

Development Strategy of Cross-border E-commerce under the Background of Anhui Free Trade Zone

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Abstract

As a newly established free trade zone in China, Anhui Free Trade Zone has unique advantages in the development of Cross-border E-commerce. How to give full play to the advantages of Anhui and highlight the development characteristics of Anhui Free Trade Zone different from other areas is a new perspective of this research. This paper will conduct full research on small and medium-sized enterprises in Anhui, find and analyze the problems existing in its development process, establish a matrix using SWOT analysis to study, and then put forward relevant strategies to adapt to development to provide some reference for the development of Cross-border E-commerce in Anhui.

Keywords

Anhui Free Trade Zone; Cross-border E-commerce; Development Strategy.

1. Introduction

In recent years, economic globalization has been continuously strengthened, and Cross-border E-commerce has become a new growth point of the international trade model and has developed rapidly. According to relevant data, China's trading scale exceeded RMB 7 trillion in 2017, nearly RMB 9 trillion in 2018, and is expected to reach RMB 12 trillion by 2020. Cross-border E-commerce in Anhui Province has gradually improved, driven by the international and domestic environment, but there are still bottleneck problems. The establishment of Anhui Free Trade Zone has brought new opportunities for the development of Cross-border E-commerce in Anhui Province.

2. Development Status of Cross-border E-commerce in Anhui Province

Anhui Province located inland. Compared with Jiangsu, Zhejiang, Shanghai and other coastal areas, where Cross-border E-commerce enterprises are relatively concentrated, Cross-border E-commerce has the characteristics of late start and slow development. According to statistics, in 2015, the national Cross-border E-commerce transaction volume was USD 784.29 billion, while Anhui Province was USD 250 million, accounting for only 0.03% of the national transaction volume. According to relevant data, China's current Cross-border E-commerce is mainly concentrated in the Yangtze River Delta and the Pearl River Delta region, among which Guangdong, Zhejiang and Jiangsu are the most concentrated. Although Cross-border E-commerce in Anhui Province started late, Anhui Province has sufficient labor force, rich resources and relatively perfect industrial foundation. It is a large manufacturing province, which creates conditions for the transformation and upgrading of traditional industries, and the establishment of Anhui Free Trade Zone and the rapid development of the central and western regions provide development opportunities for Cross-border E-commerce in Anhui Province.

3. Cross-border E-commerce Development in Anhui Province

3.1. Weak Infrastructure

Compared with regional E-commerce, Cross-border E-commerce logistics is characterized by high cost, long distance, and scattered distribution points, and is vulnerable to regional policies and regulations. The infrastructure construction of Anhui Province is relatively weak, the rail transit is less popular, and the large-scale logistics and transportation capacity is weak.

3.2. Single Logistics Mode

China's E-commerce is developing rapidly, and the number of online shopping users is increasing. Although the self-operated domestic logistics and distribution system of E-commerce and third-party logistics is gradually improving. However, overseas logistics is the most important obstacle to Cross-border logistics. The long-time logistics distribution and expensive logistics cost, packaging damage and loss and many other problems eliminate the patience of consumers and restrict the development of Cross-border E-commerce.

3.3. Lack of High-end Talents

With the rapid development of Cross-border E-commerce, the problem of the shortage of talent in related fields is becoming increasingly prominent. Cross-border electricity needs to understand E-commerce, international trade, skilled customs declaration and quarantine process, proficient in languages of high-end talents, although some universities according to the Cross-border electricity market contradiction between supply and demand, actively conform to the trend of social development, in E-commerce, international trade professional Cross-border electricity direction professional talent training, but due to lack of practical experience, universities can only stay in the theoretical knowledge professor, relatively lag in the echelon training.

In the face of the broad market of Cross-border E-commerce, some enterprises take the lead in developing relevant software to launch the market, but this software will not download for users, because users will not use them, which appears "pseudo-E-commerce", which is still the lack of high-end talents.

3.4. Insufficient Innovation Ability

Technological innovation is the primary factor to enhance the competitiveness of enterprises. Now Cross-border E-commerce is booming and a low threshold, attracting a large number of small, medium and micro enterprises into the industry. The technological innovation ability of these enterprises is still in the primary stage and facing technological innovation obstacles. At the same time, most enterprises export products are labor-intensive and low value-added products, with low technical content, with processing trade labeling production as the main export products. According to the statistics of Hefei Customs, the top three Anhui Cross-border E-commerce exports in 2019 were household electric appliances, air purifiers and vacuum cleaners. At the same time, most enterprises lack the funds to invest in technology research and development. We can only produce low price and low quality products, so that it is difficult to form the core competitiveness, and the corporate brand image is also difficult to establish.

3.5. Lack of Guidance of Leading Enterprises

As mentioned above, Cross-border E-commerce in Anhui Province is mainly exported with low value-added products and has not yet formed a complete industrial chain. Such products are easy to be replaced, and it is difficult to gain a foothold in the international market. Moreover, the differences between peers are small, and no representative enterprises play a guiding role, and can not form a certain industrial agglomeration. Cross-border E-commerce in Anhui

Province is in urgent need of leading enterprises to guide and promote the faster and better development of the Anhui market.

