspects; Export method is simple, one-stop export service provider one touch provides small and medium-sized enterprises with export services.

Ali international is mainly for small and medium-sized enterprises. It supports both retail and wholesale. Users can register for free. The platform can make profits through membership fees,

advertising fees, competitive ranking, value-added services, offline services, business cooperation and other ways.

2.2 Features of the Operation Mode.

2.2.1 Targeted small and medium-sized enterprises

China is a market that is growing at a high speed. The number of small and medium-sized enterprises is large, widely distributed, with huge potential and rapid growth. It is an important force in the entire social and economic life. Alibaba international station targeting small and medium-sized enterprises in China emerges as the era requires.

2.2.2 Low entry threshold for members

Merchants only need to enter the Alibaba international station's web-page, and then click free registration, fill in personal information and enterprise information, then complete registration.

2.2.3 Members with superior market services through value-added services

Value-added services, on the one hand, strengthen the online trading market services, on the other hand, enable the site to achieve direct profit through a variety of ways.

2.2.4 Importance to international market publicity

Jack ma, as the living sign of Alibaba, has made great contributions to the promotion of Alibaba's international publicity by taking part in economic BBS, celebrity dialogue and attending business activities between countries.

3. Problems Encountered by Enterprises on Ali International Platform

3.1 Low Level of Cross-Border Information and Business.

Ali international itself can provide merchants with abundant information resources, but for enterprises, such information is far from enough. The single information source and slow update time greatly limit the flexible formulation of marketing strategies.

3.2 Backward Marketing Concepts.

Focus only on traffic and sales, ignore branding and operations. Due to the low international publicity of small and medium-sized enterprises, in order to quickly improve the publicity of enterprises and store traffic, enterprises must increase the investment proportion in advertising. In the case of limited funds, the increase of advertising costs means that the product quality and after-sales service are sacrificed. Once the brand image of the enterprise is damaged, it is difficult for the enterprise to gain the trust of customers, so the marketing activities and efforts made in the early stage will be wasted.

Enterprises do not effectively take the platform's data steward for large data analysis. Due to the backwardness of marketing concepts and the lack of professional knowledge, many enterprises are still in the stage of extensive marketing. They collect customer mailboxes through platforms and other means and then use email marketing tools to conduct marketing with a unified template. This lack of refined marketing behavior management is difficult to ensure that products and services meet the needs of consumers, the marketing strategy lacking connotation can not highlight the characteristics of personalized marketing and humanized marketing.

3.3 Lack of Professional Talents, Capital and Technology.

Different from the traditional trade, Ali international cross-border e-commerce platform needs the complex talents knowing foreign trade operation and e-commerce operation. Foreign trade talents can not only sell products but also need to master common and used software tools such as AI, PS, etc. They also need to base on the data provided by the data manager, accurately analyze the accurate keywords, set the attractive title for the product to have search high volume. In addition, they also

need to know how to conduct personalized marketing, and be able to give different marketing plans to customers from different countries and different business backgrounds. What's more, international trade will inevitably lead to disputes, which needs professional foreign trade legal talent. Under the background of the rapid development of cross-border e-commerce, the shortage of talents in small and medium-sized foreign trade enterprises is increasingly obvious.

Additionally, the lack of capital and technology also hinder the application of e-commerce in small and medium-sized enterprises.

3.4 Inefficient Transaction Data

International payments is mainly composed of PayPal, Western Union, T/T, L/C, usually after communicating with the salesman, customers make payment for goods directly offline so the platform plays the minor role in the trade, as a result, Ali international platform stops at information platform instead of trading platform. The transaction information cannot get the correct feedback, which makes the buyer of the platform miss an important reference basis in the selection and analysis of suppliers, and the platform lacks effective supervision of the delivery link.

4. Suggestions on Rational Utilization of Ali International Platform

4.1 Pay Attention to Information Development.

While using Ali international platform to obtain information, enterprises shall also use other various channels to collect information resources, such as customs data, exhibition data and exhibition data, which are important information resources for enterprises, and pay attention to the new industry rules of the platform, develop a matching marketing strategy according to regulations.

4.2 Shape the Brand and Conduct Marketing in Various Forms.

Through the analysis and judgment of customers and markets by data steward, enterprises sort out the target customers with value for the enterprise, and then develop the personalized and precise marketing plans for these customers.

Small and medium-sized enterprises can integrate resources and channels for online and offline integrated marketing. Some social media platforms can be used to interact with and maintain customers online, and marketing methods can be added to facilitate customers' reorders and improve their loyalty to the corporate brand. On the offline, small and medium-sized enterprises can use AR and VR technology to show customers the actual layout and production status of the factory, so as to improve customers' recognition of the enterprise.

4.3 Value Product Quality and After-Sales Service.

As we all know, the cost of getting a new customer is five times that of retaining an old customer, and an old customer contributes 16 times as much profit as a new customer. With the strength and development of "We-Media", relationship marketing is particularly important. In this regard, while ensuring product quality, small and medium-sized enterprises actively invite every customer to evaluate the level of goods and services on the platform, constantly improve their own services, improve the shopping experience of customers, and maintain close contact with customers.

