

# *Research on the Transformation Path of Cross-Border E-Commerce to Help Foreign Trade Enterprises*

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**Abstract:** With the rapid development of cross-border e-commerce, foreign trade enterprises in Quanzhou are facing opportunities and challenges for transformation and upgrading. This paper first discusses the current development status of cross-border e-commerce, and further analyzes the transformation drivers of foreign trade enterprises in Quanzhou and the difficulties they face, including domestic and foreign market competition, low brand awareness, product quality, logistics and distribution. Then summarize the transformation path of foreign trade enterprises in Quanzhou: based on the characteristics of enterprises and market demand, strengthen technological innovation, talent training, brand building and other aspects to adapt to the development and changes of cross-border e-commerce, and improve the market competitiveness and profitability of enterprises.

## **1. Background of China's Cross-Border E-Commerce Development**

According to data from the General Administration of Customs, China's cross-border e-commerce imports and exports (including B2B) will be 2.11 trillion yuan in 2022, a year-on-year increase of 9.8%. Among them, exports were 1.55 trillion yuan, a year-on-year increase of 11.7%, and imports were 0.56 trillion yuan, a year-on-year increase of 4.9%. Governments have relaxed restrictions on cross-border e-commerce and lowered import and export thresholds. Therefore, cross-border e-commerce platforms in various countries continue to emerge, such as Taobao Global Shopping in China and Amazon Global Shopping in the United States, providing consumers and merchants with more convenient and extensive transaction channels. Logistics, payment and other supporting services are also gradually improving, logistics enterprises are accelerating the layout of global networks, and payment institutions provide safer and more convenient cross-border payment services. The application of artificial intelligence, big data and other technologies not only improves transaction efficiency and user experience, but also provides more opportunities for innovation and development of cross-border e-commerce enterprises. Overall, cross-border e-commerce, as a new form of global trade, is growing at an alarming rate. With the continuous advancement of technology and policies, the development prospects of the cross-border e-commerce market in the future are limitless, which will bring more opportunities for

the growth of the global economy and trade exchanges.

## **2. Development Status of Foreign Trade Enterprises in Quanzhou**

As one of the important economic centers in southern Fujian, Quanzhou is also one of the world's important textile and footwear production bases. In recent years, the development of foreign trade enterprises in Quanzhou has been showing a trend of steady growth. According to data released by the Quanzhou Municipal Bureau of Commerce, by the end of 2022, the number of small and medium-sized enterprises in Quanzhou City had reached 47,000, accounting for 92.8% of the total number of enterprises in the city. Among them, the enterprises with export as their main business account for a relatively large proportion. These enterprises are mainly engaged in the production and sales of textiles, clothing, footwear, household goods, building materials and other fields. However, the development of foreign trade enterprises in Quanzhou also faces some problems and challenges. Affected by the uncertainty and volatility of the global trade environment, it is difficult for SMEs to stabilize the export market and order volume. Due to the inconvenience of international logistics and payment, cross-border trade has higher operating costs and smaller profit margins[1]. The brand building and market expansion capabilities of enterprises need to be improved, and it is difficult to achieve market share improvement through independent brands and e-commerce platforms. In order to cope with these problems and challenges, foreign trade enterprises in Quanzhou need to explore new transformation paths.

## **3. Analysis of the Transformation Motivation of Foreign Trade Enterprises in Quanzhou**

### **3.1 External Drivers**

Despite the challenges facing the foreign trade environment, the cross-border e-commerce industry has become more mature. The year-on-year growth rate of the industry continues to remain around 30%. In terms of imports, Tmall Global and JD Global have led the cross-border e-commerce import platform, providing consumers with more convenient ways to purchase products than traditional foreign trade methods. In terms of exports, the rapid development of online platforms such as Amazon and AliExpress has provided channels for domestic traditional foreign trade enterprises to sell products. In addition, the logistics system based on international postal services and the cross-border payment industry dominated by Alipay and UnionPay have also matured. Therefore, cross-border e-commerce has become an important trade choice area that domestic traditional foreign trade enterprises should pay attention to and consider. In addition, the "Internet +" initiative proposed by Premier Li Keqiang at the third session of the 12th National People's Congress aims to combine the power of the Internet with traditional industries, promote the healthy development of e-commerce, and promote the expansion of the international market. This shows that the country is paying more and more attention to e-commerce, especially encouraging the integration of traditional manufacturing and the Internet. Cross-border e-commerce is a typical representative of the "Internet + foreign trade" industry, which is fully consistent with the "Internet +" action plan. Therefore, the state will pay more attention to the development of cross-border e-commerce enterprises in the future [2].

