

# Operation Mode and Development Countermeasures of Import Cross-border E-commerce Logistics in China

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**Abstract.** With the increasing demand of domestic consumers for foreign high-quality products, and the increasing government support for import cross-border e-commerce, import cross-border e-commerce has developed rapidly in China. Import cross-border logistics, which has been accompanied by the development of imported cross-border e-commerce, has also made considerable progress. Through the analysis of the driving forces of the development of import cross-border e-commerce, we can understand the reasons for the rapid development of import cross-border e-commerce. At the same time, the paper analyzes the development status of import cross-border e-commerce logistics, and studies three operation modes of import cross-border e-commerce logistics: general trade import mode, direct mail import mode and bonded stock import mode. It also puts forward countermeasures for the development of import cross-border e-commerce logistics from the aspects of cross-border logistics operation mode selection, improvement of customs clearance policies, construction of cross-border logistics information systems, construction of cross-border e-commerce logistics strategic alliances, and strengthening the training of imported cross-border logistics talents.

**Keywords:** import cross-border e-commerce logistics; Operation mode; countermeasures.

## 1. Introduction

The Cross-border e-commerce refers to an international business activity that involves transaction entities belonging to different customs, through e-commerce platforms to achieve transactions, settle payments, and deliver goods through cross-border e-commerce logistics. According to the direction of import and export of goods, cross-border e-commerce is divided into export cross-border e-commerce and imported cross-border e-commerce. Import cross-border e-commerce refers to the business activities that domestic e-commerce platforms or enterprises sell foreign goods to domestic consumers, through which transactions are concluded and payments are completed, and then goods are delivered and transactions are completed through cross-border logistics. With the increasing demand of domestic consumers for high-quality products and the increasing support from the government for imported cross-border e-commerce, imported cross-border e-commerce has developed rapidly in China. Import cross-border e-commerce logistics is generated with the development of import cross-border e-commerce. With the development of imported cross-border e-commerce, imported cross-border e-commerce logistics has also developed rapidly. At the same time, cross-border logistics plays an important role in supporting the development of imported cross-border e-commerce, and determines whether imported cross-border e-commerce can proceed smoothly. Efficient cross-border logistics not only affects the shopping experience of consumers, but also reduces the operating costs of cross-border e-commerce companies. Cross-border e-commerce and cross-border logistics have an interactive and mutually restrictive relationship.

## 2. Driving Forces for the Development of Imported Cross-border E-commerce

### 2.1 Increasing Domestic Consumption Demand

Although the government has strengthened its supervision over food safety and counterfeit goods, repeated food safety incidents in recent years have seriously affected consumer trust and promoted

domestic consumers' demand for high-quality products abroad; meanwhile, With the rise of the Chinese middle class, their income levels are higher, consumption concepts are upgraded, they have a better understanding of foreign products, more attention to quality of life, and the pursuit of quality consumption, which has also promoted the development of imported cross-border e-commerce; Differentiated pricing of foreign brands makes products purchased through imported cross-border e-commerce cheaper than domestic retail products. At the same time, domestic tax preferential policies for imported cross-border e-commerce also make products purchased through imported cross-border e-commerce platforms more price competitive. The needs of younger generations of consumers are gradually personalized and differentiated, their needs are more diversified, and their sensitivity to prices has decreased. The demand for foreign goods has changed from luxury goods to ordinary daily necessities, which also promotes the development of import cross-border e-commerce.

## **2.2 Government's Strong Support for the Development of Import Cross-border E-commerce**

In recent years, in order to promote the development of import cross-border e-commerce, the government has issued a series of policies to regulate the import cross-border e-commerce market. In 2018, the State Council successively issued policies on import cross-border tax, import commodity scope, import cross-border customs supervision, etc., which are conducive to the rapid development of cross-border e-commerce. In 2019, the State Council promulgated relevant policies to promote the development of imported cross-border e-commerce, pointing out that it is necessary to follow the trend of consumption upgrade, and adjust and expand the list of cross-border e-commerce retail imports to meet the consumer demand for quality foreign goods.

