# Research on Developing Cross-border E-commerce and Promoting the Transformation and Upgrading of Foreign Trade in Anhui Province

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### Abstract

Starting from the current situation of foreign trade in Anhui Province, this paper studies the hot issue of cross-border e-commerce promoting the transformation and upgrading of foreign trade in Anhui Province, focuses on the significance and promotion mechanism of cross-border e-commerce for the transformation and upgrading of foreign trade in Anhui Province, and analyzes the restrictive factors of cross-border e-commerce promoting the transformation and upgrading of foreign trade in Anhui Province, It also puts forward strategies and suggestions for developing cross-border e-commerce and promoting the transformation and upgrading of foreign trade in Anhui Province.

# **Keywords**

Cross border e-commerce; Anhui Province; Foreign trade; Transformation and upgrading.

# 1. Introduction

Since Premier Li Keqiang proposed the Internet plus plan in March 2015, "Internet plus foreign trade" has spawned the booming cross-border e-commerce. In recent years, great changes have taken place in the international economic and trade environment and the outbreak of COVID-19 in the world. The traditional mode of foreign trade has been seriously affected and impacted. Cross-border electricity suppliers have become the new trend of economic hot spots and foreign trade development, and promote the transformation and upgrading of China's foreign trade. Anhui actively promotes cross-border e-commerce to promote the development of foreign trade, but it is still relatively backward compared with other developed regions. From the existing research results, most of the research on cross-border e-commerce promoting the transformation and upgrading of foreign trade takes the whole country as the main body for macro research. Zhao Zhitian and Yang JianZheng (2012) believe that: from the trend, a series of positive effects of e-commerce on import and export trade are beginning to be reflected, and its impact trend is accelerating and strengthening. Zhang Zhongqiang (2013) analyzed that ecommerce has changed the operation mode and environment of international trade, changed the transaction process of international trade, and broadened the subject and competition mode of international trade. Ren Zhixin et al. (2014) proposed that cross-border e-commerce is a new way of international trade, which promotes the innovation of international trade. We should explore a low-cost, efficient, fast and safe cross-border e-commerce model and path to promote the transformation and upgrading of China's foreign trade development. Ly Jia (2015) believes that in the new normal period, the transformation and upgrading of China's foreign

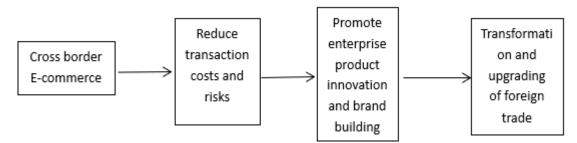
trade enterprises should be realized through new trade methods such as e-commerce. Wang Yumeng (2016) took Anhui (Shushan) cross-border e-commerce Industrial Park as an example and believed that the industrial park can be "individualized" " The integration of transactions and the centralized provision of corresponding services have a great impact on the transformation of the traditional development mode of foreign trade. However, at present, there is little domestic research on Anhui Province. Based on the above background and reasons, this paper takes Anhui Province as the research object to analyze the paths and Countermeasures of developing cross-border e-commerce to promote the transformation and upgrading of foreign trade in Anhui Province, which will help Anhui Province correctly Grasping the direction of a new round of economic system reform and providing decision-making basis for the government and enterprises to formulate technical standards and development strategies of cross-border e-commerce has certain theoretical value and practical guiding significance for the development of foreign trade in Anhui Province.

# 2. Significance of Cross-border E-commerce in Promoting the Transformation and Upgrading of Foreign Trade in Anhui Province

In recent years, the total import and export trade of Anhui Province has shown an upward trend, the trade scale has been expanding, the import and export commodity structure has been optimized, and the development of foreign trade has made some achievements. Anhui Province is a traditional inland province. Its import and export volume has been lower than that of coastal and developed provinces, and its openness to the outside world is low. There are some deficiencies in the development mode of foreign trade in Anhui Province, such as the small export scale of high-tech products; The energy consumption of domestic production of export commodities is large; Processing trade enterprises have small scale, low added value of products, lack of awareness of independent innovation and unreasonable development; The trade deficit widened and trade frictions continued; The export trade market is relatively concentrated and the trade risk is increased. Therefore, the transformation and upgrading of foreign trade in Anhui Province is imperative. Relying on advanced Internet technology and fast international logistics channels, cross-border e-commerce directly connects with consumer terminals, caters to the current characteristics of international trade from "container" large transaction to medium and small transaction. It has rapidly grown into a new trade mode to promote the transformation and upgrading of foreign trade, and has developed rapidly all over the country. With the national policy support for cross-border e-commerce in Anhui Province, export-oriented enterprises in Anhui Province should take advantage of this opportunity to strengthen their brand marketing in the international market with the help of cross-border ecommerce platform, which will help Anhui foreign trade enterprises and products "go global". At the same time, most small and medium-sized enterprises in Anhui are affected by the increased pressure of economic downside risk and the appreciation of RMB, the foreign trade environment of small and medium-sized enterprises is not optimistic. In this case, the crossborder e-commerce foreign trade model suitable for "small foreign trade" is conducive to developing huge international market channels and meeting the diversified needs of consumers in different regions. It has undoubtedly become an important way to reverse the plight of small and medium-sized foreign trade enterprises. To sum up, accelerating the development of crossborder e-commerce has become an inevitable choice to promote the transformation and upgrading of foreign trade in Anhui Province.