### **3.2 Internal Drivers**

Quanzhou has strong regional characteristics, with a large number of foreign trade enterprises, and the rise in labor costs has brought challenges to Quanzhou's traditional foreign trade enterprises, especially those mainly engaged in manufacturing in the southeast coastal area. Many of these

businesses rely on cheap labor costs for profit, but as labor costs continue to rise, their profitability also suffers. In this case, the emergence of cross-border e-commerce business models provides a potential solution. This model can help traditional foreign trade enterprises save the cost of exhibitions, logistics, intermediaries and other aspects, so that they can regain cost advantages. By leveraging technology and e-commerce platforms, these businesses can optimize their business processes, reduce labor costs, and increase efficiency, which is critical to their sustainability and long-term success. In addition, the business model of cross-border e-commerce provides a larger market for these, both domestic and international, helping them increase their revenue and expand their business [3]. Therefore, traditional foreign trade enterprises need to accept this new business model and use its advantages to maintain their competitiveness in the global market. In addition, in today's global economy, foreign trade enterprises are facing the challenge of lacking core competitiveness. Traditional foreign trade methods can no longer provide enterprises with a competitive advantage to maintain their foothold in the market. As a result, many of these companies have been trying to find new ways to develop their core competencies. The rise of cross-border e-commerce has brought new opportunities for these businesses. This new form of foreign trade transactions provides a platform for small and medium-sized enterprises to showcase their unique products, expand market share, and cultivate core competitiveness. By taking advantage of cross-border e-commerce, small and medium-sized enterprises can improve efficiency, reduce costs, and increase profits, thereby improving their core competitiveness in the global market.

#### **4. Analysis of the Dilemma and Reasons for the Transformation of Foreign Trade Enterprises in Quanzhou**

##### **4.1 The Structure of Export Products is Unreasonable**

Quanzhou's foreign trade product structure is dominated by traditional industries such as textiles, clothing, shoes and hats, and lacks differentiated and high value-added products. This makes it challenging for these industries to meet the diverse and high-quality needs of international markets. In addition, Quanzhou is also lagging behind in the development of new industries such as intelligent manufacturing, new materials and new energy, which are in great demand in the ever-changing international market. The insufficient innovation ability of foreign trade enterprises further limits their ability to develop products with independent intellectual property rights and high added value. These challenges hinder the development of cross-border e-commerce and the optimization of the product structure of foreign trade enterprises, and ultimately affect the transformation and upgrading of Quanzhou's foreign trade [4].

##### **4.2 Product Homogenization is Serious and Price Competitiveness is Insufficient**

Due to the intensification of market competition, the requirements for quality and price continue to increase, which has put pressure on the product quality and pricing of foreign trade enterprises in Quanzhou. As consumers demand higher quality from their products, businesses need to improve product quality to remain competitive. However, some enterprises lack proper quality control systems and professionals, resulting in unstable product quality and inability to form differentiated advantages [5]. In addition, some businesses may lower product prices to gain market share, which may affect profit margins. Foreign trade enterprises in Quanzhou are also facing challenges, and they lack scale advantages and brand effects, making it difficult to compete with large enterprises.

### **4.3 Lack of Modern Management Talents**

At present, these enterprises lack sufficient experience and unified management system in talent management, which hinders them from making more scientific decisions based on current strategic thinking and long-term planning adjustments. For example, Quanzhou Jinjiang Landport Supply Chain Co., Ltd. lacks such a system. In addition, due to the lack of learning ability, these enterprises are unable to explore more import and export business opportunities in the process of international market expansion, and thus rely more on agents and trading companies. This dependence on agents could gradually erode their profit margins. Therefore, it is necessary to independently cultivate and retain cross-border e-commerce talents and give full play to the core competitiveness of cross-border e-commerce.

