The Path to Improving the Competitiveness of Small and Micro Cross-border E-commerce Enterprises in the Digital Trade Era

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Abstract
With the widespread popularity of network information data worldwide, new industries and new development models of the digital economy have emerged, and their rapid development has directly promoted the simultaneous development of global digital trade and has become a driving force to empower cross-border e-commerce SMEs to go to the worldwide consumer market, playing a significant role in promoting the high-quality development of work. In the context of the digital economy, the result of small and micro cross-border e-merchants in the digital trade era is summarized, and challenges exist in the intelligent transformation and development of small and micro cross-border e-merchant enterprises in the digital trade era. Based on exploring the path of intelligent transformation of cross-border e-Commerce SMEs, the corresponding countermeasures are proposed for the high-quality development of cross-border e-Commerce SMEs in the 14th Five-Year Plan stage.

Keywords
Digital trade, small and micro cross-border e-commerce, competitiveness

Introduction
Digital trade is a new engine for developing China's foreign trade. Cross-border e-Commerce, as one of the basic forms of digital trade, is important to the innovative development of digital trade by giving full play to its role. With the deepening of economic globalization and the upgrading of digital technology, digital trade has accelerated its development, and its share in trade in services has continued to rise, becoming a new engine of global trade and economic growth. The global cross-border e-commerce market continues to expand and is a new foreign trade model with rapid development, high potential, and a strong driving effect, which has become a breakthrough in the development of digital trade (Nasimovna K S, 2021).

1. Related concepts
(1) Digital trade. Digital trade is a new form of international trade empowered by information and communication technology, with data flow as the key traction, modern information networks as the important carrier, and digital platforms as the robust support, which greatly reduces trade costs and time, prompting the emergence of new trade products and bringing revolutionary changes in trade patterns. The development of digital trade is of great significance in promoting the high-quality development of China's trade. Especially during the global spread of the new crown epidemic, digital trade has shown remarkable resilience and potential for growth (Gao H, 2018).

(2) Cross-border e-Commerce. Cross-border e-commerce mainly includes two models, B2C and B2B. Under the
B2C model of cross-border e-Commerce, Chinese enterprises face foreign consumers directly, and customs supervision consists of the direct purchase import model and the bonded preparation model. Under the B2B mode of cross-border e-Commerce, domestic companies deliver goods to overseas companies or warehouses through cross-border logistics and complete transactions through cross-border e-Commerce platforms. Enterprises transmit relevant electronic data according to customs requirements.

Cross-border e-Commerce effectively breaks through time and space restrictions, reduces the various links in the traditional trade process, expands the space for foreign trade development, injects new momentum into the development of digital trade, and brings new opportunities for trade restructuring and the development of new services. Data show that the proportion of China's cross-border e-Commerce exports in foreign trade exports increased from less than 1% in 2015 to 4.6% in the first quarter of 2022. Against the backdrop of vibrant cross-border e-commerce activities, consumers' rapid shift to digital lifestyles, and the continuous development of digital infrastructure, digital trade is further accelerating.

2. The current situation of cross-border e-commerce enterprise development in the digital trade era

The development of cross-border e-Commerce in China began at the end of the 20th century. The establishment of Alibaba International Station in 1999 marked the entry of domestic cross-border e-commerce into the 1.0 era. The establishment of Dunhuang.com in 2004 enabled cross-border e-commerce platform enterprises to move from providing mainly information and product display to the 2.0 era online transaction service integration. Since then, platform services have been comprehensively upgraded, large platforms have emerged, entire industry chain services have gone online, and China's cross-border e-commerce has entered the 3.0 era. 2020 saw strong growth in China's cross-border e-commerce against the trend during the new crown epidemic, accelerating cross-border e-Commerce into a new phase of digital trade development driven by innovation, rapid response, and all-around capacity enhancement. The main features of the new development phase are as follows (Lee-Makiyama H., 2018).

(1) Cross-border e-Commerce has become a new trade area in which China has international competitive advantages and also provides new opportunities to develop the world economy.

