

Research Report on Cross-Border Logistics Mode of Small and Medium-Sized e-Commerce Enterprises--Take Shandong Daidaigou Information Technology Co., Ltd. as an Example

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Abstract: In recent years, with the rapid development of China's Internet economy, cross-border e-commerce logistics has become a new driving force to promote China's economic development. It is also an important way for Rizhao small and medium-sized foreign trade enterprises to transform and upgrade and expand foreign exports. This paper summarizes the current export mode of small and medium-sized cross-border logistics in Rizhao and their respective advantages and disadvantages. According to the actual needs of Shandong DAIDAIGOU Information Technology Co., Ltd., this paper combs and puts forward the strategy for the selection of cross-border logistics mode of small and medium-sized e-commerce enterprises from the perspectives of initial business and long-term business.

1. Introduction

The scale of cross-border e-commerce of small and medium-sized enterprises in Rizhao is small, and the characteristics of cross-border logistics are mainly manifested in many uncertain factors, high costs and complex links. Therefore, the demand of cross-border e-commerce businesses for logistics is more complex, diversified and personalized, and a variety of cross-border e-commerce logistics modes are derived.

(1) International postal packet

Postal service is the most widely used logistics system in the world. International post is mainly small package logistics, which can cover more than 200 countries and regions around the world, but the postal transportation speed is slow and the goods flow is not updated in time, which also limits the development of international post. Relevant data show that in China's cross-border e-commerce,

the international postal system accounts for about 70% of the volume of import and export parcels, of which about half is borne by China Post.

(2)International Express Service

The international express services provided by international express mainly include FedEx (including TNT), ups and DHL. They have their own global logistics network system, provide localized services for overseas users, and create a good logistics distribution experience for online orders. However, this mode also has some problems in the whole actual transportation process. International express charges are expensive, which is applicable to strict requirements on timeliness, high value and strict requirements on cargo weight.

(3)Cross border special line logistics

The cross-border special logistics lines specially formulated for some regions or countries are cross-border special logistics lines, and the logistics routes, links, cycles and transportation modes are relatively fixed. At present, it includes aviation special line, railway special line, Continental Bridge special line, marine special line and multimodal transport special line. A key advantage of logistics dedicated line is that it has sufficient supply of goods. Many goods can reach specific countries or regions, and the logistics cost can be reduced according to a large quantity and scale. In addition, special line logistics needs to strictly control the time. Compared with international post, the delivery speed of special line logistics is faster, but slower than commercial express.

(4)Overseas warehouse

Exporters use sea, land and air transportation to transport goods to overseas destinations in advance. These warehouses are called overseas warehouses. After the buyer places the order, the seller will immediately deliver the goods from the warehouse under construction / lease to the customer. Overseas warehouse is a breakthrough in the development of cross-border e-commerce logistics. This method saves logistics costs, shortens logistics time, facilitates customers' return and exchange, and improves customers' shopping experience. However, its obvious disadvantage is that the investment cost and operation and maintenance cost are high, and the requirements for early sales forecast are also very high.

(5)Third party logistics

Third party logistics does not provide goods or involve commodity transactions, but provides customers with a series of information-based and personalized agency services based on alliance and contract constraints. Because it usually performs the actual operation in the form of logistics outsourcing, it is sometimes called logistics outsourcing. Choosing this type of logistics mode can deliver goods to customers faster, and the service items are more comprehensive, but if the delivery volume is small, the cost is higher.

(6)Logistics alliance model

As the main body of cross-border e-commerce logistics business is the demander between different countries, cross-border logistics needs to face more complex and cumbersome intermediate transportation and intermediate management links when transporting international goods, and many logistics enterprises cannot complete a complete cross-border logistics business alone due to the limitations of enterprise scale and technology, Therefore, many small and medium-sized logistics enterprises choose to form alliances to carry out cross-border logistics business. All members in the logistics alliance model can optimize the allocation through resource sharing, give full play to their respective advantages, learn from each other's strengths and make up for their weaknesses, so as to achieve more profits.

Through the above six conventional modes of cross-border e-commerce retail export logistics, we summarize the following comparative analysis table:

Table 1 Main Logistics Modes of Cross-Border e-Commerce Retail Export of Small and Medium-Sized Enterprises in China

Logistics mode	Delivery scope	Freight interval	Timeliness (days)	Advantage	Defect
International postal packet	More than 200 countries and regions	cheap	15-30	Wide network and relatively cheap price	The package weight limit is large
International Express Service	Basically covering the whole world	expensive	3-7	Fast timeliness, high degree of informatization	Expensive Strict restrictions on consigned products
Cross border special line logistics	Mainly Southeast Asia, the United States, Europe	moderate	15-20	Fast aging and moderate price	Single line
Overseas warehouse	North America, Europe and Australia	cheap	3-4	Fast aging, convenient return and replacement	High inventory risk and high operation and maintenance cost
Third party logistics	Mainly developed countries	--	About 4	Fast aging and slightly higher price	Developing countries are still in their infancy
Logistics alliance model	Regional	--	According to area	Service innovation accelerated	Difficult to control, Great blindness

2. Business Status and Product Characteristics of Daidagou Cross-Border e-Commerce

Shandong DAIDAIGOU information technology Co., Ltd. was registered in 2016. The company was registered with the customs in 2017 and has the qualification of consignee and consignor of import and export goods. This year, the company will cooperate with Lianyungang Donghai crystal city to carry out Transnational E-commerce live broadcasting, warehousing and sales of crystal craft products. The annual output of natural crystal on the high seas is more than 500 tons, accounting for half of the total output of the country. In order to realize the fine development of crystal craft products, we need to make full use of two resources and two markets, realize the transformation from single crystal raw material mining, selling raw materials and rough processing to “buy the world and sell the world” high value-added products, and realize industrial upgrading.