### **4.4 Inexperience, Blind Transformation**

In order for Quanzhou foreign trade enterprises to successfully transform into cross-border e-commerce enterprises, managers must remain vigilant about the external environment and give due consideration to any modification of cross-border e-commerce policies. The ability of other management departments within the organization to maintain a transformational mindset and support decision-making with the help of information technology is also important. If Quanzhou's traditional foreign trade enterprises want to succeed in the development of cross-border e-commerce, they must have a comprehensive understanding of their own development status and adjust their practices accordingly. This requires abandoning the previous cross-border e-commerce operation strategy, prioritizing accurate product listing, and fully preparing the entire cycle of products from procurement to packaging. In addition, in the subsequent market transition stage, it is necessary to pursue market returns and establish a risk early warning mechanism to prevent product losses. By proactively considering the external environment, using information technology to promote decision-making, and appropriately adjusting cross-border e-commerce practices, Quanzhou foreign trade enterprises can effectively transform and achieve long-term success in the cross-border e-commerce market[6].

## **5. Cross-Border E-Commerce to Help Quanzhou Foreign Trade Enterprises Transformation Path Suggestions**

### **5.1 Adjust the Product Structure and Increase the Technical Advantages of the Product**

Quanzhou is a city that plays an important role in foreign trade exports. However, the problem of unreasonable product structure has always been a stubborn problem that plagues foreign trade enterprises in Quanzhou. This problem stems from several factors such as changes in market demand and slow industrial upgrading. In order to solve this problem, Quanzhou foreign trade enterprises can take positive measures in various fields. One way to do this is to expand into emerging markets, explore new trade channels and develop new product ranges, which can help increase market competitiveness and added value of products, thereby expanding export markets. Another method is to adjust the product structure, reduce the production of low-value products and increase the production of high-tech products with high added value. This can lead to product upgrades, achieved by increasing technical content and brand awareness [7]. Enterprises can cooperate with universities and scientific research institutions to introduce new technologies and materials to improve product quality and competitiveness. Branding and marketing strategies can also help increase brand awareness and reputation. Governments can support the innovative development of small and medium-sized enterprises by encouraging investment in scientific and

technological research and development. The government can also increase financial support, provide more financing channels and services, and strengthen trade cooperation with foreign countries to improve the international competitiveness and status of enterprises. In general, adjusting the product structure, improving the scientific and technological content and brand awareness, supporting the innovation and development of enterprises, promoting the coordinated development of enterprises, and expanding emerging markets are the key strategies to solve the problem of unreasonable product structure of foreign trade enterprises in Quanzhou [8].

## **5.2 Pay Attention to Quality Improvement and Strengthen Brand Advantages**

Foreign trade enterprises should continuously strengthen their own research and development capabilities, constantly innovate and develop products and services with characteristics. R&D capabilities can be improved by introducing high-level technical personnel and building R&D centers. Optimizing the supply chain can reduce production costs and improve product quality and service levels. Enterprises can optimize their supply chain by introducing advanced supply chain management concepts and technologies. Cultivate the professional quality and service awareness of employees, improve work efficiency and service level, so as to better meet customer needs [9]. Talent development can be enhanced by providing training and learning opportunities, establishing incentives, etc. Enterprises should pay attention to brand building and pay attention to improving brand awareness and reputation. Brand awareness can be built by strengthening marketing and participating in various exhibitions. After achieving the improvement of product and service quality, enterprises need to further establish distinctive product series and advantageous brands. This requires enterprises to strengthen market research and marketing strategy formulation, improve market response speed and market competitiveness [10]. By continuously developing the market, enterprises can form characteristic product series and advantageous brands, and further improve market position and profitability.

## **5.3 Strengthen the Training of Comprehensive Talents for Cross-Border E-Commerce**

Foreign trade enterprises should accelerate the training of cross-border e-commerce talents and cultivate comprehensive talents, which is a long-term and complex process. Enterprises need to start from recruitment and pay attention to the comprehensive quality of talents. Traditional recruitment methods rely too much on the candidate's academic background and professional background, and ignore their comprehensive quality and actual ability. Foreign trade enterprises should put the comprehensive quality and practical ability of applicants in a more important position, including language ability, cultural background, communication ability, teamwork ability, etc. This will help foreign trade enterprises tap more cross-border e-commerce talents. The existing cross-border e-commerce talent training mechanism is relatively single, and there is a lack of comprehensive training system. At present, most of the cross-border e-commerce talent training is mainly short-term courses, which are aimed at the training of individual skill points. Enterprises need talents with comprehensive skills and knowledge. Enterprises need to establish a more complete cross-border e-commerce talent training system, introduce diversified training models, and improve the overall quality of talents.