In 2020, the spread of the new crown epidemic led to a contraction in global trade. According to the World Trade Organization (WTO), international trade in goods fell 11% year-over-year in the first three quarters. On the contrary, China's total trade in goods and the size of its surplus have both risen. According to customs statistics, China's total imports and exports in 2020 amounted to US$4.6 trillion, up 2% from 2019, achieving a surplus of US$533.7 billion and a 27% increase in excess size. Among them, the total import and export of cross-border e-Commerce amounted to USD 1.69 trillion, an increase of 31.1%, the import and export list checked and released through the Customs cross-border e-commerce management platform grew by 63.3%, cross-border e-Commerce exports grew by 40.1%, and cross-border e-Commerce imports rose by 16.3%. The total import and export of cross-border e-commerce reached USD 419.5 billion in the first quarter of 2021, an increase of 46.5% year over year, continuing to maintain a high rate. The introduction of the "Overall Plan for the Construction of Hainan Free Trade Port" in June 2020 resulted in a total value of $526 million for Hainan's cross-border e-Commerce retail import declaration list, a simultaneous increase of 672.9%, creating a huge market opportunity for world economic recovery and growth. With the advantages of digitalization and industrial chain, under the epidemic, China has become the most competitive country in the world for cross-border e-commerce, and the active Chinese market has become a leader and experimental field for new businesses and models of global e-commerce, contributing Chinese wisdom to the development of international trade and industrial development.

(2) The structure and quality of cross-border e-Commerce have improved. Under the new epidemic, China's exports of prevention materials and goods related to the "home economy" have increased significantly to meet the needs of epidemic prevention and people's lives worldwide.

According to customs statistics, in 2020, China's textile exports, including masks, increased by 29%, exports of medical materials and medicines increased by 27%, and exports of household appliances, laptops, and other "home economy" products increased by 24% and 20%, respectively. Cross-border e-commerce not only helped to achieve faster growth in epidemic prevention and "home economy"-related goods, but also pushed the growth rate of transactions on the platform to double for industries such as machinery, home gardening, consumer electronics, beauty care, packaging, and printing. Although the structure expanded, cross-border e-commerce exports during the epidemic also showed a clear trend of new product substitution, such as the smart home Internet and other new cate-
gory sales boom areas. According to a report released by the e-commerce data company Marketplace, Chinese sellers will account for a record share of 42% of Amazon's 850 big sellers by the end of 2020. Cross-border e-commerce has opened overseas markets for more Chinese companies, helping countries around the world combat the epidemic while opening world markets to improve trade structures (Wolfe R, 2019).

(3) China's digital and digital trade and supply capabilities have increased across-border e-Commerce. The epidemic-derived "home economy" has catalyzed cross-border e-commerce to grow against the trend. But the rapid responsiveness to overseas consumers is due to the overall improvement in the digital capabilities of China's cross-border e-commerce enterprises. Based on the integrity of the domestic manufacturing supply chain and the advantages of digital production, Chinese sellers can adapt their products flexibly and quickly to meet the changing needs of overseas consumers. Also, based on the popularity of digital social networks and the practice of a user-centric philosophy by Chinese cross-border e-Commerce companies, companies are able to dig deeper into new business opportunities in changing application scenarios of consumers and continuously create and meet new demands. China's cross-border e-Commerce, under the epidemic, has moved from the digitalization of marketing and transactions into industry digitalization. Amazon's "From New Industry to New Normal - 2020 China Export Cross-Border E-Commerce Trends Report" summarizes five major trends in the development of China's export cross-border e-Commerce: more diversified sellers' geographies and types, accelerated global layout, enhanced brand awareness, accelerated product innovation, and upgraded responsiveness, which is a comprehensive view of the competitive ability of China's cross-border e-commerce enterprises. This is an accurate description of China's cross-border e-commerce enterprises' improved competitiveness. Under the new epidemic, more than 10,000 SMEs and traditional foreign trade enterprises have gone online, and innovations in marketing methods such as online exhibitions, live streaming cross-border and cloud negotiation have reduced time and space barriers to bring merchants closer; digitalized customs clearance and settlement transaction links have greatly improved transaction efficiency; rich digital resources on platforms have helped SMEs accurately locate consumer markets and needs; global overseas warehouse networks and cross-border supply of independent stations. The global network of overseas warehouses and the cross-border supply system of independent stations provide more timely and convenient services and improve the efficiency of distribution, etc., which all play a very important role in enhancing trade (Peters MA, 2022).

