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Cross-Border E-Commerce: Growth, Challenges, and Strategies

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Abstract

Global trade continues to develop because cross-border e-commerce, a new driver for the expansion of international trade, opens up new markets and possibilities. The development of logistics has been influenced by trade; however, the excellent growth of cross-border e-commerce is inextricably linked to the establishment of intelligent and efficient logistics services. In this article review the various literature's study on growth, challenges and strategies interact in "Cross-Border E-Commerce". It concluded that the growth of CBEC is transforming global trade ecosystems, yet it faces limitations in dataset sharing and platform scalability. A comprehensive system design can enhance consumer conversion, optimize resource integration, and improve platform efficiency. Strategically, collaboration between e-commerce and logistics enterprises, leveraging cloud computing and big data, fosters an intelligent logistics system and standardized service management. However, CBEC faces challenges such as inefficient customs clearance, high logistics costs, security concerns, and talent shortages. Addressing these barriers with innovative strategies and digital marketing advancements can drive sustainable growth and international market success.

Keywords: Cross-border e-commerce (CBEC), International or global trade, E-commerce, Logistics enterprises, Little red book, etc.

1 Introduction

Technology has revolutionised our lives with the advent of the internet. Globally, the Internet has facilitated significant transformations from a variety of perspectives, including social, economic, and

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political. Particularly in relation to the economic sector, it regards the Internet as an additional factor in the development of conventional commerce methods [1]. Specifically, the rise of e-commerce is among the most noteworthy outcomes of modern digitalisation. The current trade patterns have been further enhanced by the increased utilisation of digital platforms for information collection and communication. In spite of the potential barriers and differences, E-Commerce has become even more prevalent today due to the increased accessibility and user-friendliness [2]. The significance of e-commerce is demonstrated by the anticipation that the global e-commerce trade will surpass \$5.55 billion by the conclusion of 2022. Additional estimates suggest that this figure will experience substantial growth in the years ahead, suggesting that it may offer lucrative opportunities for online retailers worldwide [3].

Digital platforms are essential for the interchange of products and services between commercial entities in various countries or regions, which has been facilitated by the development of international trade in the Internet era [4]. Cross-border e-commerce has consequently emerged. In contrast to the conventional international trade mode, cross-border e-commerce eliminates spatial and temporal constraints, thereby increasing the trading opportunities for consumers and merchants worldwide [5]. The operational mechanism of international trade has been significantly altered by this mode of international business activities, which is characterised by its global coverage, simple transaction process, small group, and high-frequency transactions. It is a substantial new force that has emerged to foster the expansion of international trade. A tolerant environment and a diverse market have been created for the development of cross-border e-commerce as a result of the increasing use of regional trade agreements and trade facilitation measures [6], [7].

A. Cross-border ecommerce

An e-commerce concept that applies across borders The transaction of products and services between various nations or areas through the Internet and associated information platforms is the essence of cross-border e-commerce, a relatively sophisticated form of e-commerce application. Various links in conventional forms of commerce, such as product presentation, enterprise-to-enterprise negotiation, and transaction, are transferred to the internet platform to complete the whole export and import of commodities process. This makes commercial trade activities around the globe more flexible [8].

There are two ways to define cross-border e-commerce: The term "foreign trade e-commerce," which refers to an international business venture in which transaction entities from different customs territories employ "e-commerce to digitise the display, negotiation, and transaction procedures" in traditional export and import trade, is essentially synonymous with cross-border e-commerce. Cross-border logistics are then used to deliver goods and complete transactions [9]. This is the basic idea behind dynamic trade models. According to static trade industries, "cross-border e-commerce" refers to the use of e-commerce in trade between nations, which is the digitisation and networking of traditional international business practices and trade [10]. Electronic commerce of products, online data transmission, electronic financial transfers, electronic goods paperwork, and other items are among the trade procedures that are involved. Cross-border e-commerce as a whole includes both cross-border e-commerce capabilities and commodity transactions [11]. This includes cross-border retail transactions

as well as the B2B component of cross-border e-commerce. It encompasses both the portion of cross-border e-commerce B2B that utilises online transaction matching via internet channels to accomplish offline transactions as well as the portion that uses cross-border trading platforms to accomplish online transactions [12].

