

An Analysis of the Development of Cross-border E-commerce in China Based on the Background of Economic Globalization - - A Case Study of Alibaba International Website

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Abstract. In the era of the digital economy, international trade develops rapidly, and cross-border e-commerce occupies an important position in global trade. To comply with the trend of economic globalization, China's cross-border e-commerce field needs to clarify its advantages and shortcomings, make timely adjustments and improvements, and achieve sustainable development. This paper analyzes the international economic background and the development status of cross-border e-commerce. Taking Alibaba International Site, a representative cross-border e-commerce platform, as a specific case, SWOT analysis is applied to analyze its development status, and it is found that the cultural differences, policy differences, and trade protection problems it faces reflect the existing deficiencies in China's cross-border e-commerce field. And put forward optimization suggestions for China's cross-border e-commerce enterprises. Still, the suggestions in this paper have certain limitations, for the specific situation of small and medium-sized cross-border e-commerce enterprises need to be considered in combination with the actual problem.

Keywords: Cross-border e-commerce, economic globalization, international trade, Ali International station.

1. Introduction

In the context of economic globalization, the financial ties between countries have become very close, and the development of international trade has shown a growing trend. With the "digital economy" being proposed, global digital technology and Internet technology are making rapid progress. More and more foreign trade enterprises choose to transfer offline business to online business, so cross-border e-commerce has achieved rapid development in the era of digital economy, and gradually become an important driving force for global economic trade. The increasing importance of cross-border e-commerce has attracted the attention and research of many scholars. Yuzhai used the support vector regression model to predict and analyze the effect of China's international trade patterns and concluded that cross-border e-commerce promoted the growth of China's foreign trade and was a new growth point for China's foreign trade [1]. By analyzing the development status of China's e-commerce, Qian Shuling pointed out the existing problems of China's e-commerce in international trade and proposed corresponding development strategies [2]. QianyuLi and JiaxuanSun conducted a comprehensive investigation on the development status of cross-border e-commerce and B2B platforms from the global and Chinese perspectives respectively, and put forward relevant suggestions [3]. MaYiming pointed out that the current scale of cross-border e-commerce is gradually expanding, with broad prospects for development. Still China's cross-border e-commerce marketing is relatively undiversified, and new marketing channels should be actively explored to improve international competitiveness [4].

By summarizing the existing literature and combining it with the development trend of international trade, this paper reviews the current development background of cross-border e-commerce in China and makes a SWOT analysis by taking the Alibaba International Station as an example. According to its advantages and disadvantages, this paper puts forward relevant suggestions conducive to the further development of the whole field of cross-border e-commerce in China.

Established in 1999, Alibaba International Station (hereinafter referred to as Ali International Station) is a B2B cross-border e-commerce platform under Alibaba Group and one of the world's

largest cross-border trade B2B cross-border e-commerce platforms. Ali International Station is committed to providing a convenient online trading market for buyers and sellers around the world, mainly connecting suppliers and buyers, providing one-stop services for both sides from commodity display, online communication, and deal-making to logistics distribution. Ali International is a representative cross-border e-commerce platform in China, so this paper chooses it as an example for analysis.

2. International Background and Development Status

2.1. The Trend of International Trade Under the Background of Economic Globalization

Today, the total volume of international trade is increasing, and new trade areas such as tourism, technology, patent and other services, and intellectual property rights are gradually emerging, so the proportion of trade in high-value-added products and technology-intensive products is increasing, and the focus of international trade is shifting to innovative and high-tech products. At the same time, the role of the multilateral trading system in global trade continues to rise. China, India, Brazil, and other emerging economies are expanding their trade scale and influence, gradually increasing their position in international trade and becoming important participants in global trade. Data and knowledge economy have become a new driving force for international trade and provide technical support for the development of cross-border e-commerce [5].

2.2. Development Status of Cross-border E-commerce in China

With the progress of Internet technology, the conditions of electronic business activities are gradually maturing, and the new economy with network and e-commerce as its main characteristics has become the mainstream of the development of The Times. The Chinese government has put forward the "Internet Plus" policy to develop cross-border e-commerce in rural areas, industrial cross-border e-commerce, promote cross-border e-commerce application innovation, and strengthen international cooperation in cross-border e-commerce. In addition, China's Belt and Road Initiative provides new opportunities for foreign trade enterprises to develop cross-border e-commerce. With the promotion of the initiative, the markets of countries and regions along the route are gradually opening up, trade barriers are reduced, and foreign trade enterprises can expand their markets through cross-border e-commerce. With the support of "Internet +" technology, the information exchange and sharing between enterprises are enhanced, and more market information can be obtained. At the same time, the Chinese government has introduced a series of policy support measures such as tax reduction and preferential loans, which provide more policy support for foreign trade enterprises to develop cross-border e-commerce and help the further development of cross-border e-commerce [6].

