

Analysis on the Dilemma and Countermeasures of Small and Medium-sized Enterprises Developing Cross-border E-commerce

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Abstract

Small and medium-sized enterprises have provided important support to the development of China's foreign trade. Especially with the continuous development of Internet technology, a new type of cross-border e-commerce trade has emerged, which has brought new space for the development of foreign trade to small and medium-sized enterprises. However, SMEs are also faced with various cross-border e-commerce development problems, such as the lack of high-quality talents and diversified marketing models, which make it difficult for SMEs to develop cross-border e-commerce smoothly. Therefore, this paper first analyzes the development status of cross-border e-commerce in small and medium-sized enterprises, and then expounds the development problems of cross-border e-commerce faced by small and medium-sized enterprises, and based on this, puts forward corresponding solutions.

Keywords

Small and Medium-sized Enterprises; Cross-border E-commerce; Problems; Countermeasures.

1. Traditional Foreign Trade is Struggling, and Cross-border E-commerce is in Full Swing under the New Situation

According to data released by the customs, China's trade in goods reached a total import and export value of 9.07 trillion yuan from January to April 2020, 4.9% less than last year. Among them, there were 47,400 exports, 6.4% less than last year; 43,300 imports, 3.2% less than last year. Since the outbreak of the new crown epidemic, foreign trade exports have fallen sharply, but there has been a turnaround in April, reaching a year-on-year growth rate of 8.2%, especially online transactions.

Table 1. Status of imports and exports of China's trade in goods from January to April 2020

	Total value (trillion RMB)	Year-on-year growth
Total value	9.07	-4.9%
Export value	4.74	-6.4%
Import value	4.33	-3.2%

According to Alibaba's sales data for the new trade festival in March, the platform increased orders by 114%. Among them, the largest total order transactions are in the United States, the United Kingdom and Germany. Among them, the total transaction volume and the number of orders in Thailand and Japan increased by 172% and 158% respectively. The total transaction value and volume of EU countries and paying buyers increased by 123% and 58% respectively year-on-year [1].

Table 2. Year-on-year growth of key performance indicators for the MARCH EXPO in 2020

	Year-on-year growth
Number of orders	114%
Number of paid buyers	77%
Number of active sellers	43%

Table 3. Top 10 countries or regions with total transaction value

	Year-on-year growth in total transaction volume	Year-on-year growth in the number of orders
United States	91%	53%
United Kingdom	110%	63%
Germany	165%	76%

2. Difficulties and Obstacles Faced by Smes in Developing Cross-border E-commerce

2.1. Not Choosing an Appropriate Cross-border Logistics Model

Commodity transportation cost is closely related to commodity price and sales profit, but it is related to enterprise commodity competitive advantage. On the premise of the same quality and style, commodity price is the most important consideration for consumers. Therefore, we must pay attention and choose cross-border logistics reasonably. After long-term development of cross-border e-commerce, four main logistics modes have emerged, namely international express, international express line and overseas warehousing. It includes EMS, TNT, postal parcels, Hong Kong parcels, American special lines, European special lines and so on. In the face of a variety of cross-border logistics models, many small and medium-sized enterprises have not made in-depth understanding. In order to improve the speed of logistics, they choose international express delivery, but they do not pay attention to the cost issue, resulting in high product prices and affecting product export advantages. There are also some small and medium-sized enterprises to choose international small packages to reduce cost logistics: the delivery time of goods is prolonged, which has an impact on customers' secondary purchases. The characteristics and needs of commodities and customers are not combined, and an appropriate logistics model is not adopted, thus affecting the export competitiveness of small and medium-sized enterprises.

2.2. Lack of Perfect Laws and Regulations

The continuous development of cross-border e-commerce has promoted the high-quality development of China's economy. However, in the face of lagging laws, regulations and policies, it is difficult for small and medium-sized enterprises to maintain stable development. In particular, cross-border e-commerce is different from the previous foreign trade operation mode, with the characteristics of virtual and fast. Once a transaction dispute occurs, SMEs cannot use laws and regulations to protect their legitimate rights and interests, and need to adjust traditional customs declaration, taxation and other policies and regulations. Although the relevant departments have issued relevant documents, they lack legal effect, and they are positioned from the dimensions of logistics, warehousing and finance to formulate a sound legal system for the development of the entire cross-border e-commerce, which still needs to be continuously improved [2].

