

# Build Cross-border E-commerce "Overseas warehouse" Platform

## Effectively

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**Abstract**— In recent years, China's e-commerce has maintained a rapid growth, cross-border e-commerce business has made a rapid development and has become a new growth point of national economy and an important direction of e-commerce business trade. Cross-border e-commerce trading platform which promotes the development of cross-border e-commerce, plays a very important role in cross-border e-commerce trade. But in the rapid development process of cross-border e-commerce, it also encountered many problems. Cross-border e-commerce logistics as become an important factor that hinder the development of the growing cross-border trade. The current general view is that the establishment of "overseas warehouse" is an important model for solving cross-border logistics. This paper explores the features of "overseas warehouse" based on the analysis of the development of cross-border e-commerce and make recommendations for building "overseas warehouse" platform.

**Keywords-** *Cross-border e-commerce, "Overseas warehouse", Logistics, Platform building, Effective strategies*

### 1. Introduction

E-commerce is to make the content of trade, advertising, ordering, purchasing and payment present in the form of information and virtualization. Logistics is the key part of the

effectiveness of e-commerce. If the logistics service has poor quality and low efficiency, then it would constrict the quick, convenient features of e-commerce trade. Therefore, further establish and improve e-commerce trade logistics system will determine the survival and development of e-commerce. The current view is generally considered that the establishment of "overseas warehouse" is the important logistics mode to resolve cross-border logistics. Through the establishment of "overseas warehouse" logistics platform we can effectively solve the problem of cross-border e-commerce.

### 2. Features and characteristics of "overseas warehouse"

"Overseas warehouse" refers to the seller stock up by establishing overseas warehouse. In this way can the "overseas warehouse" library shipped immediately after the order from customers. Usually international logistics need 1-2 weeks' time, if you encounter customs clearance there will be further delays. Thus overseas warehouse plays an important role in the promotion of efficiency and quality of cross-border e-commerce logistics.

The establishment of "overseas warehouse" platform has many advantages: 1."Overseas warehouse" platform could improve efficiency and reduce time. Customers buy goods through cross-border e-commerce pay more time and cost. We could use the "overseas warehouse"

platform for stocking up in advance, which would enable delivering once customers place an order. It can greatly reduce the time and improve efficiency. 2. Through the establishment of "overseas warehouse" platform can enhance the competitiveness of their products in order to increase profits of products, which is more conducive to product pricing and achieve higher market competitiveness. 3. Through the establishment of "Overseas warehouse" platform can increase the trading volume. Due to the inconvenience of cross-border logistics and many cross-border e-commerce suppliers have a limit for individuals or small orders. "Overseas warehouse" could manage the goods more efficiently, and process the order processing quickly and contribute to the formation of small orders, which could increase the trading volume.

### **3. The function and mode of "Overseas warehouse"**

"Overseas warehouse" in the process of traditional cross-border transport of goods plays two functions, shipping and collection. "Overseas warehouse" is responsible for transiting the goods through the international transport to the local courier or logistics companies after the seller accepting orders, eventually gets to the consumers. With the development of cross-border e-commerce, the functions of "overseas warehouse" function are continuously enriched.

#### **3.1 "Overseas warehouse" has the payment collection function**

By establishing "Overseas warehouse" establish, the e-commerce suppliers could complete the transaction in the exchange rate and the time limit specified in the contract as soon as

possible. And it could provide value-added service as payment collection for the sellers.

#### **3.2 "Overseas warehouse" provides unpacking assembly function**

Some cross-border e-commerce supplier has relatively small-scale and the amount of orders is generally low, the numbers are small, but their orders has high-frequency and many batches, if they ship the products separately, it will lead to higher cost and longer time. By establishing "overseas warehouse" can build scale transport, it could do FCL shipment and unpack the goods after arriving "overseas warehouse" and combine and assembly the goods to distribution according to customer requirements .

#### **3.3 "Overseas warehouse" has the function of bonded**

If the "Overseas warehouse" to obtain the approval of the customs of becoming bonded warehouse, it is possible to further strengthen its function. If the "overseas warehouse" can become a bonded warehouse will save the relevant customs clearance procedures, which greatly improves the efficiency of logistics. At the same time, bonded warehouse can also provide transit trade, which would connect buyer country and seller country to avoid trade barriers reasonably.

#### **3.4 Overseas warehouse "could integrate transport resources**

Connecting the domestic warehouse with "overseas warehouse" will enable better integrating of suppliers and customers resources. So that some high-frequency and small-scale business orders can be shipped directly from the "Overseas warehouse." Using "Overseas warehouse" to deliver some products that difficult to form large scale not only reduces the

cross-border e-commerce supplier transportation costs, but also shorten the transport time, which provide convenience for both buyers and sellers.