3. The path to enhance the competitiveness of small and micro cross-border e-commerce enterprises

"The 14th five-year plan proposes that China build a new development pattern in which the major domestic cycle is the mainstay and the domestic and international processes promote each other. The new development pattern should fully use the domestic and international markets and resources, unblock production, distribution, circulation, and consumption, actively promote imports and exports, and build an integrated system with smooth internal and external circulation. To successfully transform to the new development pattern, it is necessary to promote internal and external circulation at a higher level with the support of new technologies. The high-quality development of China's cross-border e-commerce in the post-epidemic era cannot be achieved without making full use of the significant opportunities brought about by technological innovations such as information technology, artificial intelligence, and blockchain. In the accelerated growth of cross-border e-Commerce SMEs, they should use innovative technologies such as digital manufacturing and smart manufacturing to accelerate the construction of a branding-led value chain system and deepen the value creation-oriented refinement of their operations. By creating an internationalized technology chain, innovation chain, and supply chain and eco-chain, they will lead the reconstruction and development of the new globalization round.

(1) Promote cross-border e-Commerce enterprises to build a global digital industry and innovation chain led by branding through continuous reform and innovation of the regulatory service system. Cross-border e-Commerce offers significant development opportunities for SME enterprises in terms of branding operations. Many nontraditional brand owners are leveraging the platform economy and digital assets of cross-border e-commerce to achieve their strategic branding goals quickly. First, while further strengthening market regulation and clearing the blockages in institutional mechanisms that constrain the development of the digital economy and trade, such as data property rights and consumer protection, innovative management system reform is needed to deepen cooperation and exchange in the field of e-commerce and technology, and to enrich and improve the digital ecosystem. Second, we will accelerate the construction of industrial support systems, promote market
connectivity for cross-border e-commerce trade and industry, and build a cross-border e-commerce industry chain with branding. Through the integrated advantages of the industry chain, the foundation for the growth of China's well-known brands in cross-border e-Commerce will be further consolidated and strengthened. Third, promote the entry of service products such as tourism, arts, entertainment, and audio-visual products into the cross-border e-commerce system and promote a greater expansion of the scope of the cross-border e-commerce sector. Fourth, promote the reform of comprehensive cross-border e-Commerce pilot zones and import pilot cities, continuously import more quality products through cross-border e-commerce, drive related industries to improve quality and efficiency, and develop a higher level of large markets for the world.

Many regions in China have advantages in the development of unique industries. Traditional specialty industry zones can focus on constructing global specialty industry operation centres, "strengthening chains and complementing chains" by focusing on specialty industry chains and using the network agglomeration effect to strengthen regional brand advantages. We will introduce leading cross-border e-commerce enterprises, cultivate localized cross-border e-commerce benchmarking enterprises, play the leading role of leading enterprises, drive small and medium-sized enterprises to develop collaboratively, deepen industrial chain collaboration, and create a new industrial pattern of "going to sea in a group". At the same time, we will make full use of advanced platforms to introduce supply chain service chain resources, promote the synergistic development of public services and industrial resources, share the advantages of cross-border e-commerce resources, form an integrated service centre for industrial operations, promote regional brands, and advance the construction of manufacturing clusters and industrial ecosystems.

(2) Cross-border e-Commerce SMEs should take advantage of the development opportunities of the digital economy and global trade chain restructuring to improve digital manufacturing and intelligence with fierce competition in cross-border e-Commerce with SMEs as the mainstay and platform-based operations, new models and new businesses emerging, high levels of technical requirements and barriers to the promotion of new technologies, making the development of cross-border e-Commerce dependent on a regional ecosystem. China's cross-border e-commerce enterprises have the advantage of rapid response product supply, but the number of digital supply chain management, legal, financial, and fiscal services supporting enterprises is insufficient, the construction of enterprise credit systems, ecosystem construction has not yet been perfected, and the systematic support and protection of the development of the cross-border e-commerce industry needs to be strengthened. Manufacturing level, improve the level of refinement and ability to operate.

