

CROSS-BORDER E-COMMERCE PLATFORM

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ABSTRACT

Qingdao Haizong E-commerce is a cross-border e-commerce platform which has 5 main good categories including toys, consumer electronics, health care, home furnishing and outdoor furnishing and Auto-motorcycle match. The author aims to illustrate the status of the cross-border e-commerce market which includes the opportunities and challenges to put forward the development plan of the company. The marketing analysis shows that the company should grasp the online trend of overseas retail during the epidemic and make beneficial use of the newly developing social media marketing approach. Nevertheless, it should also guard against risks, such as inventory risk, logistics risk and marketing risk. In addition, this business plan also elaborated the basic information of the company which includes the current situation, the operation plan and the organizational structure. Overall, through this business plan, it can be seen that Qingdao Haizong E-commerce operates well, and it has basic anti-risk ability and good market development prospects.

Keywords: cross-border, marketing analysis, risks, e-commerce platform

INTRODUCTION

Qingdao Haizong E-commerce Co., Ltd, was founded in 2021, the company founder has many years of experience in cross-border electricity, and has deep manufacturing supply chain resources, mainly for Europe and America and southeast Asia engaged in cross-border electricity business, main categories including sports goods, kitchen supplies, lamps, toys, pets, beauty makeup, LED products.

The company mainly takes major production enterprises in Qingdao as its main partners to build a one-stop cross-border e-commerce service system from supply chain to cross-border e-commerce platform. The best products, the best service, the best reputation, the company will uphold the original aspiration of sustainable development.

In the context of the global outbreak and continuous spread of the epidemic, the trend of overseas retail online accelerates, which not only shows more new e-commerce consumers, but also shows a trend of diversified and sustainable purchase categories.

Between 2019 and 2020, the overall e-commerce retail sales in major countries in Europe, the United States and the Asia-Pacific region have experienced a high growth rate of more than 15%.

The growth of the epidemic offline channels is mainly driven by three types of people. According to consumer research, over the past year of online consumers, 12% of consumers is the first to buy online after the outbreak, low-income people, preference use brand website, they gradually develop the habit of online shopping, and said willing to

continue to buy online after the outbreak, another 55% of consumers expanded the previous online purchase category, their overall age is young, mainly with middle-income people, in the past year online 5~6 child category, category coverage. In addition, 32 percent of consumers continued the category and previously bought online.

INDUSTRY ANALYSIS

2.1 Industry Size, Growth Rate, and Sales Projections

In 2020, China's scale of cross-border e-commerce transactions reached 3.1 trillion yuan, with the average annual growth rate of cross-border e-commerce exceeding 30%, among which the growth rate of cross-border online retail exceeded 150%. There are more than 200,000 foreign trade enterprises and more than 5,000 platform enterprises carrying out cross-border e-commerce business through various platforms. Every year, more than 300 million packages and more than 1 billion goods are exported abroad by express delivery and ordinary mail.

2.2 Industry Characteristics

B2B and B2C models are parallel, and a large number of B2C enterprises are growing rapidly. A large number of domestic trade enterprises and manufacturing enterprises hope to enter the cross-border e-commerce field independently through the B2C mode.

The trade market has expanded rapidly from the European Union, North America to Russia, India, Brazil, South Africa and other regions. Dunhuang data showed that orders from emerging markets grew rapidly in 2012.

Business products from beauty and health care, consumer electronics, computer and accessories, horticulture, accessories, auto parts, food and drugs and other convenient transportation products to home, automobile and other large products expanded.

Platform transformation and intensive service. On the one hand, the foreign trade e-commerce platform integrates order resources to reduce service costs, and on the other hand, it integrates resources to provide intensive services.

Policies, regulations and standards to support and guarantee are increasingly urgent. At present, more than 30 countries and regions have formulated comprehensive e-commerce laws and relevant standards and policies, and the United Nations International Trade Law Commission has also established relevant support and guarantee systems. It is mainly manifested in attaching importance to the global development strategy of e-commerce, systematically solving tax and market problems, and establishing trade agreements between cross-border e-commerce trading countries. At present, China has successively issued pilot policies for cross-border e-commerce, mainly focusing on the convenient service improvement level of "customs inspection and foreign exchange tax", and there is still a lack in promoting industrial development and market system construction. Existing e-commerce platforms are highly respected.