The development of import cross-border e-commerce can promote the upgrading of domestic industries and expand domestic demand. By regulating the market of import cross-border e-commerce, tax revenue can be expanded. At the same time, the development of imported cross-border e-commerce can improve the quality of life and consumption capacity of domestic consumers, and it can also force domestic companies to improve product quality to meet consumer demand for high-quality products; The development of imported cross-border e-commerce can drive the development of upstream and downstream related industries and bring a large number of jobs, such as the development of cross-border logistics and other industries; Foreign companies can sell products to domestic consumers through the imported cross-border e-commerce platform, which activates the domestic consumer market. At the same time, foreign companies can enjoy the dividends of China's development and reduce trade friction.

## **3. Development Status of Imported Cross-border E-commerce Logistics**

### **3.1 Large Demand for Import Cross-border E-commerce Logistics**

With the continuous increasing of domestic consumption demand, consumers' demand for overseas high-quality goods increases rapidly. At the same time, the government supports the development of imported cross-border e-commerce strongly, which has made great progress in China. The scale of consumption through cross-border e-commerce platforms is growing, and the demand for cross-border logistics markets is constantly increasing. According to statistics, the scale of China's imported cross-border e-commerce transactions reached 1.9 trillion Yuan in 2018, an increase of 26.7% year-on-year. This shows that with the development of imported cross-border e-commerce, import cross-border e-commerce logistics has also developed rapidly.

### **3.2 Domestic Express Companies Develop Import Cross-border Logistics Business Actively**

With the development and expansion of domestic express companies, they are developing cross-border logistics business actively, and the service scope is gradually moving from China to the world. For example, SF has developed the "Global Shun" international express service exclusively for e-commerce B2C markets from overseas to mainland China; JD Logistics carries out cross-border logistics business actively in order to meet the needs of Chinese consumers for

overseas high-quality products; Yunda Express has opened cross-border logistics services in 30 countries and regions, and has entered the cross-border e-commerce market through its own cross-border e-commerce platform; Yuantong Express expanded its cross-border logistics services through the acquisition of Syndar International Logistics and has established more than 50 self-built sites in 15 countries and regions; Yuantong Express expanded its cross-border logistics services through the acquisition of Syndar International Logistics and has established more than 50 self-built sites in 15 countries and regions; Shentong Express has operated cross-border express business in 26 countries and regions; Zhongtong Express has more than 10 overseas warehouses in Europe, America, Japan and South Korea, Southeast Asia and other countries and regions. It can be seen that in order to further expand the international logistics market, domestic express companies are exploring the import cross-border logistics market actively .

### **3.3 Related Supporting Policies for Import Cross-border Logistics Need to be Improved**

Although China has successively carried out cross-border e-commerce pilots for many years, it has successively introduced a series of policies, including tax policies and customs supervision measures to regulate the development of cross-border e-commerce, These policies have favorably promoted the development of imported cross-border e-commerce. However, for the development of import cross-border logistics, related supporting policies still need to be further improved. For example, for the development of overseas warehouses, there has not yet been a favorable policy to promote the development of overseas warehouses; For express companies engaged in cross-border logistics business, corresponding incentive measures have not yet been formed. When the government issues corresponding support policies, it is necessary to improve the existing policy system based on the development of the cross-border logistics industry continuously, and play the role of government policy guidance and industry support. The government should play the role of the market better and promote the development of imported cross-border e-commerce logistics.

### **3.4 Imported Cross-border E-commerce Logistics Talent Team Needs to be Strengthened**

Imported cross-border e-commerce logistics is a new industry that has emerged with the development of imported cross-border e-commerce. The industry needs complex talents who understand both cross-border e-commerce operations and are familiar with cross-border logistics operations. At present, there is a shortage of professionals engaged in cross-border e-commerce logistics. Most of them are transitioning from third-party logistics or e-commerce industries to importing cross-border e-commerce logistics industries. The relative lack of professional knowledge cannot meet the demand for talents in the imported cross-border logistics industry. In terms of curriculum setting, universities have separated e-commerce majors and logistics management professionals, and there are fewer cross-border e-commerce logistics courses, which cannot meet the industry's demand for imported cross-border e-commerce talents.