Cross-border e-commerce is a new form of business with a large scale, active performance, and optimistic development momentum in China's digital economy. It is a very important part of the development trend of economic globalization and plays a vital role in promoting the domestic and international double cycle. But at the same time, the development of domestic cross-border e-commerce is also facing some difficulties and challenges.

3. SWOT Analysis of Alibaba International Station

3.1. Advantage

Alibaba International Station is Alibaba's global merchant service platform, providing professional promotion services for China's export-oriented enterprises in the global market. As a part of Alibaba, it has high brand awareness and credibility and won the trust of users. As an early B2B platform, Alibaba International currently has 150 million registered members and more than 20 million active buyers, which has unique advantages in terms of customer base and traffic.

Alibaba International as one of the largest cross-border e-commerce platforms in the world, it has been operating for 20 years and currently has 150 million registered members and more than 20 million active buyers, which has unique advantages in terms of customer base and traffic. Its logistics has covered more than 200 countries and regions around the world, and with the support of Alibaba Group, it has rich supplier resources and can provide diversified commodities. On the platform, members can easily and quickly obtain a large number of merchants and product information, and select suitable suppliers.

Ali International Station is an intermediary service platform that provides information to buyers and sellers, so it needs to have a strict system operation. In its system application software, it adopts a variety of management systems, such as online credit, identity authentication, network monitoring, and security, so as to ensure the security of the website and data to the maximum extent and ensure the safe transaction of customers. As a platform for international trade, Ali International station's website has a variety of language options and common currency options, users can choose according to their own needs, greatly improving the user experience. In addition, it also added spot scenarios, supports a variety of collection methods, regardless of the site to buy worldwide, and strives to maximize the user experience.

3.2. Disadvantage

Ali International Station has a large number of registered merchants, so there is a serious homogenization of goods, which leads to vicious competition among merchants, which is not conducive to the healthy development of the platform. While most B2B platform services are similar, Ali International station lacks obvious competitive advantages of differentiation.

The increase in the number of merchants on Ali International is much faster than the increase in the rate of buyers, so the cost of acquiring customers for merchants also increases. Product exposure is affected by keywords, store weight, platform resources, and other factors, and the products in the last few pages of the search interface are often not browsed by buyers, so the exposure of some products on the platform is low, and there will be a mismatch between the exposure rate and the click rate [7].

The star rating method is adopted in the platform of Ali International Station, and the star rating of merchants is closely related to the exposure of goods. It is difficult for scattered cross-border e-commerce enterprises to participate in official activities. If merchants want to obtain more traffic, they need to invest corresponding advertising and marketing expenses in the platform, and the input cost of merchants is also increased.

Ali International Station also has shortcomings in cross-border logistics and transportation, because the user range covers the world, the geographical location is large, the logistics speed is slow, the transportation cost is high, and the goods are damaged and other problems exist. Most of the coastal areas are economically developed and convenient transportation, but how to solve the "last kilometer" in other areas is still a problem that needs to be considered.

3.3. Chance

Because cross-border e-commerce plays an important role in promoting global economic activities, the Chinese government gives strong support to relevant enterprises in this field. Through the introduction of favorable policies related to the field of cross-border e-commerce, China has given strong legal protection and policy support to the development of cross-border trade, which creating favorable policy conditions for the better development of Alibaba International Station in the world.

After the global coronavirus outbreak, the change in consumer habits has also brought more opportunities for the development of global cross-border e-commerce. When the traditional offline purchase channels are restricted, international enterprises choose online channels for trade. Even now that the impact of the pandemic has subsided, many businesses continue to choose online trading.

The acceleration of digitization and innovative breakthroughs in information technology have brought great opportunities to international trade platforms. Trade activities have become more

convenient and efficient due to the application of artificial intelligence, big data analysis, intelligent logistics and other technologies. Alibaba also attaches great importance to investment in digital technology. It not only owns several patents, but also independently develops infrastructure such as flying systems and cloud computing, constantly develops digital technologies, increases capital investment, and provides reliable technical support for Ali International Station [8].

3.4. Menace

With the development of The Times, Ali International Station has more and more competitors, and strong, such as the internationally renowned Amazon, eBay, and the domestic Dunhuang network. Since its establishment, Alibaba has been continuously acquiring various e-commerce platforms such as LazadaGroupSpA and Daraz, but it cannot fundamentally increase its international competitiveness.

The existence of cultural differences and consumer preference differences is also a problem to be faced in the development of China's cross-border e-commerce platforms. Due to the differences in languages and customs in different regions, consumer demand for products, shopping habits, and payment methods, enterprises also need to have different sales plans for different target regions.