# 3. Mechanism Analysis of Cross-border E-commerce Promoting the Transformation and Upgrading of Anhui's Foreign Trade

Based on the gradual improvement of Internet technology and the large-scale coverage of infrastructure such as the logistics industry, cross-border e-commerce complies with the "fragmentation" trend of small and multi batches of international trade, and has achieved rapid development worldwide driven by mobile Internet, big data and cloud computing. Cross border e-commerce has changed the traditional foreign trade mode from the previous "exporter importer wholesaler retailer consumer" mode to a simple new mode of "seller logistics distribution buyer", promoting the transformation of foreign trade mode to direct sales. The direct transaction between enterprises and final consumers weakens or even replaces the intermediate role of traditional trade, simplifies the transaction process of foreign trade manufacturers, reduces the costs of transaction partner search, intermediate negotiation, thirdparty payment, logistics and transportation, promotes the improvement of transaction efficiency, and realizes win-win for both buyers and sellers. Under the new model, the disappearance of the roles of suppliers and wholesalers has reduced a lot of costs. Some of them become price concessions for consumers to further improve demand and purchasing power; Part of the profits will be converted into sellers' profits, so that enterprises can timely obtain the needs of consumers, update products and build their own brands according to the needs, broaden marketing channels and improve after-sales services, so as to further improve the profit space; Another part of the Commission as an e-commerce platform urges it to continue to improve its services and ensure the sustainable development of the new model. Cross border e-commerce is to build seamless and wireless communication between international buyers and sellers based on Virtual Internet technology and information means, realize cross-border transactions of goods, technologies and services, shorten transaction links and simplify trade chain, break through the obstacles of traditional methods, and provide a more free and broad market environment for enterprises, It has promoted Anhui foreign trade enterprises to innovate product brands, reduced the threshold for small and medium-sized enterprises to enter the international market, and become a new driving force to promote the transformation and upgrading of Anhui's traditional trade. The effective path of cross-border e-commerce model to promote foreign trade transformation and upgrading is shown in the figure below:



**Figure 1.** The effective path of cross-border e-commerce model to promote foreign trade transformation and upgrading

# 4. Restrictive Factors of Developing Cross-border E-commerce to Promote the Transformation and Upgrading of Foreign Trade in Anhui Province

Cross border e-commerce can effectively promote the transformation and upgrading of foreign trade in Anhui Province, but there are still many constraints due to the unique characteristics of cross-border e-commerce and the lagging development of cross-border e-commerce in Anhui Province.

# 4.1. There Is A Lack of Supporting Services for Cross-Border E-commerce, And the Construction of Regulatory Service System Lags Behind

Compared with the relatively developed and mature cross-border e-commerce system in Jiangsu and Zhejiang, the development of cross-border e-commerce in Anhui Province started late, the development time is short and slightly lagging behind, especially the lack of wellknown cross-border e-commerce public service platform in Anhui Province; In addition, the construction of many supporting service systems, such as logistics, customs clearance, commodity inspection and payment, is not perfect, especially the construction of overseas warehouses is backward, the experience of government regulatory departments is insufficient, and there are problems of regulatory gaps. The institutional environment for the development of cross-border e-commerce is imperfect, the construction of relevant laws and regulations such as commodity tax rebate and foreign exchange settlement lags behind, and the supervision needs to be strengthened urgently.