2.3. Lack of Adequate Talent Guarantee

With the continuous development of cross-border e-commerce in recent years, it has also highlighted the shortage of talents in my country's small and medium-sized enterprises.

Although cross-border e-commerce has presented a new format, the current cross-border e-commerce personnel in the market are mainly from traditional In the foreign trade industry, they need to be able to transform the traditional entrepreneurial model through continuous exploration. In addition, Chinese universities have just established e-commerce majors, resulting in a shortage of talents and skills in the cross-border e-commerce industry. In addition, the cross-border e-commerce business involves complex work processes and requires the use of various complex technologies. A single type of talent cannot meet this requirement. Under the problems of talent supply and technology shortage, it is difficult for small and medium-sized enterprises to develop cross-border e-commerce smoothly.

2.4. Lack of Awareness of Product Innovation and Brand Competition

The international political environment has been continuously optimized in recent years, however, international trade still faces barriers and protectionism. The frequent occurrence of trade frictions in various places has expanded the responsibilities of small and medium-sized enterprises. Some western countries use illegal or improper means to influence the interests of Chinese enterprises and try to restrict my country's development. As a result, it is difficult for SMEs to maintain stable development. However, fundamentally, the reason why SMEs face such risks is mainly due to their own lack of innovation ability and brand awareness.

Large enterprises have a greater competitive advantage than small and medium enterprises. In addition, most small and medium-sized enterprises lack product quality and internal control awareness, and do not pay attention to improving the quality of consumer services. The competitiveness of enterprises is closely related to the development of enterprises. Most SMEs do not pay attention to the important role of product innovation and industry reputation. In order to strengthen product advantages, blindly squeeze or reduce product profits or prices, etc., which is not conducive to the long-term development of enterprises. Moreover, the lack of strong capital strength of small and medium-sized enterprises will lead them to face bankruptcy or survival crisis.

3. Development Strategies of Cross-border E-commerce for Small and Medium-sized Enterprises

3.1. Learning to Strengthen Beliefs and Play the Role of National Macro Policies

At present, China has gradually ushered in the Internet era while continuously developing network technology, which has brought new development opportunities to small and medium-sized enterprises. In this context, more and more small and medium-sized enterprises have begun to develop cross-border e-commerce, trying to promote their own further development. In addition, while China continues to popularize cross-border e-commerce, the state has also increased its attention and formulated various favorable policies for the development of cross-border e-commerce. Such policies provide important development support for cross-border e-commerce, and can also play a restraining and regulating role on small and medium-sized enterprises during the development of cross-border e-commerce, and are also conducive to purifying the environment. In this context, if small and medium-sized enterprises want to ensure the stable development of cross-border e-commerce, they should scientifically and rationally adjust their own development concept and development model. The development of market information, so as to strengthen its own economic strength and ensure the stable development of cross-border e-commerce business. In addition, Chinese enterprises are frequently in contact with other countries in the modern international market. In order to provide a strong development guarantee for domestic enterprises, China should aim to promote the development of small and medium-sized enterprises, and build a series of

complete development policies and effective normative policies. While enhancing the interests of SMEs, meet their basic needs, thereby promoting the stable development of SMEs [3].

