

Exploring the Development Mode of China's Cross-Border E-Commerce Comprehensive Pilot Zone in the New Era

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Abstract: Throughout the world, the interconnection is closer, and cross-border e-commerce is developing by leaps and bounds. In recent years, China's economic development has faced great difficulties due to the emergence of the new crown epidemic, which also brings many restrictions to the development of cross-border e-commerce. According to the predictions of relevant famous scholars, cross-border trade still needs to be faced seriously, although it has great room for development. After 2015, China has established many comprehensive experimental zones for the development of cross-border e-commerce in order to promote and guide our cross-border e-commerce enterprises towards a healthier direction. Therefore, this paper takes cross-border e-commerce comprehensive experimental zones in the context of the new era as the main object of research and analysis, relies on the current five main development modes, and finally puts forward practical countermeasure suggestions for the better development of cross-border e-commerce.

1. Background of the study

According to the data source of the National Bureau of Statistics, in 2021 the annual retail sales of social consumer goods in China's consumer market reached 42.3 trillion yuan in e-commerce transactions, a record high in both absolute amount and percentage. In contrast to the booming development of e-commerce is the unstable situation of China's foreign trade. 2015 and 2016 were the two years of rapid e-commerce development in the past five years, while at the same time, China's total import and export volume declined continuously. In this context, China has set up a comprehensive experimental zone for the development of cross-border e-commerce. It can be said that in the current highly uncertain environment of foreign trade situation, finding new power sources to boost foreign trade has become the main concern at the moment. Accordingly, the booming development of e-commerce in China has made the development of cross-border e-commerce a key move. In recent years, cross-border e-commerce has been at a high growth stage, strongly boosting the foreign exports of many small and medium-sized enterprises, thus giving rise to new growth points in the foreign trade industry and boosting employment levels. In the context of China's macro economy into the "new normal", vigorously develop cross-border e-commerce, a

new trade model not only to promote the development of China's foreign trade, but also to stabilize and improve the quality of foreign trade, is an important measure to build a strong trade country. The combination of the Internet and foreign trade can help expand imports and exports. The Internet adds value to the development of the industry by helping to improve the image of companies, develop foreign markets and expand trade channels; it also helps modernize the industrial structure and increase employment, including jobs created through a range of important links such as e-commerce platforms, electronic payments and logistics companies. With the continuous promotion of the "Internet+" national strategy, cross-border e-commerce has many advantages over traditional trade and accounts for an increasingly high proportion of import and export trade. In today's society, the rapid development of technologies based on big data analysis, artificial intelligence and cloud computing has also contributed to the year-on-year growth of global e-commerce transactions.

Cross-border e-commerce is a new form of trade and economic growth, making the international trade market dynamic and innovative. Cross-border e-commerce at this stage is a parallel process of "going out" and "coming in". Currently, the global e-commerce retail market continues to grow at a relatively fast pace, with the e-commerce sector accounting for a relatively large share of countries' GDP, and China has become the world's largest e-commerce retail market. With the gradual increase in the number of buyers shopping online globally, the continuous optimization of electronic payment platforms and the increasing sophistication of payment methods, cross-border e-commerce has become an emerging trend in global e-commerce transactions. Different countries have different categories of commodity transactions in the cross-border e-commerce market, forming different cross-border e-commerce industry chains and supply chain divisions. In addition, as China continues to open up its market under the auspices of the "One Belt, One Road" initiative, cross-border e-commerce has become an important channel for China to accelerate reforms and open up to the outside world in the new era[1-2].