## **4. Analysis on the Operation Modes of Import Cross-border E-commerce Logistics**

There are three operation modes of import cross-border e-commerce logistics: the general trade import mode, the direct mail import mode and the bonded stock import mode. And the direct mail import mode is divided into cross-border direct mail import mode and goods collection direct mail import mode.

### **4.1 The General Trade Import Model**

The general trade import mode, which is imported by enterprises with import and export rights in China according to the general trade transaction mode. Generally, it is a mode that the consignee or the agent company makes declaration, submits inspection documents and certificates to the customs and other regulatory departments at the port of entry, pays taxes according to law and obtains the approval of the customs to release.

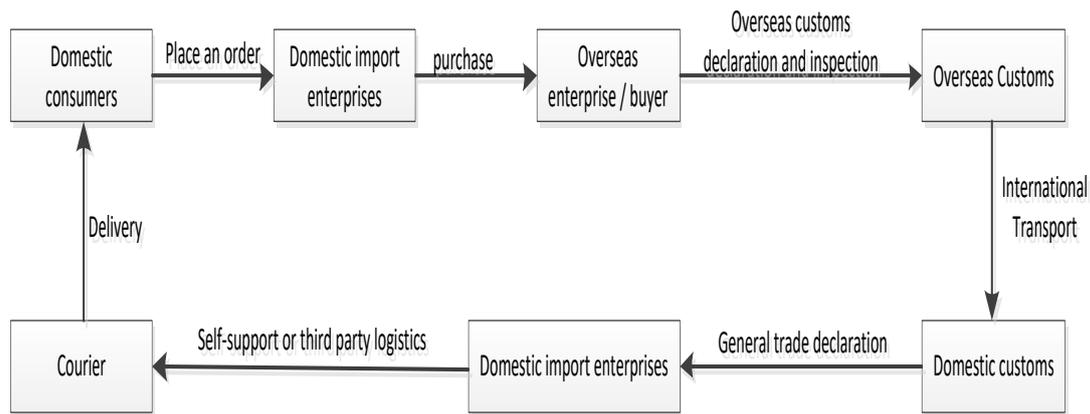


Fig. 1 Operation mode of the general trade import

Under the general trade import model, domestic consumers complete orders and pay through domestic import companies; Domestic import companies complete the purchase of goods through foreign companies and import them into the country through general trade; domestic import companies complete the declaration and inspection of goods; and deliver to domestic consumers through self-operated logistics or third-party logistics.

## 4.2 The Direct Mail Import Mode

### 4.2.1 The Cross-border Direct Mail Import Mode

The cross-border direct mail import mode refers to the logistics mode that after consumers purchase overseas goods, the merchants pack them abroad, directly deliver goods through international logistics, and conduct domestic customs clearance, and distribute the goods to consumers directly .