B. The drivers of CBE development

- **Advanced technology:** The term "globalisation" describes the increasing number and diversity of cross-border trade in products and services brought about by the quick and extensive spread of technology. In addition to allowing businesses to access remote customers, advanced e-commerce technology lower marketing and administrative expenses. Online shopping has increased significantly because to the fast-paced internet, and the rise of the global business market and international commerce has aided the development of CBE. According to customers, the advancements in technology, such as the ease of cross-border payments and the increasing use of smart mobile devices, have made it easier for them to purchase online [13].
- **Growing demand:** In the age of global business and e-commerce, a company's operating model has to be developed with the needs of its clients in mind. Poorer quality products, fake goods, and product piracy encourage customers in developing nations to buy products from overseas more often over time. The middle-class generations of the 1980s and 1990s have emerged as China's largest consumer groups, and they are more likely to purchase online from outside. The most often mentioned reasons for cross-border internet buying, however, continue to be the scarcity of items and lower costs in outside markets [14].
- **Advantageous policy:** Trade liberalisation, for instance, increased exports of goods and services to new markets with the establishment of "the European Free Trade Agreement" and the China Free Trade Area. Such trading was previously impractical because import barriers made it unlikely to compete in international marketplaces. Markets for trade, especially from emerging nations, will be opened by the beneficial policies. Foreign cross-border sales have increased as a result of the Chinese government's introduction of a number of pro-CBE policies, the creation of many free trade zones to reduce tariffs, and expedited customs clearing processes.

2 Literature Review

(Huo et al., 2024) [15] This study explores cross-border e-business, analysing its complex dynamics and projecting its course. In 2023, the market is expected to reach a size of 18,760 to 18,934 billion RMB, which is consistent with the steady increase seen in prior years. This points to a long-term upward trend for international e-business. value and originality The development of China's conventional industries and global integration are significantly influenced by "cross-border e-commerce". Beyond statistical patterns, the study presented in this article adds to a more complex understanding of the critical role that cross-border e-commerce will play in determining China's economic destiny.

(Phuong & Huy, 2024) [16] Globalisation and the development of digital technology have fuelled the exponential growth of cross-border e-commerce. The results show problems including risk management, high operating expenses, last-mile delivery complexity, regulatory compliance, and technological integration. On the other hand, there are potential in legislative advocacy, sustainable practices, strategic

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alliances, technical advancements like blockchain and artificial intelligence, and improved customer experience tactics. For scholars and industry professionals looking to improve the efficacy and efficiency of cross-border e-commerce logistics, this review offers insightful information. It draws attention to areas that need further study and provides helpful suggestions to deal with current issues, making international transactions easier and promoting the expansion of global commerce.

(Haoxun & College, 2023) [17] This study uses Tmall Global, a division of Alibaba Group, to analyse the cross-border e-commerce business model and optimisation techniques in China. The article describes the novel features and operation methods of international e-commerce businesses in addition to the relevant operation model research and theories. The study then compares the benefits and drawbacks of many common domestic and international cross-border e-commerce operating models, including those of Tmall Global, Amazon, JD, and others, in order to examine the optimal development enlightenment of these models. This is followed by an examination of the optimisation strategies for the formation of China's cross-border e-commerce operation model, which includes the efficiency of "customs clearance, the policy system, cross-border logistics, and the credit system".

(Verma & Dixit, 2023) [18] investigates the development of online shopping and its potential in the future. The exponential expansion of e-commerce over the last two decades has transformed both consumer purchasing patterns and corporate operations. Technology developments and shifting customer tastes are paving the way for the e-commerce sector to grow even more. This essay explores the major themes, obstacles, and possibilities that will probably influence e-commerce in the future.

(Zhu et al., 2023) [19] CBEC, or cross-border e-commerce, has experienced substantial growth as a consequence of the widespread adoption of the Internet, digitisation, and informatisation. This development has attracted the attention of academia, government, and business. "Customer, risk, supply chain, and platform" were the four factors that were the focus of the article selection and analysis. Contradictions in these characteristics were found to be the primary causes of the two major obstacles to CBEC development: platform scalability and dataset sharing. Research on cross-border platforms is unable to get beyond theory-based studies due to these obstacles. More research is necessary to determine how soft computing may accelerate and reorganise the ecology of international trade.