SMEs can take advantage of the wave of the digital economy to develop digital R&D and manufacturing, bring the efficiency of digital production into play, promote better integration of manufacturing and service industries in the field of cross-border e-commerce, and promote the upgrading and innovation of the digital industry chain formed or promoted by cross-border e-Commerce enterprises as a leader. At the same time, build a comprehensive competitive advantage with refined services as the core. Cultivate and promote new products, models, business models, and channels for cross-border electricity through the value provided by continuous innovation in products, brands, channels, and services. Strengthen comprehensive macro- and micro-research and digital capabilities to enhance the industry's ability to anticipate risks and adjust dynamically. Take advantage of China's strong manufacturing industry chain and digital resources to build and improve cross-border e-Commerce, value, and ecological chains by working from both the demand and supply sides.

With the advent of the era of "buy global, sell globally", the intensive and standard development of online digital flows and offline logistics is the key to the development of digital trade. The smooth flow of international logistics is also the basis for the construction of a new pattern of "double circulation". Since the "One Belt, One Road" initiative was launched, the internationalization of logistics in China has begun to bear fruit, with the construction of an integrated international logistics network system on land, water, and air. Logistics hubs have a significant advantage in the development of digital trade. Logistics hubs should make full use of modern information technology such as 5G, artificial intelligence, the Internet of Things, big data, and cloud computing to develop smart logistics such as smart railways, smart shipping, smart highways, smart ports, smart civil aviation and smart postal services, and have the ability to switch between multiple modes of transport, actively dovetailing with global supply chain systems and international hubs to build a global shipping operation centre. The global shipping operation centre will take advantage of the integrated and distributed international and domestic logistics, develop a fully functional import and export port and efficient customs clearance capacity, attract a concentration of related professional services, and strengthen the advantages of the cross-border e-commerce supply chain. By linking the domestic and
international markets, the center will become a key hub for the "double cycle" and bring into play the radiation capacity of a supply chain centre.

(3) Integrated on-line and offline development, breaking through transport and trade barriers, strengthening supply chain advantages, and reducing operational risks. On the one hand, continue to optimize the construction of the logistics system, actively expand new transportation channels, break through logistics blockages, and build a cross-border transportation system that includes multiple forms and types of China-Europe trains, international shipping, the Asia-Europe Continental Bridge, and international air transport. On the other hand, various forms of localized operations can also be explored to strengthen the resilience of supply chains and industrial chains and reduce operational risks. For example, in response to the lack of logistics facilities and backward payment systems in Southeast Asia and Africa, models such as building collection warehouses, overseas warehouses and payment warehouses in the form of equity cooperation with local enterprises can be explored, and for these West African wholesale centres such as Nigeria, a combination of e-commerce and traditional trade development can be explored. Equity cooperation and product cooperation with local enterprises is conducive to improving the resilience of localized industrial chains, solving the difficulties of cross-border logistics and cross-border payments, strengthening diversified international cooperation and integration, and promoting the construction of a new round of economic globalization. China's cross-border e-commerce pilot zones were initially selected to be areas with good industrial bases, excellent basic conditions for cross-border e-commerce, and wide economic radiation, enjoying the advantages of early and pilot national policy facilitation reforms. After distinctive construction practices, they have now been established as highlands for cross-border e-commerce development, with the foundation and condition to build a global concentration area for core cross-border e-Commerce functions. They are best positioned to become a global digital trade platform and a new high point for opening up to support the development of digital trade. It is best placed to become a global digital trade platform and a new highland for opening up and to be the pivot point for a more open domestic and international double cycle.

4. Conclusions

The high-quality development of cross-border e-Commerce cannot be achieved without the extensive use of digital technology. The development of cross-border e-commerce along the new direction of online and offline integration, which is information-based, intelligent and international, is conducive to China's seizure of the dominant power or rule-making power in modern international circulation and to shaping our core competitiveness in the new round of global competition. It is also an important development opportunity for regions with good industrial base and modern logistics conditions to build global cross-border e-Commerce hubs and cities that connect domestic and international markets and facilitate the realization of a new development pattern of "double circulation".

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