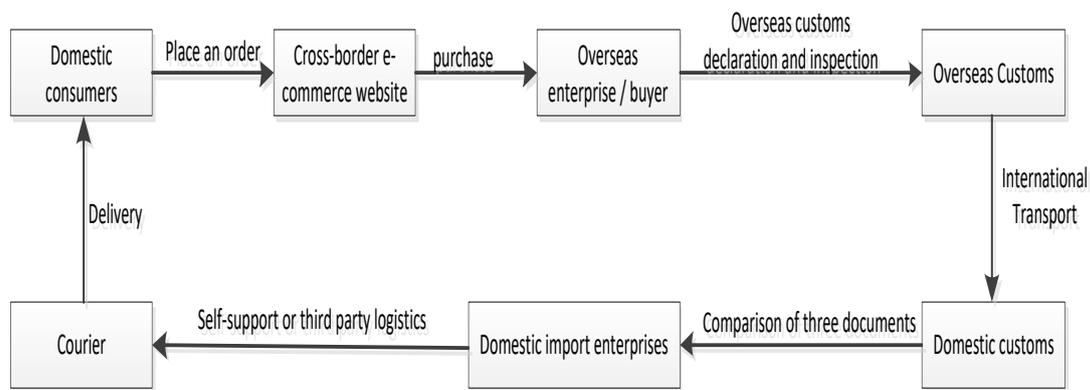


Fig. 2 Operation mode of the cross-border direct mail import

Under the cross-border direct mail import model, domestic consumers place orders online and complete payment by logging in to the cross-border e-commerce website, filling in the identity information and address information of the consignee; Overseas buyers or enterprises complete the purchase and packaging of goods, and overseas express companies post the overseas courier bill and complete the overseas customs clearance, and ship it to the domestic customs supervision warehouse; The online seller sends the logistics order data, purchase order data, and payment order data to the domestic customs, and releases them after inspection by the customs; Domestic self-operated or third-party logistics companies will replace overseas express bills with domestic express bills to facilitate domestic distribution; and deliver to domestic consumers through courier.

### 4.2.2 The Goods Collection Direct Mail Import Mode

The goods collection direct mail import mode is an upgraded version of the cross-border direct mail mode. It means that after domestic consumers place an order on a cross-border platform, overseas suppliers ship goods to overseas warehouses. Many goods in overseas warehouses are sent to domestic customs supervision warehouses by international logistics. After completing customs declaration and inspection in China, the goods are delivered domestically through self-operated or third-party logistics.

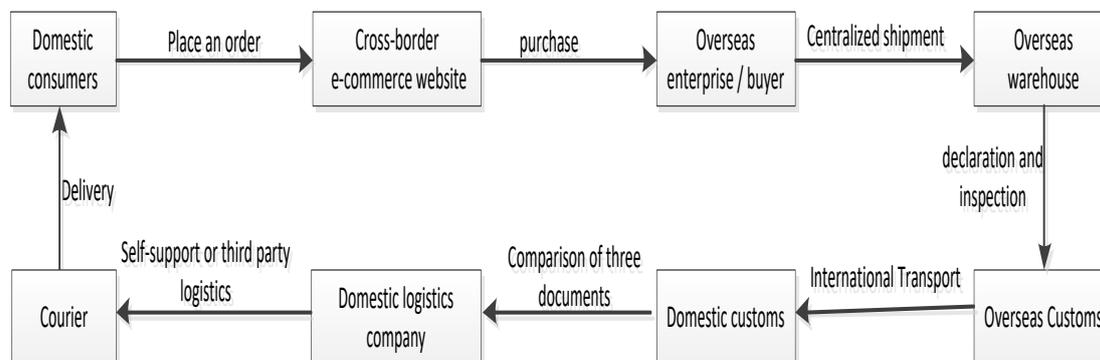


Fig. 3 Operation mode of the goods collection direct

Under the goods collection direct mail model, domestic consumers place orders online and complete payment by logging in to the cross-border e-commerce website, filling in the identity information and address information of the consignee; The sellers complete the purchase of the goods through the overseas buyers or the enterprises and sends the goods to the overseas warehouse; After receiving the order information from domestic consumers, the overseas warehouse gathered the products of multiple orders and shipped them to the domestic supervision warehouse through the express company; the express company completed the overseas declaration and inspection of the goods. The online seller sends the logistics order data, purchase order data, and payment order data to the domestic customs, and releases them after inspection by the customs; Domestic self-operated or third-party logistics companies will replace overseas express bills with domestic express bills to facilitate domestic distribution; and deliver to domestic consumers through courier.

### 4.3 The Bonded Stock Import Mode

The bonded stock import mode refers to the mode that the import cross-border merchants purchase goods in batches from abroad in advance and transport the goods to the domestic bonded logistics center or bonded warehouse. After the domestic consumers place an order, the goods will be sent directly from the bonded logistics center or bonded warehouse, and the customs declaration and inspection will be completed, and the goods will be delivered to the domestic consumers through the domestic express company. This mode can reduce the price of imported products and greatly reduce the time of logistics and transportation.