(Derindag, 2022) [3] E-commerce is popular almost everywhere in the world. E-commerce, however, was further changed into cross-border trade by the new trends, which had far-reaching advantages in both social and economic spheres. Analysis showed that the unusual COVID-19 development and its quick expansion had caused "Cross-Border E-Commerce" to take the world by storm. Therefore, it can be said that a combination of strategic policies, rising demand, and superior technology contributed to the current success of "cross-border e-commerce". Traders must overcome several obstacles in order to access more chances. The researcher concluded by outlining the study's shortcomings and suggesting more investigation.

(Liu et al., 2022) [20] The study covers the main scientific publications that are pertinent to the logistics sector, with a focus on cross-border e-commerce in China. In order to underscore the literature gaps, the

authors conducted a review of articles that addressed the current state of "cross-border e-commerce in China" as well as the variables that influence its growth. "Cross-border e-commerce" in China has been steadily improving, despite the presence of numerous obstacles. These challenges include, but are not limited to, those that follow: "the absence of scientific management guidelines, the complexity of monitoring and supervision, the insufficient talent within the Chinese industry, the risk of payment, the tax rebate settlement challenges, and the low custom clearance efficiency". Important parts of this paper include critical summaries of prospective research themes and current deficits.

(Wang, 2022) [21] The Internet economy's advancement has created a substantial market potential for cross-border e-commerce platforms, which serve as "a novel foreign trade mode and economic growth point". In order to solicit the interest of domestic consumers, they introduce imported products of superior quality. Within the cross-border e-commerce industry, this paper investigates the competitive strategy and business model of the Little Red Book. This is followed by a thorough analysis of the current marketing approaches of "the Little Red Book as a cross-border e-commerce platform". In conclusion, the article proposes a series of well-reasoned marketing recommendations that will enhance the platform's competitive advantage by integrating the developmental attributes of cross-border e-commerce.

(Alam & Ali, 2020) [22] Due to the widespread use of the internet and advanced digital gadgets, the e-commerce sector in India is expanding quickly. India's e-commerce development is now lagging behind that of other wealthy nations, nevertheless. The great advantages of e-commerce include lowering geographical barriers, attracting new customers quickly and easily through search engines, lowering preservation and rental costs, increasing daily sales, expanding the reach of full-size businesses, simplifying basic payments, and facilitating direct transactions via credit cards, debit cards, and net banking. However, there are several basic issues and difficulties with online transactions for both buyers and sellers. In online money processing, fraud is the largest issue and is becoming worse every day. There are several forms of fraud, including merchant identity fraud, advanced fee and wire transfer fraud, phishing, identity theft, and pagejacking.

(Gupta & Bansal, 2019) [23] The components, challenges, and extraordinary potential of cross-border e-commerce in emergent economies are the focus of this study. This study aims to provide organisations and policymakers with valuable recommendations and disclose insight into the variables that influence "cross-border e-commerce" growth by conducting a comprehensive literature review and employing a mixed strategy approach. The significance of this study is its ability to enhance theoretical comprehension, clarify intuitive navigation, and contribute to the development of more comprehensive and effective global exchange practices in the digital age.

3 Conclusion

The global trade ecosystems are being transformed by the expansion of Cross-Border E-Commerce (CBEC). However, its development is restricted by the scalability of platforms and the limitations of dataset sharing. A thorough system design may improve resource integration, increase platform

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profitability, and improve customer engagement, even though research has mostly concentrated on buyers and digital methods. Structural equation modeling verifies key factors influencing CBEC development. Strategically, CBEC requires collaboration between e-commerce and logistics enterprises to establish an open and efficient logistics ecosystem. Big data, cloud computing, and the Internet of Things are examples of advanced technology that may simplify operations, and standardised service management guarantees effectiveness and quality. Small e-retailers benefit from digital marketing in foreign markets, with those in emerging markets demonstrating stronger performance impacts. Platforms like Little Red Book exemplify effective community-driven marketing and data-driven strategies for competitive differentiation. Despite advancements, CBEC faces significant challenges, including customs clearance inefficiencies, high logistics costs, tax complexities, and security concerns. Additionally, talent shortages, inconsistent service quality, and weak reverse logistics hinder growth. Addressing these issues through technological innovation and regulatory improvements is crucial for the sustained success of CBEC.

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