There are big differences in trade policies, intellectual property protection, market access, and so on, and Chinese companies need to trade in accordance with international rules. Policy differences can easily lead to trade disputes, and some countries adopt trade protectionism and increase trade barriers, making market access conditions more difficult. The current world situation is volatile, hot wars in some areas have led to the rise of some raw materials, and increased logistics costs, and international cross-border e-commerce business has to deal with the current international situation.

4. Future Development Strategy

4.1. For Internal Weaknesses

It is suggested to pay attention to the cultivation and investment of human resources. In the current development process of the global economy and international trade, whether the strength of outstanding talents is sufficient is related to the future development of a field. To adapt to the demand for talent in the development of cross-border e-commerce, people should attach importance to the cultivation of international trade talents in the future, cultivate digital professionals, and take into account the introduction of foreign professionals, so as to provide sufficient talent guarantee for the long-term development of China's cross-border e-commerce [8]. At present, the market has a huge demand for high-quality professionals in cross-border e-commerce, and there is a serious shortage of talents with good language skills, the ability to operate cross-border e-commerce websites, familiarity with cross-border logistics, transnational culture, and different legal policies. At present, there are still deficiencies in the selection and cultivation of talents in the cross-border e-commerce industry in China, such as lack of planning for training programs, failure to integrate production and education, imperfect curriculum system, unclear professional positioning of relatively weak teachers, and serious lack of skills training, etc., which should be improved in time [9].

Cities need to improve network infrastructure. In the era of the digital economy, the technical requirements for the cross-border e-commerce industry are getting higher and higher. The lack of network technology leads to backward network infrastructure, and most of China's cross-border e-commerce enterprises, except for large enterprises such as Ali International Station and Dunhuang Network, have weak information and electronic technology. The application of digital technology precision marketing can improve the accuracy of user portrait display, lock the direction of drainage, and achieve accurate push. Through the use of emerging technologies, digital information construction can improve data collection, management systems, international logistics, privacy protection, and other aspects, so that Chinese e-commerce can make progress in the international market [10]. In addition, cross-border e-commerce, such as the "online Silk Road", is of great significance to the trade exchanges between China and countries along the route. China can also help

countries along the “online Silk Road” to improve their cross-border e-commerce level and jointly promote digital construction through corresponding support for the information construction of relatively vulnerable countries and regions [11].

4.2. Against External Threats

It is suggested to actively establish cooperative relations with other countries. Based on the current international situation, Chinese cross-border e-commerce enterprises need to be more flexible in order to achieve development, and they can establish partnerships with other countries to cross the distance in time and space and comply with the development trend of economic global integration. Enterprises should strengthen communication and coordination planning, better share information technology, coordinate various links in the supply chain and propose cross-border logistics solutions through the establishment of cooperation zones, payment platform interconnection and other programs. These changes can not only promote China's e-commerce enterprises to enter a broader market, expand their international influence, integrate with international standards, and obtain overseas customers but also learn mature market experience to enhance their core competitiveness.

It is suggested to promote institutional opening up and continue to sign memorandums of cooperation on "Silk Road E-commerce" with partner countries. The establishment of the "Silk Road e-commerce" bilateral cooperation mechanism can further expand the circle of friends in digital trade and further reduce trade costs at the level of logistics, customs clearance, and electronic payment. In this process, China can explore the development model suitable for its cross-border e-commerce, and continue to promote institutional openness and cooperation in the field of international digital trade rules [12].

5. Conclusion

This paper discusses the development status of cross-border e-commerce in China, analyzes its development trend under the background of economic globalization, and takes Alibaba International Station as an example to carry out a specific SWOT analysis. As the leader of China's cross-border e-commerce, Ali International also enjoys a high reputation in the international market. It has seized the opportunity of digital transformation and optimized its transaction process and platform management through artificial intelligence, big data analysis, and other technologies, but it also faces problems such as trade protectionism, policy uncertainty, and the complexity of cross-border e-commerce regulations in the process of globalization. Therefore, this paper puts forward relevant suggestions on internal weaknesses and external threats for the development strategies of Chinese cross-border e-commerce enterprises and provides optimization ideas for their subsequent development. However, the perspective of this paper is relatively simple, and the analysis of Ali International may not be fully applicable to the specific situation of all cross-border e-commerce enterprises. Some enterprises are not the same as Ali International Station, so it is necessary to consider the specific business conditions. Future studies can carry out more detailed horizontal comparative analyses of several enterprises. At present, the global economy is out of the impact of the epidemic, although the economic situation has improved, the overall form is still grim, and whether cross-border e-commerce can get rid of the shackles of the economic downturn, achieve progress and through long-term development is still a new topic to be studied in the future.

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