4. SWOT Analysis of Cross-border E-commerce under Anhui Free Trade Zone

The implementation of the strategy of Anhui Free Trade Zone provides development conditions for Anhui Cross-border E-commerce, but there are still some challenges and obstacles. This paper will build SWOT matrix to compare the advantages and disadvantages of Anhui Cross-border E-commerce. (See the table below)

Table 1. SWOT matrix comparison table of the advantages and disadvantages of cross-border e-commerce in Anhui

Internal elements		Advantages (S)	Disadvantages (W)
		1,locationadvantage, located inland, rich in resources and sufficient labor 2, industrial foundation is relatively perfect	1, Cross-border E-commerce started late and developed slowly 2, featured product excavation is not deep 3, High-end talent shortage 4,brand awareness is weak, brand building lag
External elements	Policy portfolio		
	Opportunity (O)	1, Anhui Free Trade Zone construction was approved 2, "One Belt And One Road" strategy is deepened Establishment 3, Cross-border E-commerce Comprehensive Experimental Zone	SO strategy: leverage advantage and opportunity 1, will further leverage the advantages of the free trade zone and increase policy support for Cross-border E-commerce in Anhui 2, strengthens technology research and development
	Threats (T)	1, low price and low quality products are easily replaced 2, market size and competitive pressure	ST strategy: Take advantage and avoid threats Encourage the research and development and expansion of local characteristic Cross-border E-commerce products
			WO Strategy: Overcoming weaknesses and seize opportunities 1, builds the sales model of online sales and offline experience 2, School, Government and Enterprise Cooperation to Improve the Talent Training System
			WT strategy: Overcoming weaknesses and avoiding threats Expand the precision marketing model based on data mining

5. Countermeasures for Cross-border E-commerce Development under the Background of Anhui Free Trade Zone

5.1. Give Full Play to the Advantages of the Free Trade Zone and Increase the Policy Support for Anhui Cross-border E-commerce

The establishment of the free trade zone has made up for the shortage of the procedures, logistics and after-sales of the traditional Cross-border E-commerce, and provided a low tariff policy for the Cross-border E-commerce business. The government should combine the situation of Cross-border E-commerce market in Anhui, give full play to the new advantages of the free trade zone, formulate Cross-border E-commerce development plans in Anhui Province as soon as possible, to realize the development of Cross-border E-commerce enterprises, platforms, logistics, warehousing, comprehensive services and other fields. Further accelerate the construction of public service platforms, promote the agglomeration of Cross-border E-commerce industry, and form a sound industrial chain ecosystem.

5.2. Tripartite Cooperation between School, Government and Enterprises to Improve the Talent Training System

As mentioned above, there is a contradiction between supply and demand in the current Cross-border E-commerce market, and colleges and universities can keenly capture this point, and are committed to cultivating talents in the direction of Cross-border E-commerce. However, due to the lack of practical opportunities and experience, students only have theoretical knowledge about Cross-border E-commerce. In addition, small and medium-sized enterprises do not have a lot of funds to cultivate talents from relevant parties, and the problem of shortage of talents can not be effectively solved. In view of this phenomenon, the government should provide policy support, and universities and enterprises can cooperate with them. The school should assign teachers from majors related to Cross-border E-commerce to enterprises to participate in the operation of the enterprise, provide internship opportunities for college students and assign experienced employees to provide on-site guidance. In this way, deepening students' understanding of Cross-border E-commerce to a certain extent will help students to truly master the knowledge. After the internship, the interns can select from the interns to stay in the enterprise to continue working according to their wishes.

5.3. Research and Expand Local Characteristic Cross-border E-commerce Products

Cross-border E-commerce enterprises in Anhui Province mainly produce and export labor-intensive and low value-added products, which have high substitutability and weak competitiveness. The establishment of free trade zone for Cross-border electricity platform better docking domestic and foreign markets, provide good opportunities for new brand consumption, enterprises should seize the opportunity, make full use of free trade zone regional advantages, promote the transformation and upgrading of traditional industries, active research and development to expand local characteristic industry in anhui, combined with Cross-border E-commerce business, will have badge anhui rhyme characteristic products to the international market, cultivate a new batch of market subjects.

5.4. Actively Introduce Leading Enterprises

The role of leading enterprises in the development of Cross-border E-commerce cannot be ignored. Local governments independently strengthen the communication and connection with Cross-border E-commerce platforms enterprises such as the Dragon King, Dunhuang Network, Mingtao, promote the docking activities of Cross-border E-commerce and foreign trade enterprises, integrate the existing resources of leading enterprises and Cross-border E-

commerce enterprises, improve the level of Cross-border logistics industry, and thus promote the development of Cross-border E-commerce in Anhui Province.

6. Conclusion

In a word, the establishment of Anhui Free Trade Zone has brought brand new development opportunities for Cross-border E-commerce. In this environment, the government and enterprises should grasp the opportunity, choose the best strategy to promote the development of Cross-border electricity in Anhui province, combined with their own resource advantages, overcome disadvantages, improve product quality, improve brand awareness, pay attention to brand research and development, shape brand core competitiveness, promote the transformation and upgrading of traditional industries, will Cross-border E-commerce industry bigger and stronger. This paper hopes to provide corresponding reference for Cross-border E-commerce in Anhui Province in its strategy and practice.

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