2. Analysis of the Development Mode of China's Comprehensive Pilot Zone for Cross-border E-Commerce in the New Era

2.1. Building cross-border e-commerce ecosystem model by industrial agglomeration

The concept of industrial agglomeration has been extended from the agglomeration of a single industry in a defined geographical area to the joint development and centralized cooperation of different industries in the same area. The scale of development is achieved because economic linkages promote synergistic development of various sectors and create a cluster effect. This model has been adopted by pilot cities such as Shenzhen and Hangzhou. From the current social situation, we know that more than half of China's cross-border e-commerce enterprises are gathered in Shenzhen; Hangzhou has more than 8,000 cross-border e-commerce enterprises and more than 1,500 industry chain enterprises. The scale of development brought by their industrial clustering ensures the high level of development of the two comprehensive pilot zones. This model is based on the candidate cities' high level of economic development, extensive application of e-commerce, good foreign trade foundation and large city scale. The model is characterized by a high concentration of cross-border e-commerce enterprises and related service enterprises in the pilot zones, including various types of manufacturing enterprises, trading enterprises, platform enterprises, logistics enterprises and payment enterprises. The advantages of this model are: firstly, it increases cross-border e-commerce and creates a diffusion phenomenon. The clustering of industries creates economies of scale, enabling cross-border e-commerce to stimulate local economic growth and positively impact traditional industries. Secondly, it optimizes the allocation of resources and creates a spillover effect. The agglomeration of many cross-border e-commerce enterprises and industry chain enterprises combines productivity, labor, services and other

beneficial resources, enabling the upstream and downstream industry chains to develop well. At the same time, the growth and development of new industries will be an effective way to transfer neighboring regions and achieve downward mobility. Third, intensive and sustainable development creates positive externalities. The clustering of different enterprises can expand the integration capacity, and the improvement of supporting facilities can help promote the development of cross-border e-commerce in the pilot areas and reduce the development cost. Meanwhile, the number and scale of different types of enterprises reach a certain scale, which is conducive to the formation of vertical industry clusters, increasing market segmentation and improving innovation capacity. The limitation of this model is that it has high requirements for application cities, which must be first-tier cities or new first-tier core cities with good urban foundation and already have first-mover advantages in cross-border e-commerce with strong penetration, support and innovation capabilities.

2.2. Expansion of overseas market mode by traditional foreign trade

The popularity of digital economy and the development of cross-border e-commerce have also promoted the development of service trade. The rapid development of cross-border e-commerce has not only caused impact on traditional industries, but also brought opportunities for traditional industries. If domestic traditional foreign trade can be combined with cross-border e-commerce, the existing foreign trade base can be used to promote the development of the cross-border e-commerce sector, focusing on encouraging existing manufacturing enterprises to go online and expand their business models, thus achieving a steady improvement in the quality of foreign trade. The comprehensive pilot areas for implementing this model are Ningbo, Guangzhou and Suzhou, all of which are traditionally large and strong foreign trade cities. On the basis of traditional foreign trade, traditional foreign trade enterprises and related supporting service enterprises are encouraged and guided to engage in cross-border e-commerce and expand sales channels, focusing on manufacturing enterprises to improve online sales capacity, develop overseas sales channels, expand transaction volume, enhance brand awareness and expand overseas sales networks. The advantages of this model are: first, it promotes the transformation of the traditional foreign trade sector, seeking new directions and developing new advantages. In the face of increased uncertainty in the external environment and rising internal factor costs, it manages the transformation and modernization of traditional foreign trade, increases trade patterns and encourages the cultivation of new foreign trade advantages. Second, the good industrial base provides better development opportunities. Thanks to the region's foreign trade industrial base, each enterprise has relatively stable trading partners and import and export channels, on which the optimized industrial support promotes the development of cross-border e-commerce business. The limitations of this model are: First, the applicant city must have a good foreign trade base, mainly the new first-tier cities in the coastal open economic zone with a strong foreign trade base. Second, the dilemma caused by the transformation. Traditional manufacturing companies may have excellent products and strong R&D capabilities, but the differences in the form of e-commerce sales transactions between flexible orders and traditional high-volume orders, as well as the lack of expertise in customer acquisition, user experience and other marketing aspects, can cause pain for some time[3].