As a product of e-commerce live broadcast retail export, crystal craft products have the characteristics of small batch and multi batch logistics. At the same time, they are exported to customers all over the world. The transportation span is large, the time is long, there are great potential safety hazards such as collision during transportation, and the logistics cost is high. It is difficult to realize the logistics service of flexible return and exchange.

3. Analysis on the Choice of Cross-Border Logistics Mode for Daidagou

The research team conducted business consultation on express companies, shipping companies and freight forwarding companies engaged in cross-border logistics business in Rizhao City, obtained the corresponding logistics quotation table, and then analyzed the above six cross-border logistics modes one by one based on the characteristics of the company's e-commerce export of crystal craft products.

First of all, the international postal package method, the quotation given by the postal package

has a wider radiation range and cheaper price than other express companies, and the use method of the postal package is relatively simple. The seller only needs to paste the customs declaration form, registration form and mailing address on the package to deliver the goods, and the customs clearance procedures are handled by the postal company. However, the disadvantages are also relatively obvious. First, the transit time is too long, which usually takes 15-30 days to arrive. In case of holidays, it will even extend to 60 days, which greatly affects the customer experience; Second, the postal company strictly limits the size and weight of the delivered products, and there may be weight restrictions on crystal craft products.

Second, international express delivery mainly involves major domestic express companies, such as SF, JD and Sitong Yida. At present, the express companies that can carry out cross-border logistics export business in Rizhao are SF, JD and Zhongtong, and Yunda and Yuantong have not yet been carried out. Horizontal comparison of the scope and quotation given by the three express companies shows that SF has the highest price but good timeliness, and Zhongtong has a small scope, mainly in Asia with moderate price. JD cooperates with UPS with high price but good timeliness.

Third, the cross-border special line logistics mode. Through understanding that Rizhao has a number of freight forwarding enterprises and SF, JD and Zhongtong express companies have their own overseas special lines in East and Southeast Asia. The quotation is relatively moderate, but the scope of jurisdiction is relatively narrow, only in Southeast Asia.

Fourth, the use cost of overseas warehouse is very high. For small and medium-sized enterprises, the cost of batch sharing is unlikely to be even higher than that of express direct mail. After consultation, Jingdong and Shunfeng in Rizhao area can undertake, and both have overseas warehouses in Southeast Asia. At the same time, based on the characteristics of crystal products, the retail mode adopted is e-commerce live order, what you see is what you get, and some craft products are only this one, so the overseas warehouse mode is not the most appropriate for the company's current business.

Fifth, the third-party logistics mode. There are few companies providing third-party cross-border logistics in Rizhao, which can not guarantee security. Therefore, this mode will not be considered for the time being.

Sixth, the logistics alliance mode requires the alliance party to have relevant cross-border logistics business. The DAIDAIGOU company has no expectation of carrying out this business for the time being, so this mode is not considered.

In addition to the above six traditional cross-border e-commerce logistics modes, considering that Amazon is the platform used for overseas e-commerce sales of crystal products, the research team also learned about the FBA mode. FBA (fulfillment by Amazon) means that the seller directly sends the inventory of products sold on Amazon to the warehouse in Amazon's local market. When the customer places an order, the Amazon system automatically completes the subsequent delivery. FBA has the advantages of convenient use, multi-channel distribution, high credibility, access to performance services established by Prime Shipping and Amazon, purchase priority, etc. joining FBA will make the company's products more displayed to customers and increase sales opportunities. The disadvantages are high price, no customs clearance service and poor adjustability. If the goods placed in FBA are not sold for a long time, a high amount of storage costs will be incurred.

4. Choice of Cross-Border Logistics Mode of Daidaigou

(1) Initial stage

Considering that the cross-border e-commerce business of dork is in its infancy and the main

products sold are crystal craft products, the combination of international postal packet and FBA can be selected. On the one hand, in the early stage of cross-border e-commerce business, it is not familiar with commodity inspection, customs and other businesses, and it is more safe to handle it by postal agency. In addition, the prices of postal parcels and e postal treasure will be more favorable than other methods; On the other hand, in Amazon, the sales platform can take advantage of the preferential conditions given by FBA to increase sales. For the crystal craft products that can be mass produced, FBA can be selected to enter the destination country in advance to shorten the delivery time and improve the sense of customer experience; For isolated and artistic single commodities, small postal parcels can be used for delivery.

(2) Long term development stage

With the gradual development and growth of cross-border e-commerce business, continuous familiarity with cross-border logistics business processes and mastery of resources, DAIDAIGOU can form a cross-border e-commerce alliance with Rizhao and surrounding small and medium-sized cross-border e-commerce enterprises, and customize several cross-border e-commerce special lines with logistics enterprises according to the number of orders in main export markets. Special line logistics can not only enable enterprises in the alliance to enjoy more preferential logistics prices than postal services, but also improve the speed of logistics information feedback and the efficiency of commodity transportation and distribution, so that consumers can enjoy better logistics services. For countries and regions with large orders, they can also choose to do cross-border special line logistics, so as to save logistics costs and improve enterprise economic benefits to the greatest extent.

5. Conclusion

Shandong DAIDAIGOU information technology Co., Ltd. is a company focusing on e-commerce live broadcasting operation services. While developing campus business, it also actively carries out cross-border e-commerce business. Through this investigation, the team helped dork to carry out cross-border logistics business, sort out ideas, analyze cross-border logistics modes of small and medium-sized enterprises, provide reference for the company's business selection, and put forward different opinions from the initial stage and long-term development. The scientific and reasonable layout of cross-border logistics business model can help enterprises save costs, improve customer experience, expand sales scope, and realize the leapfrog development of the company with scientific management system, flexible management mode and advanced management concept.

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