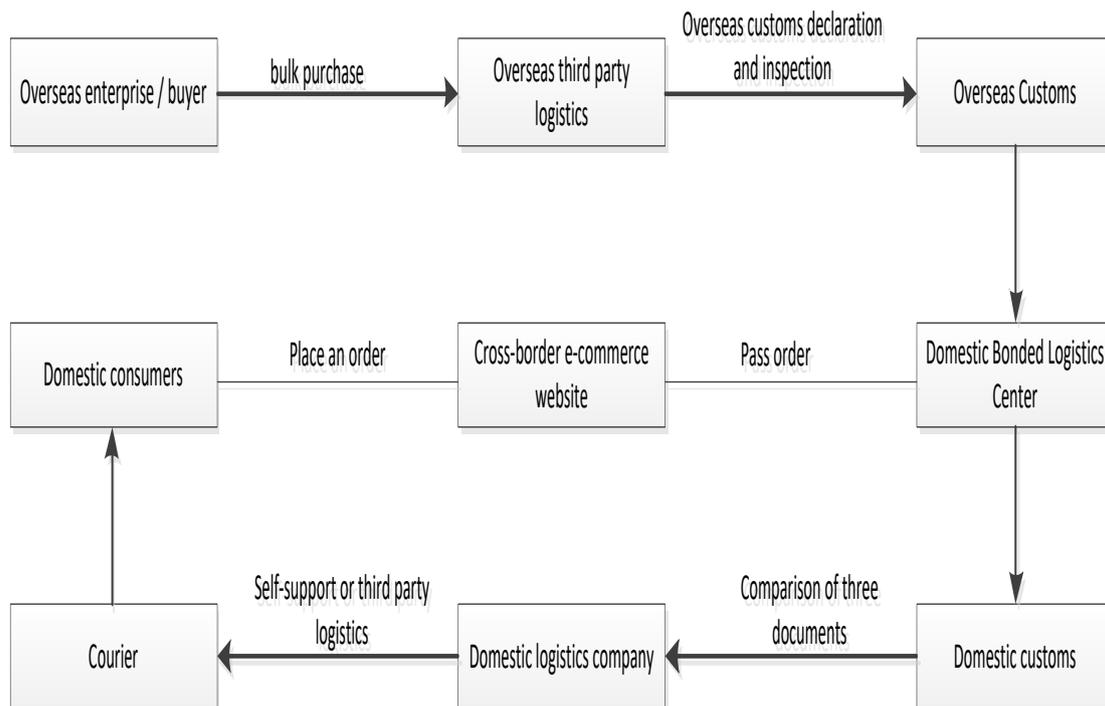


Fig. 4 Operation mode of the bonded stock import

Under the bonded import model, domestic import cross-border e-commerce companies purchase a large amount of goods abroad in advance through overseas companies; These goods are completed overseas customs declaration and inspection through general trade, and shipped to domestic bonded logistics centers or bonded warehouses through international logistics; domestic consumers place orders online and complete payment by logging in to the cross-border e-commerce website, filling in the identity information and address information of the consignee; After the domestic bonded logistics center or bonded warehouse receives the consumer order, it completes the sorting and packaging of the goods; The import Cross-border e-commerce enterprises send logistics order data, purchase order data, and payment order data to the domestic customs, and they are released after inspection by the customs. The goods are distributed through domestic self-operated or third-party logistics companies.

## 5. The Countermeasures of Promoting the Development of Import Cross-border E-commerce Logistics

### 5.1 Choosing a Reasonable Cross-border Logistics Operation Mode

The import cross-border e-commerce enterprises should choose a suitable operation mode from the general trade import mode, cross-border direct mail import mode, goods collection direct mail import mode and bonded stock import mode based on the situation of imported goods. For example, The bonded import model can be adopted for maternal and infant products with relatively large consumer demand, ; It can save time and costs and improve the consumer experience; The cross-border direct mail import mode can be adopted for some luxury goods with relatively small demand, such as watches, which can meet the needs of consumers in small groups and will not form inventory backlog. The goods collection direct mail import mode can be adopted for some pre-sale goods, which can save costs, and the transportation of goods is more reliable.