2.3 Industry Trends

In 2020, the COVID-19 pandemic has swept the world, and consumers have shifted heavily to online consumption, which has stimulated the rapid development of the global e-commerce retail industry. In terms of e-commerce retail sales, between 2019 and 2020, major e-commerce retail sales in Europe, the United States and the Asia-Pacific region experienced a rapid growth of more than 15%.

Throughout the global market, represented by the United States, Britain, Germany, Spain and France mature market, after decades of development, has formed a good e-commerce ecology, electricity user penetration, electricity user growth rate and per capita GNP is in the global leading level, is the Chinese electricity sea ideal destination, therefore, for the five countries in independent electricity channels have purchase online consumer research analysis, explore consumers online consumption behavior and shopping mind before and after the outbreak change, and will focus on consumer electronics, furniture and health electricity key category.

2.4. PEST Analysis

The Political Factors-The Political	Economic factors-the Economic
<ol style="list-style-type: none"> 1. The government will increase the support for cross-border e-commerce and increase cross-border experimental areas 2. After the New Deal, although taxes are added to the commodity towers within 100 yuan, it is conducive to ensuring the tax fairness under different forms of trade and promoting the healthy development of the industry 	<ol style="list-style-type: none"> 1. The relative consumption level of developed countries will be high 2. The depreciation of RMB, currencies other than RMB, such as US dollar and Japanese yen, are appreciating, increasing the cost of cross-border purchase
Social factors-the Social	Technical factor, Technological
<ol style="list-style-type: none"> 1. The demand for overseas online shopping in various countries is increasing year by year 2. People's overall consumption level is upgrading, and now Chinese manufacturing is also favored in foreign countries. 	<ol style="list-style-type: none"> 1. Under the condition of large-scale application of big data, enterprises can build more and more supply chains with the personalized needs of consumers as the core 2. Global logistics, supply chain, warehousing and e-commerce systems are becoming more and more perfect

MARKET ANALYSIS & MARKETING PLAN

3.1 Selection of The Market

The French market

French consumers generally search for the products they want on the website. Accurate, comprehensive and attractive product information can attract them more effectively. Their online shopping purpose is relatively strong, and many times they determine what products they want to buy to buy online.

The customer group of online shopping in France is mainly between 25 and 40 years old, with more female customers than male customers. Because the French tourism industry is very developed, many French consumers buy products related to tourism, culture and services. Of course, some French people also buy 3C, clothing and beauty products.

The Russian market

The Russian and Chinese markets are highly complementary, and the proportion of heavy and light industry is seriously unbalanced. They have a high demand for daily consumer goods, including clothing, shoes, electronics and accessories. This also brings opportunities and challenges to cross-border sellers in China, where Russia currently has a population of about 143 million and a large market capacity and scale.

In the Russian market, payment and logistics are a barrier, because Russians are skeptical about the security of online payments. And the time limit of Russian small bags is still about 20-30 days, the imperfect logistics system can be seen.

3.2 Buyer Behavior

The North American market is the main market for China's cross-border exports, among which the United States is one of the largest e-commerce markets in the world, with a large number of online buyers, strong online consumption power and a very large market capacity. Not only do Americans save very little, but many people get several credit cards to overspend money, making it the US the world's largest market for consumer goods.

Because of historical reasons, there are a lot of immigrants in the United States, they come from different countries and regions, have different cultural customs, so they have a strong acceptance of the market, very willing to try and buy new products, as long as the product quality and quality is really good, they will remember the brand, after you need to buy again.

There are more than a dozen countries and regions in South America, most of which are developing countries with a total population of about 570 million. It is an emerging market for cross-border e-commerce. With the increasing popularity of the local Internet, the cross-border consumer group in South America is also growing. Some young South American consumers have no less spending power than in China, and the proportion of their mobile shopping population is also growing.

3.3 Competitor Analysis

From the perspective of the five-force competition model, Due to the present moment, there are more small and medium-sized enterprises in China's cross-border e-commerce market, and without its distinctive features, more competitors, At the same time,

facing the competition from foreign e-commerce, The overall competitive pressure of the industry is greater.

MANAGEMENT TEAM AND COMPANY STRUCTURE

4.1 Management Team

This plan divides the core team of the company into two parts, one part is mainly responsible for the operation of the company department, namely financial Department, personnel Department, Marketing Investment Publicity Department, Technology Department; the other part is hired workers, responsible for the supply of service content, and is also the main source of profit of the core team of the company. On the other hand, the publicity and distribution business division between the company and the partner company will also make detailed plans.