# 4.2. The Number of Enterprises Engaged in Cross-Border E-commerce Is Small, the Scale Is Small, and the Industry Concentration Is Not Strong

Leading enterprises engaged in cross-border e-commerce in Anhui Province have insufficient driving force, and there is no ready-made scale effect. Take "Anhui cloud man" as an example. Its main business is domestic e-commerce transactions, and cross-border transaction services have just been included in the plan. There are many small and medium-sized enterprises engaged in cross-border e-commerce business in Anhui Province, but due to their own strength constraints, the proportion of participating in cross-border e-commerce trade is low, and the cross-border e-commerce subject in Anhui Province is weak. At present, Anhui cross-border e-commerce still lacks a number of industrial parks with prominent characteristics, perfect industrial chain and sound service system. The concentration of cross-border e-commerce industry is still low, and there is no agglomeration effect. The industrial park is in the construction stage, which restricts the transformation and development of Anhui foreign trade enterprises to cross-border e-commerce business.

# 4.3. There Is A Serious Shortage of Professional Cross-border E-commerce Talents

With the rapid development of cross-border e-commerce in Anhui, there is a serious shortage of professionals. At present, the network knowledge and e-commerce skills of employees of foreign trade enterprises in Anhui Province, especially small and medium-sized foreign trade enterprises, are uneven, cross-border e-commerce compound talents are very scarce, and cross-border e-commerce requires higher comprehensive quality of everyone. The e-commerce talent training system of most colleges and universities in the province does not match the actual needs of enterprises, and social training is more backward. Most cross-border e-commerce enterprises in Anhui Province do not have professional teams, resulting in an increasingly prominent shortage of personnel in the whole cross-border e-commerce industry. At the same time, Anhui's local policies and income are far less than those in domestic developed regions and first tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen. The loss of senior talents is serious. The scarcity of professionals not only increases the difficulty and risk of cross-border e-commerce enterprises to cross-border e-commerce, which has also become one of the obstacles to the development of cross-border e-commerce enterprises in Anhui.

### 4.4. Enterprise Brand Awareness Is Weak and Brand Construction Lags Behind

Traditional enterprises generally lack understanding and application of the Internet. They think that they just establish websites, and websites only release information and promote products. Anhui's foreign trade enterprises from traditional trade to cross-border e-commerce trade are

generally few, the transformation direction is not clear, and lack of cross-border foreign trade business operation experience. At present, Anhui foreign trade enterprises win a certain market share in the cross-border e-commerce market mainly through price advantages and characteristic products. Only products such as tea, Chinese herbal medicine, household appliances and clothing are exported to East Asia, South America, the Middle East and other countries and regions, lack of internationally influential product brands, serious homogenization of export products and lack of independent innovation, Unable to meet the personalized and differentiated needs of consumers in the era of cross-border e-commerce.

### 4.5. Unbalanced Regional Development in Anhui

The economic foundation of central and southern Anhui is good, the Internet Chengdu is high, and the overall development is good. There are some well-developed enterprises in this region. Although the cross-border e-commerce in Hefei, the provincial capital, has developed well, other regions of Anhui Province have a low degree of Internet and weak foundation, and the overall situation is not optimistic. If it goes deep into the county level, the development is even more backward.

### 4.6. Cross Border E-commerce Competition Intensifies

The development of cross-border e-commerce in Anhui foreign trade enterprises is facing fierce competition from many cross-border e-commerce enterprises at home and abroad. Industry oligarchs have emerged in the cross-border e-commerce industry. International e-commerce giants include Amazon, eBay and Alibaba express. These three platforms basically cover the markets of Europe, America, Russia and Latin America. Domestic giants include jd.com, Alibaba tmall global, etc. Anhui enterprises develop cross-border e-commerce. It is very difficult to establish an independent trading platform. More often, they can only rely on the development of a third-party platform. In addition, the current transaction mode of cross-border e-commerce enterprises in Anhui Province is still B2B mode, and the development of B2C mode is relatively slow. This single transaction mode makes the development of cross-border e-commerce in Anhui far behind that in Jiangsu, Zhejiang and other regions. The development of cross-border e-commerce by foreign trade enterprises in Anhui Province will also face fierce competition from cross-border e-commerce enterprises in many domestic cities.