### 5.2 Improving the Efficiency of Customs Clearance

The efficiency of customs clearance is an important factor that affects the delivery time of imported cross-border goods. Although policies have been introduced to promote customs supervision of cross-border imported goods, these policies still need to be further improved in terms

of the rapid development of imported cross-border e-commerce. At present, the efficiency of customs clearance can be improved by comparing the three documents of payment order, express order and order. In terms of the efficiency of customs clearance, “9610 direct imports mode” and “1210 bonded import mode” have been added. Through these reforms, customs clearance efficiency has been improved. However, in terms of customs clearance, the information exchange between domestic e-commerce platforms, logistics companies, customs and other regulatory agencies needs to be exchanged in order to track the imported cross-border logistics information in real time. At the same time, it is necessary to cooperate with other countries actively in order to speed up the efficiency of customs clearance and improve the corresponding regulatory system.

### **5.3 Establishing an Import Cross-border E-commerce Logistics Information System**

For the development of the import cross-border e-commerce logistics, an important issue is the asymmetry of logistics information. In terms of domestic logistics, consumers can query the logistics information of the products and grasp the transportation status of the products in real time; However, Information from both overseas and domestic segments cannot be linked in cross-border logistics, and consumers cannot query the logistics information of the overseas segment. They can only query the domestic logistics situation of the product after the goods are issued for a period of time, and the logistics information is asymmetric. Domestic and overseas enterprises should build a cross-border logistics information system to make the entire process of logistics information searchable. In this way, consumers can query the logistics information of goods shipment and transportation in real time, and eliminate the asymmetry of logistics information.

### **5.4 Building a Strategic Alliance of Import Cross-border E-commerce Logistics**

In term of cross-border dedicated logistics, dedicated logistics may be better in a certain link or a certain dedicated line. By combining imported cross-border e-commerce logistics into a logistics alliance, it is possible to share dedicated logistics with advantages from both parties or multiple parties. The geographic coverage of the service will also be wider, and you will also get preferential freight rates and quality services; In term of domestic and foreign warehouses, enterprises joining the logistics strategic alliance can use the domestic and foreign warehouses of the logistics alliance. These domestic and foreign warehouses combine the advantageous resources of all parties to form complementary advantages and achieve resource sharing.

### **5.5 Cultivating Imported Cross-border Logistics Talents**

Engaging in import cross-border e-commerce logistics requires not only knowledge of cross-border e-commerce and logistics management, but also knowledge of international trade and foreign languages. However, few practitioners currently engaged in importing cross-border e-commerce logistics have several combined capabilities. It can be seen that it is urgent to strengthen the training of composite professionals engaged in imported cross-border e-commerce logistics. In terms of talent training, courses can be set according to the abilities required by the profession to enable students to meet job requirements; At the same time, through the school-enterprise cooperation, we can jointly cultivate application-oriented talents so that students can master the professional abilities of the imported cross-border e-commerce logistics occupation. Finally, import cross-border e-commerce companies should provide vocational skills training regularly for existing employees in order to improve the professional level of employees .

## **6. Summary**

By analyzing the driving forces of the development of imported cross-border e-commerce, we can find that with the increase of domestic consumers' income levels, the demand for high-quality products abroad has continued to increase; Meanwhile, the government's strong support for imported cross-border e-commerce has enabled imported cross-border e-commerce to develop rapidly in China. Through the analysis of the current situation of the development of import

cross-border logistics, we can see that there is a large demand for import cross-border logistics market, domestic express companies develop cross-border logistics business actively, cross-border logistics policies need to be improved, and professional talents are insufficient.

Then it analyzes the three operation modes of import cross-border Logistics: general trade import mode, direct mail import mode and bonded stock import mode. The paper puts forward the countermeasures to promote the development of the import cross-border e-commerce logistics from the aspects of improving the customs clearance policy, establishing the cross-border logistics information system, building the strategic alliance of the import cross-border logistics, and cultivating the professional talents of the import cross-border e-commerce logistics.

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