3.2. Establishing Overseas Warehousing and Selecting Appropriate Logistics Companies

First of all, before starting the work, SMEs should ask managers to analyze the current logistics mode of cross-border e-commerce one by one, and judge that their logistics are similar, and select the corresponding logistics mode according to the current development mode and development status of the enterprise. In the development of my country's modern social economy, cross-border e-commerce has played the role of the mainstay, so it has attracted widespread attention from people from all walks of life, and they have entered the industry one after another. This has significantly increased the competitive pressure in the industry. In order to maintain their own development strength and competitive advantages, most small and medium-sized enterprises have begun to pay attention to cross-border e-commerce logistics and distribution, and have taken the initiative to introduce different distribution methods and modes. However, under the constraints of development strength, development scale and liquidity, small and medium-sized enterprises cannot specially set up a logistics system to serve cross-border e-commerce. If SMEs want to solve this problem, they should change the previous development model, lower the standards, and cooperate with the platform logistics system to reduce their own logistics costs. After the transformation has been completed or its own economic strength has been significantly improved, the logistics system can be created to avoid sudden problems affecting the company's funds, thereby protecting the interests of the company.

During the establishment of the logistics system, small and medium-sized enterprises should scientifically adjust their development priorities, unite with other small and medium-sized enterprises of the same development scale, create a good cooperation system, and give full play to the important role of industrial agglomeration. Enterprise costs, and create a logistics system that meets the requirements of cross-border e-commerce. In addition, SMEs can also use financing to establish overseas warehousing during the cooperation period to increase their own preferential support. At the same time, they can also carry out higher-quality and more efficient distribution services to provide customers with logistics services that meet their needs. Improve your own development advantages and industry status [4].

3.3. Strengthening Brand Building and Adopting Diversified Marketing Models

Modern China has been committed to developing new business models, and has gradually increased the importance of live media services in the development of e-commerce. In particular, it is difficult for domestic consumers to buy overseas products during the epidemic, and in order to attract Chinese consumers, foreign brands have just begun to adopt the form of live broadcast sales. In addition, building brand reputation can significantly enhance the competitiveness of enterprises, and can also win more consumers' recognition of products. Therefore, SMEs can take the following measures: Regularly carrying out greeting card marketing. After completing the screening of repurchasing customers, sellers send greeting cards to positive customers during holidays, and regularly carry out greeting card marketing, and create landing pages, and let buyers leave information on this page, which is mainly used for later gift giving, so as to cultivate the buyer group and evaluation group. At the same time, you should make good use of the landing page and implement the activity of forwarding the circle of friends to send benefits, so as to achieve fission marketing.

Finally, enterprises should provide first-class, high-quality professional services to consumers by sub-brand products, and interact with consumers or share experiences to enhance corporate reputation. Adding the function of sharing social media to the corporate website, and guide

customers to publicize and share corporate products or services on major social media platforms, thereby expanding their own consumer groups and increasing corporate customer traffic.

3.4. Developing Sound Laws and Regulations

In the process of developing cross-border e-commerce, small and medium-sized enterprises will involve various businesses, and need to formulate operational standards and laws and regulations that are consistent with their actual situation, have strong feasibility, and are perfect, so as to regulate the behavior of cross-border e-commerce practitioners. When formulating relevant laws and regulations, we must consider the actual situation of our country, formulate a series of laws and regulations that are perfect and in line with the development of cross-border e-commerce, and optimize the growth environment of small and medium-sized enterprises through reasonable supervision, and do not allow them to develop freely. At the same time, relevant laws and regulations should be fully implemented, and clear judicial interpretations of relevant laws should be made to highlight the operability of the laws, thereby helping SMEs to develop cross-border e-commerce stably [5].

4. Conclusion

There are a large number of small and medium-sized enterprises in China, which have made great contributions to tax revenue and GDP, especially small and medium-sized foreign trade enterprises in coastal provinces, which have provided important support for my country's foreign economic development. However, since the outbreak of the new crown epidemic in 2020, most small and medium-sized enterprises have faced shutdowns and shortage of funds. In the context of cross-border e-commerce, if small and medium-sized enterprises do not pay attention to reform and innovation, it will adversely affect their long-term development. If small and medium-sized enterprises want to achieve online operations and seek new development opportunities through cross-border e-commerce, they should strengthen their beliefs and play the role of national macro policies; establish overseas warehousing and choose appropriate logistics companies; attach importance to brand building and adopt diversified marketing model, etc., in order to strengthen its own competitiveness.

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