#### **4. The development opportunities "Overseas warehouse" platform**

##### **4.1 The rapid development of cross-border e-commerce**

According to statistics of year 2014, it shows that currently consumers in more than 220 countries and regions has participated in the global shopping. On 11<sup>th</sup> November, the expenditure of cross-border online shopping of Chinese goods has topped 12 billion *yuan*. The expenditure will further increase depending on this trend.

##### **4.2 Changes in consumer thinking**

Due to the ease and convenience of e-commerce and other advantages, more and more people accept and like online shopping, foreign consumer's demand for Chinese products is also growing. Through e-commerce, you can easily get goods from around the world, and the establishment of "overseas warehouse" platform can further improve the e-commerce service experience.

##### **4.3 Policy support**

In recent years, the Ministry of Commerce, People's Bank of China, the State Administration for Industry and other departments have issued dozens polices that benefit the development of e-commerce, which further regulate commodity trading and services, and promote healthy and stable development of cross-border e-commerce. Policy support for the establishment of "overseas warehouse" platform provides a broad space for development, but also an important guarantee for "overseas warehouse" platform.

#### **5. The establishment of "overseas warehouse" platform obstacles**

##### **5.1 Higher investment for operations**

Building "overseas warehouse" platform needs a big capital investment, and building a more feature-rich "overseas positions" also need investment in software and hardware facilities and professional talents.

##### **5.2 Lack of human resources**

The establishment of "overseas warehouse" is a very complex system engineering, which requires expertise in many aspects. The establishment of "overseas warehouse" platform is actually in need of international trade, international logistics, international marketing, import and export business, the Internet , foreign languages, law and many other technologies compatible with coordination, so that not only demand for professional talent is large, but also need to master the knowledge of a number of compound talents. And the current problem of the lack of human resources is also difficult to be resolved in the short term.

##### **5.3 Less understanding on overseas markets**

The establishment of "overseas warehouse" platform based on the needs of cross-border e-commerce supplier's own size and characteristics, set a variety of factors into account, in particular, to analyze, overseas markets and overseas consumer spending habits, overseas markets are not allowed to control, blind investment may result in a backlog of inventory, resulting in poor sales of goods or warehouse idle waste depot maintenance costs.

##### **5.4 legal restrictions**

Due to the complexity of cross-border e-commerce, overseas warehouse must be taken into account local laws and rules and regulations,

and the provisions of the relevant trade market, but also have to comply with the relevant provisions of the local land leases for violation of the relevant provisions after, how to handle the relations with local business and government will become obstacles to "overseas warehouse" establishment.

## **6. Strategies of establishing "overseas warehouse" platform**

### **6.1 Seize the opportunity for Development**

Enterprises should actively make building "Overseas warehouse" platform into the planning, using the "overseas warehouse" to expand their market, improving product competitiveness to seize trade opportunities to get more orders from overseas with high-quality service experience, and promote the establishment and improvement of "overseas warehouse" platform.

### **6.2 Focus on the of human resource management**

Lack of market information at home and abroad to master the talent team is the main issues to establish "overseas warehouse" platform. Inconvenience caused by the lack of communication and talent management. China should further build educational research and training system of cross-border e-commerce, to strengthen "overseas warehouse" training platform support and investment, which could cultivate comprehensive talents.

### **6.3 Strengthen cost control**

Cost is the focus of "Overseas warehouse" platform establishment and development of cross-border e-commerce supplier companies must minimize the "overseas warehouse" operating costs, especially the cost of transport of goods produced in the process. Try to use

transportation system among the common set of goods distribution, which could reduce the cost from dispersion and fragmentation of transport orders.

### **6.4 Accelerate the transfer and sharing of information**

Cross-border e-commerce contains many aspects of the system platform, cross-border e-commerce businesses need to coordinate relations with customers, logistics, customs and banks. And information sharing of these platforms require further consolidation, in order to removing barriers of establishing "overseas warehouse" platform and making the communication of cross-border e-commerce companies with "overseas warehouse" platform more smoothly, and the command and control on the "overseas positions" platform is also more accurate.

## **7. Conclusion**

The establishment of "overseas warehouse" platform could enhance the efficiency of logistics and shorten the transit time, which could create a better service experience, and enhance the competitiveness of their products and promote the growth of orders. Establishing "Overseas warehouse" platform is facing unprecedented opportunities for development, but also has a number of obstacles now.

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