Companies need to strengthen internal training and external cooperation. Internal training can help employees of enterprises continuously improve their ability and quality and adapt to the development of cross-border e-commerce[7]. Enterprises can establish an internal training mechanism and implement various training programs, such as business, language, communication skills training, etc., to improve the comprehensive ability of employees. This not only promotes the career development of employees, but also improves the overall competitiveness of the enterprise.

In addition, by providing employees with opportunities to learn and grow, businesses can improve employee satisfaction and retention. Therefore, the establishment of an effective internal training program is an important measure for the long-term sustainable development of the enterprise. In addition, enterprises can also cooperate with external professional institutions or universities to jointly carry out relevant courses and training to improve the professional competence of employees. Enterprises need to strengthen talent management and improve talent satisfaction and sense of belonging. SMEs tend to have deficiencies in talent management compared to large enterprises, resulting in a higher rate of brain drain. Therefore, enterprises need to strengthen the care and protection of talents, improve the welfare and working environment of employees, provide better career development and promotion space for employees, and improve employee satisfaction and sense of belonging.

#### **5.4 Optimize the Transformation Path and Strengthen the Awareness of Cross-Border E-Commerce Application**

In cross-border e-commerce, foreign trade enterprises in Quanzhou should strengthen their understanding of the e-commerce market and deeply understand the operation mode and market characteristics of the e-commerce platform. Enterprises can improve their awareness of cross-border e-commerce, master e-commerce marketing skills, and understand market trends and competitive landscape by participating in e-commerce exhibitions, training courses and other forms [11]. At the same time, enterprises should also strengthen the operation and management of e-commerce platforms, establish a complete marketing system, including brand promotion, product planning, customer service, etc., and continuously improve their popularity and reputation in e-commerce platforms. On the one hand, foreign trade enterprises in Quanzhou need to choose the right cross-border e-commerce platform and establish their own online sales channels. When choosing a platform, enterprises should conduct a comprehensive assessment based on the characteristics of their own products, the needs of the target market, the scale of the platform, the service level and other factors. Enterprises also need to actively use the various tools and resources provided by the platform, such as online advertising, data analysis, customer service, etc., to improve sales efficiency and customer satisfaction. On the other hand, foreign trade enterprises in Quanzhou also need to explore offline sales channels to meet consumers' more diversified shopping needs. Enterprises can jointly develop the offline market by establishing cooperative relationships with domestic and foreign retailers, wholesalers, agents, etc. Enterprises can also set up stores overseas or rent logistics and warehousing facilities in local markets to serve local customers more conveniently. In addition, foreign trade enterprises in Quanzhou should also pay attention to the improvement of product quality and service quality to ensure their competitive advantage in the cross-border e-commerce market. Enterprises can enhance their competitiveness by strengthening product research and development, improving after-sales service quality, optimizing logistics and distribution, etc., and gain more consumer recognition and trust.

## **6. Conclusion**

The development of cross-border e-commerce has greatly promoted the development of China's foreign trade and promoted the growth of China's economy. The ancient city of Quanzhou is the starting point of the Maritime Silk Road and is an important manufacturing base and foreign trade export base in China. With the advent of cross-border e-commerce, foreign trade enterprises in Quanzhou have followed the trend and tried to transform to seek new market opportunities. This paper selects small and medium-sized trading enterprises in Quanzhou as the research object, analyzes the internal and external drivers of enterprises to achieve transformation, analyzes the

transformation difficulties faced by enterprises, and further summarizes the transformation path suggestions. Under the background of cross-border e-commerce, Quanzhou trading enterprises should strengthen their own understanding of cross-border e-commerce, improve their core competitiveness, assess the situation, and continue to strengthen brand building and strive to enhance brand value. At the same time, we will further optimize the talent training path, improve the cross-border e-commerce talent training program, improve the current employment ecology of the e-commerce industry, and cultivate high-end comprehensive cross-border e-commerce talents for foreign trade enterprises. Only in this way can Quanzhou's traditional foreign trade enterprises be transformed as soon as possible, improve the development of regional cross-border trade, and further improve the status and role of Quanzhou as a frontline for China's import and export.

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