# 5. Countermeasures of Developing Cross-border E-commerce and Promoting the Transformation and Upgrading of Foreign Trade in Anhui Province

### 5.1. Government Level

# 5.1.1. The Government Strengthened Policy Guidance and Support and Improved the Construction of E-commerce Service Support System

The development of cross-border e-commerce requires not only the active participation of enterprise subjects, but also the strong guidance of the government. Therefore, the government needs to clarify policy guidance, standardize market behavior, but also play a leading role in improving network infrastructure, recommending the construction of online payment system and improving modern logistics system. According to the market demand, simplify the important links such as logistics, customs clearance and foreign exchange settlement, and establish a more convenient foreign trade process; Improve the laws related to cross-border e-commerce and create a better legal environment; Establish cross-border e-commerce development funds, optimize the financing channels of e-commerce enterprises, give greater financial support and provide a superior financial environment; Vigorously support small and medium-sized enterprises, implement preferential tax policies and subsidy policies, improve

the enterprise structure of Anhui Province, promote the transformation of foreign trade growth mode with the help of cross-border e-commerce, and cultivate new impetus for foreign trade development.

#### 5.1.2. Strengthen Supervision and Provide Strong Guarantee for Cross-border Ecommerce Services

We will accelerate the innovation of the government regulatory system, further implement the simplification of administration and decentralization, coordinate and cooperate with the customs, inspection and quarantine, the State Administration of Taxation and the administration of foreign exchange, share resources, simplify customs clearance processes, realize trade facilitation, and create favorable conditions for the transformation and upgrading of foreign trade. The government should timely carry out security risk monitoring of cross-border e-commerce transactions. Through information sharing and big data analysis, we will severely crack down on violations of intellectual property rights caused by the production and sale of counterfeit goods, supervise foreign trade enterprises to form and build an integrity system in the process of cross-border e-commerce operation and management, and reduce trade friction. With the help of the standardized coordination of industry associations, supervise all transaction links to provide guarantee for the credit and rights protection of transactions.

#### 5.1.3. Give Full Play to the Demonstration and Driving Role of the Comprehensive Experimental Zone and Leading Enterprises

Anhui Province should continuously expand the main body of cross-border e-commerce enterprises under the demonstration and guidance of China (Hefei) cross-border e-commerce comprehensive pilot zone. Increase the leading role of leading enterprises, and encourage traditional small and medium-sized foreign trade enterprises to join the ranks of cross-border e-commerce enterprises through the establishment of government support measures such as small and medium-sized enterprise development fund. In addition to cultivating a number of excellent cross-border e-commerce enterprises in the province, we can also use investment attraction to introduce a number of leading enterprises with mature development models from outside the province, build a demonstration base and gathering area for cross-border ecommerce enterprises, and "point to area" to promote the development of cross-border ecommerce in other regions; The government should learn from the development experience of Zhejiang enterprises, take the lead by the government, encourage and support the strong crossborder e-commerce enterprises in the province to build their own website platform, and form a certain influence throughout the country, so as to drive the sustainable development of crossborder e-commerce enterprises in Anhui Province.

#### 5.1.4. Improve the Level of Cross-border Logistics and Enhance User Satisfaction

With the current expansion of the scale of cross-border e-commerce transactions, the competition of cross-border e-commerce enterprises will inevitably turn to service competition. Only by establishing and improving an efficient logistics system can we ensure the safe and rapid delivery of goods to customers. Therefore, the government should encourage powerful large enterprises to build their own overseas warehouses abroad, speed up the efficiency of commodity logistics distribution and improve user satisfaction. However, for small and medium-sized enterprises in Anhui Province, encouraging them to establish joint ventures or lease overseas warehouses with local logistics enterprises can effectively solve the problem of difficult after-sales of cross-border e-commerce. In addition, Anhui cross-border e-commerce comprehensive pilot zone can introduce leading logistics enterprises, integrate the existing resources of logistics enterprises and cross-border e-commerce enterprises, build public overseas warehouses, reduce logistics costs, improve logistics timeliness and optimize logistics services.

#### 5.1.5. Strengthen the Training and Introduction of Cross-border E-commerce Talents

In terms of cross-border e-commerce talent training, the mode of government guidance, University directors and enterprise participation can be adopted to strengthen the cooperation of "government, University and enterprise". Under the guidance of the government, it is necessary to launch relevant incentive policies to encourage the cultivation of cross-border ecommerce compound talents. Colleges and universities should actively carry out school government cooperation and school enterprise cooperation, design reasonable training programs, drive teaching by practice, and realize the matching of college education and teaching with social needs. They can also hire elite talents from cross-border e-commerce enterprises to colleges and universities to give lectures and lectures, so that students can truly understand the business process of cross-border e-commerce, so as to improve their professional quality, Provide more cross-border e-commerce professionals for Anhui crossborder e-commerce enterprises. Enterprises are encouraged to strengthen the training of their own talents, and jointly establish a training base and perfect talent training mechanism through multi-level and multi-form cooperation with industry associations and universities, so as to jointly help the training of cross-border e-commerce talents. In addition, the government should strengthen the introduction of talents, provide a good working environment and reliable living guarantee, and encourage excellent talents with rich working experience to develop in Anhui.