2.3. B2C retail import mode

China's persistent trade surplus has led to the phenomenon that B2B exports account for a large share of cross-border e-commerce, while B2C retail imports have also gradually developed in recent years. In terms of overall social development, the business environment is on the rise and cross-border e-commerce imports are gradually expanding. The comprehensive pilot region that has adopted this model is Zhengzhou, a strong city. Zhengzhou has established a cross-border e-

commerce import industry chain to create a global distribution center for online shopping goods. This model is characterized by innovative initiatives to gain market share by targeting the B2C retail import sector, which has greater potential for growth. The advantages of this model are, first, that it is geared toward local consumers and is more familiar with users and the target market environment. With the high prevalence of data monitoring, the overall risk is reduced as domestic consumers' buying preferences are revealed and more knowledge is gained about the sales channels in the domestic end market. Second, it will open up new opportunities for inland cities to "get ahead" of coastal regions. In terms of trade, inland areas are usually at a disadvantage compared to coastal areas, which have a large volume of B2B exports and a wide range of products. However, with the rapid development of new cross-border e-commerce models and the emergence of new "blue ocean" markets, you can be a leader in your particular field if you seize the opportunity to be the first to act. The limitations of this model are: first, the high requirements for the geographic location of the city of application and the transportation sector; second, the fragmented orders bring regulatory challenges to different nodes of the retail import cross-border e-commerce chain as the B2C retail import sales group is local consumers.

2.4. The "Silk Road Electricity" model of "One Belt, One Road"

The global economic cycle is gradually shifting from "center and periphery" to a "double-loop flow" model. In our usage, "double-loop flow" refers to the linkage between developed and developing countries, with China as the center. The so-called second-loop flow, in which China plays a leading role in the linkage between China and developing countries, and the "Belt and Road" initiative provides a platform for China's international industrial cooperation and transfer. At the same time, cross-border e-commerce can also be based on the "Belt and Road" to create a "Silk Road e-commerce". Previous integrated pilot projects have established more than 200 overseas warehouses in 80 countries and regions along the Belt and Road, doubling cross-border e-commerce exports to countries such as Austria, Cambodia and the United Arab Emirates. This model has been adopted in many pilot zones, which are hub cities along the Belt and Road, including many medium-sized cities and potential cities. For example, Chengdu is building an international logistics center on the Silk Road Economic Belt, which leverages the advantages of the Rongzhou Express Railway, while Hefei has direct access to Central Asia and Europe via the new European trains. This model is characterized by the "Belt and Road" strategy call, the pilot zone actively respond to the call to strengthen cooperation and exchanges with countries along the route, for some countries and regions along the route, to achieve cross-border forms of e-commerce trade. The advantage of this model is first of all, there is policy support. The "Belt and Road" is a national strategy, with national policy support. Secondly, it is conducive to expanding the scope of trade and increasing the number of partners. Relying on the "Belt and Road" strategy, we can develop new trade partners, explore new overseas markets, expand business scale and increase corporate visibility. Third, reduce trade barriers and achieve smooth trade flow. Strategic cooperation among countries in the "Belt and Road" can effectively reduce barriers to entry, so that more SMEs can enter the international market. The limitations of this model are: first, the infrastructure and supporting industries are not yet perfect. Different countries have huge differences in transportation and network development, in other words, the countries along the "Belt and Road" are still lacking in the facilities needed for e-commerce development, and the supporting industries to support cross-border e-commerce development are not developed enough, the logistics system, online payment and other key links of the industry chain still need to be improved and optimized. Second, credit risk. Since there is no unified international standard for cross-border e-commerce rules, coupled with the difficulty of regulating cross-border e-commerce, it may bring about some business

credibility problems.