4.2 Board of Directors

Responsible for docking partners, formulate the company's overall strategic decision and development plan and other strategic work. Study on the company's long-term development strategic planning, put forward suggestions and give evaluation opinions.

Project founder

Major in economic management, more than ten years of cross-border e-commerce experience. Good at enterprise overall strategic planning, mining market opportunities, and have a keen sense of investment.

Co-founder

Long-term experience in well-known enterprise management positions, many years of experience in industry entrepreneurship, has a high recognition of the development of the industry, and has unique insights and innovation consciousness in platform construction and management.

4.3 Board of Adviser

The advisory committee is the development guidance agency of the project, providing ideas and plans for the general development direction of the project. Its members are composed of well-known experts, leaders of marketing enterprises and leaders of relevant departments. The director of the advisory committee shall be reviewed by the council and submitted to the competent department for appointment.

OPERATIONS & PRODUCTION PLAN

5.1 Early Stage (2022)

Relying on various cross-border e-commerce platforms and with the help of big data technology, select the products sold, based on this to form its own characteristics, reduce user decision-making costs, and use this technology to multidimensional and accurately match user needs.

5.2 Medium-term (2023-2024)

In the medium-term development stage, we will rely on the company's overseas resources to build our own positions. Constantly improve your storage and supply chain. To improve the supply chain control ability and realize stable brand direct supply; on the one hand, improve the operation and promotion ability, innovate and explore more international consumption potential, give full play to the agglomeration effect of "Internet + foreign trade service", and help domestic small and medium-sized foreign trade enterprises to explore the international market.

Medium-term development, on the other hand, strengthen cooperation with brand to obtain brand retail authorization. Expand my commodity category and inventory on the cross-border e-commerce platform, and increase my influence and praise rate on the platform.

5.3 Later stage (from 2025 to late stage)

Optimize integration channel supply chain, further integrate cross-border electricity industry chain of all kinds of service resources, upload these resources to cross-border electricity public service platform, and through a unified service platform, logistics, payment, marketing, customs, tax, to improve the overall efficiency of supply chain, ensure the quality of genuine products, comprehensive cross-border electricity ecological system. At the same time, it will develop its own product chain and have an independent e-commerce platform to realize the intelligent supervision and efficient operation of self-run cross-border e-commerce.

FINANCIAL ANALYSIS & FEASIBILITY ANALYSIS

6.1 Forecast data for the next 5 years for estimated operating costs are shown in the following table

project	In 2022,	In 2023,	In 2024,	In 2025,	In 2026,
I. Main operating costs					
technical costs	300000	310000	330000	350000	360000
Storefront rent	600000	120000	180000	240000	300000
employee pay payable	1260000	2520000	3780000	5040000	6300000
amount to	1620000	2950000	4290000	5630000	6690000
Ii. Depreciation fee					
amount to	0	30000	35000	40000	45000
Iii. Management expenses					
Network operation fee	500000	550000	600000	650000	700000
maintenance and repair cost	50000	60000	80000	100000	110000

project	In 2022,	In 2023,	In 2024,	In 2025,	In 2026,
administrative expenses	50000	100000	680000	750000	180000
water and electricity	50000	100000	150000	200000	250000
advertising	200000	400000	450000	600000	650000
accounting	600000	710000	830000	950000	430000
Total	200000	400000	450000	600000	650000

Note: The-line depreciation of equipment is 5% and depreciation life is 1 year.

6.2 Revenue Analysis (Time: 5 years unit: USD)

metric	In 2022,	In 2023,	In 2024,	In 2025,	In 2026,
Average day PV	4800	4700	5100	5700	5000
Order conversion rate	2.50%	3.20%	3.50%	3.50%	3.70%
Daily order	120	150	280	390	500
Average consumption per order (USD)	23	54.8	58.7	84.3	109.6
daily sales	2740	8220	16438	32877	54800
Annual sales revenue	One million	Three million	Six million	One hundred and twenty million	20 Million

CONCLUSION AND FUTURE WORK

This business plan is based on product analysis, the current situation and development trend of the industry market, comprehensively study national laws and regulations, macro policies, medium and long-term industrial planning, industrial policies and local policies, project team advantages and other basic contents, strive to present the current situation of the project subject, development positioning, development vision and mission, development strategy, business operation mode, development prospect, etc., and deeply analyze the competitive advantage, profitability, viability Development potential to maximize the value of the project.

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