#### 5.2. Industry Level

# 5.2.1. Give Full Play to the Role of Industry Associations to Support the Smooth Development of Cross-border E-commerce

Establish cross-border e-commerce industry associations and uniformly formulate industry norms. Implement centralized management and supervise cross-border e-commerce enterprises in terms of tax payment and credit payment, so as to improve the transparency of the industry; At the same time, actively discuss with the customs, commodity inspection and other government departments to find a centralized solution to the problems of tax rebate and foreign exchange settlement, so as to speed up the speed of customs clearance and improve the convenience of customs clearance. In the initial stage of cross-border e-commerce development in Anhui Province, give full play to the role of mediation and contacting all parties in the industry to relieve the worries of enterprises; At the same time, special funds and preferential tax policies are set up to increase the credit guarantee limit and competitiveness of small and medium-sized enterprises, and support them to expand their business by taking advantage of the opportunity of cross-border e-commerce.

# 5.2.2. Build Anhui Cross-border E-commerce Business Circle to Provide Support for the Sustainable Development of the Industry

Seize the historical development opportunity, orderly promote the distinctive cross-border ecommerce cluster ecosystem, attract e-commerce and supporting service enterprises to settle in Anhui, strengthen industrial chain integration, encourage manufacturing enterprises, crossborder e-commerce enterprises and cross-border e-commerce service enterprises to deeply integrate, realize information sharing and resource integration, and build a perfect crossborder e-commerce industry organization network, Industry intermediary organizations should gather entrepreneurs in all cross-border e-commerce related fields in the province and strive to strengthen mutual trust and mutually beneficial cooperation. Relying on the crossborder e-commerce comprehensive pilot zone, we have introduced cross-border e-commerce leading enterprises, and strive to create a more open, win-win and mutually beneficial crossborder e-commerce circle.

### 5.3. Enterprise Level

# 5.3.1. Enterprises develop their own brands and enhance their competitiveness in overseas markets

A big drawback in the transformation and upgrading of Anhui to cross-border e-commerce enterprises is the lack of brand awareness and obvious competitiveness in the export market. Therefore, enterprises must establish brand awareness, formulate export product brand strategy, strengthen independent innovation, improve product quality, develop international brands, and improve the influence and competitiveness of products in the international market. Enterprises should pay attention to maintaining their brand reputation, strengthen customer relationship maintenance and commodity after-sales service, increase user stickiness, make products "characteristic and personalized", realize the transformation of traditional foreign trade from "quantitative change" to "qualitative change", and promote Anhui brand to the world.

# 5.3.2. Innovate the Cross-border E-commerce Model to Meet the Differentiated Needs of Consumers

At present, the relatively single cross-border e-commerce development model in Anhui Province can no longer meet the diversified needs of overseas consumers. On the basis of continuing to improve the B2B export model, we should dare to innovate and actively explore emerging transaction models such as B2B2C export model, M2b export model and M2C import model. One belt, one road and the Yangtze River economic belt, should be brought into full play in Anhui to establish extensive trade links with overseas customers to enhance the influence and pricing power of enterprises in the international market. At the same time, we should actively explore a new model of cross-border e-commerce import exhibition, try to build an online e-commerce professional exhibition and improve the proportion of cross-border imports.

### 6. Conclusion

As an emerging trade development mode, cross-border e-commerce will become an important way to promote the transformation and upgrading of Anhui's foreign trade. Under the new foreign trade environment, this paper deeply and comprehensively analyzes the importance and mechanism of cross-border e-commerce in promoting the transformation and upgrading of foreign trade in Anhui Province, discusses the restrictive bottlenecks encountered in the process of developing cross-border e-commerce in promoting the transformation and upgrading of foreign trade in Anhui Province, and demonstrates that under the condition of deficiencies in the current development mode of foreign trade in Anhui Province, How to seize the rare opportunity of cross-border e-commerce, further give play to the foreign trade advantages of Anhui Province, how to timely solve the problems existing in the development of cross-border e-commerce can be taken to effectively promote the transformation and upgrading of foreign trade transformation and upgrading in Anhui, and promote the sustainable development of foreign trade in Anhui.

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