4.4 Strengthen Personnel Training and Financing.

Optimize the personnel allocation, and improve the efficiency of the team. Through the financing service of one-touch, various forms of financing will be carried out to increase the flow capital of enterprises and make them more flexible in production and marketing.

4.5 Develop Online Payment.

Ali international tries to transform itself from an information platform to a trading platform, so the online payment function is an important part of it.

5. Case Analysis

5.1 Introduction and Operation Mode of Shenzhen Green Electronics Co., Ltd.

5.1.1 Company introduction

Shenzhen Green Electronics Co., Ltd. is a foreign trade company located in Huaqing North Commercial Area. It is mainly engaged in IC electronic components, capacitive touch pen, USB flash drive, mobile power supply and other consumer electronic products.

Personnel allocation: company manager, foreign trade salesman, platform operation personnel, warehouse management logistics personnel, financial personnel, purchasers.

Marketing method: Operators can increase the weight of products through P4P of Ali platform, purchase of top booths, optimization of product titles and keywords, optimization of product details pages and ranking of products in search results pages to obtain more traffic and inquiries. Sales personnel take the initiative to quote to customers to get more traffic and inquiries through RFQ, visitor marketing, development letter.

Competitive advantages: small wholesale minimum order quantity, support personalized customization, short delivery time, adjacent to Hong Kong logistics, cheap transportation, fast.

5.1.2 Operation mode

Shenzhen Green Electronics Co., Ltd. is a cross-border e-commerce foreign trade wholesale model based on Ali international platform.

The executive management is in the charge of the company manager. Main responsibilities: plan the company's goals, manage the company's staff, supervise the completion of daily tasks, assess performance, and have the right to hire and dismiss employees.

Sales is in the charge of foreign trade sales person. Main responsibilities: product sales, new product market development, market information collection, customer service.

Production is in the charge of purchasers. Since the company is a trade-oriented foreign trade company, the company does not have its own factory, all the products are purchased from other factories by purchasers. Main responsibilities: finished product procurement, cost management, quality inspection, efficiency assurance.

Technology is in the charge of the platform's operation personnel. Main responsibilities: market information collection, analysis, processing, application, product release and promotion, store decoration, training for new employees.

Capital management is in the charge of financial staff. Main responsibilities: regular financial work, assessment and calculation of operating costs.

5.2 Specific Performance of Reasonable Utilization of Platform Operation.

Management: at the beginning of 2017, the manager decided to create his own product brand: Tomsenn. He wanted to build a good corporate brand image with this product. At the beginning of each month, made detailed sales targets and marketing plans, and organized all employees to watch online public classes every Wednesday afternoon to improve the professional quality of company personnel.

Sales: Sales staff develop the corresponding precise personalized marketing content according to different background customers. In terms of payment methods, actively guide customers to make payment on the platform, and do a good job in after-sales service, timely follow up user feedback after use.

Production: Purchasers select several factories with high product quality and high efficiency as suppliers, and communicate with salesmen closely to accurately understand customers' needs and feed back to the factory. When the goods are finished, they should carefully and patiently inspect the quality of goods.

Technology: The operation personnel always pay attention to the release of commercial information and the change of the industry rules of the platform, timely adjust store layout and actual

product promotion, update the latest information of the platform and the latest store data to other employees of the company every Friday.

6. Conclusion

Relying on Ali international e-commerce platform and years of practical experience and accumulation, foreign trade small and medium-sized enterprises can start from the following aspects, so as to seek new development.

The platform manager attaches great importance to the power of brand, organizes regular open class for employees, constantly observes the new rules of the platform, and makes corresponding marketing strategies in advance according to the corresponding seasons and festivals, get employees familiar with and ready for future work tasks through regular meetings.

Platform operators shall constantly study photography skills and photo-shop skills through open classes and some online resources by themselves, optimize titles and develop keywords to make products easily accessible to customers, use data steward to analyze the change of platform data every week, timely and accurately adjust products, and improve product ranking, make good use of P4P tools to buy keywords at a lower price, so that the product can get more clicks at a lower cost, actively understand the new rules and activities of the platform, and present them on the company's pages and products in a timely manner to obtain more exposure and clicks.

Sales personnel use data steward to make precise and personalized marketing plans for customers from different countries and home backgrounds. In the face of every customer inquiries, sales personnel shall not blindly reply, firstly inquire the customer's details, understand the customer's background, analyze the customer's level, and then make the corresponding sales plan, learn about festivals in different countries and respond positively to different customers in marketing and maintenance, always pay attention to platform activities, be good at using platform activities for customer marketing, and actively guide customers to use Ali international platform for online payment.

References

[1] Wang Yuanyuan. Analysis of the Status Quo of Cross-border E-commerce and Its Trend Research [J].Research,2016(6).

[2] You Jing. Sustainable Marketing Research of Small and Medium-sized Enterprises Based on E-commerce Ecosystem——Taking Alibaba E-commerce Ecosystem as an Example [J]. Commercial Economic Research,2017(19).

[3] Cai Yunshan, Liu Xin, Guo Qinfeng. Study on the Characteristics and Trends of Cross-border E-commerce [J]. Electronic Technology and Software Engineering, 2018(1).