2.5. Expand bilateral cooperation model based on local characteristics

Most of the pilot regions that adopt this model are cities with great development potential. In this model, the pilot regions make use of their geographical locations and existing business bases to promote cross-border e-commerce with neighboring countries and regions to make up for the differences in objective conditions. This model has the following advantages: First, it provides a development path for later pilot areas, which are second- and third-tier cities and extend to the midwest and northeast, and may not have a large volume of foreign trade, a high concentration of cross-border e-commerce-related businesses, and a relatively weak industrial base. However, they can rely on their respective geographical locations and take advantage of their locational advantages to target cross-border e-commerce transactions with neighboring countries and regions and establish exclusive cross-border e-commerce networks for regular trade exchanges. Second, it is highly targeted and focused. Due to the relative fixed nature of trading partners, companies of all types can clearly orient themselves and effectively target markets and specific sectors in order to develop development strategies that can improve efficiency and quality. The limitations of this model are that the business is relatively homogeneous and the scale of cross-border e-commerce in the integrated pilot zone may be relatively limited given the relatively stable supply and demand in both the buyer's and seller's markets, and the stability of both imports and exports[4].

3. Suggestions on the development of China's comprehensive cross-border e-commerce pilot zone in the new era

3.1. Pay attention to top-level design to promote the development of cross-border e-commerce

For the development of the pilot zones, top-level design is the premise of their better development, which can enable the timely and effective supervision of the transactions in the pilot zones, and at the same time, provide the necessary related services for enterprises. The pilot areas should learn and learn from each other, and adjust and improve according to their own characteristics. Reasonable planning layout should be both comprehensive and precise, and in-depth study of each link of the regulatory and service dilemma, and propose strategies to deal with it. Overall, scientific planning and design can strengthen the macro-regulation and guidance of the comprehensive test area and make it maintain a sound development.

3.2. Strengthen industrial linkage and promote the development of cross-border e-commerce

Through the introduction of the above cross-border e-commerce development model, we know that there are serious defects in the comprehensive and coordinated development of the industry, and the supporting industries are in a serious state of scarcity. In the process of cross-border e-commerce development, talents, trading platform, logistics and supervision are all essential and important factors, which have an important influence on the development of healthy cross-border e-commerce. Therefore, in the specific development process of the comprehensive pilot zone, it is necessary to strengthen the communication and linkage of various links to effectively improve the comprehensive strength needed for its development.

3.3. Stimulate social innovation and promote the development of cross-border e-commerce

As we all know, the development of cross-border e-commerce is inextricably related to the

innovation and update of Internet technology, and industries closely related to the development of cross-border e-commerce include 5G, artificial intelligence, cloud computing, big data, etc. From the current establishment and development of comprehensive cross-border e-commerce pilot zones, the government is in a dominant position, which to a certain extent hinders the efficiency of innovation and the activeness of cross-border e-commerce development needs to be improved. It is recommended that local governments cooperate with leading local companies to increase entrepreneurial and innovative activities in relevant sectors, thus promoting new technological innovations in cross-border e-commerce[5].

3.4. Cultivate the advantages of local specialization to promote the development of cross-border e-commerce

For each comprehensive pilot area, it is important to cultivate special advantages, especially for the comprehensive pilot area with insufficient basic advantages. In response to the actual situation of each comprehensive pilot area, explore innovative development models, experiment with improvements and unified standards, and lead to build a specialized field to take the leading position in the development of comprehensive pilot areas. Therefore, for the different characteristics of each city, focus on cultivating the advantages of specialization and seize the market, all these measures can be promoted up in each region and gradually become the new development norm.

3.5. Cultivate well-rounded skilled talents to boost the development of cross-border e-commerce

The development of cross-border e-commerce has undoubtedly had an impact on traditional trade models in terms of talent as well, shortening the transaction chain and thus eliminating some traditional positions, but also increasing the number of vacancies for digital specialists. These experts are crucial for the further development of cross-border e-commerce. Currently, the cross-border e-commerce sector lacks a full range of talent with specialized skills, general management and multilingual capabilities. Cross-border e-commerce professionals also need to understand the customs and traditions of the company's target markets, import and export laws and regulations, and be able to communicate deeply with users. The training of cross-border e-commerce talents should fully mobilize multiple resources and focus on technical and business training. Cross-border e-commerce training bases can be established in pilot areas to strengthen the training of practitioners in e-commerce operation skills. In fact, it should improve practical ability and establish a good talent pool to play a leading role in integrating resources and improving research and innovation capabilities.

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