

# Digital Marketing and B2B Cross-Border E-Commerce: A Case Study of Alibaba International Station in China

Qianyu Li<sup>1\*</sup>, Jiaxuan Sun<sup>2</sup>

<sup>1</sup>Department of Economics, Corvinus University of Budapest, Budapest 1093, Hungary

<sup>2</sup>Department of Business and Management Sciences, Edutus University, Budapest 1114, Hungary

\*Corresponding author: Qianyu Li, [qianyu.li@stud.uni-corvinus.hu](mailto:qianyu.li@stud.uni-corvinus.hu)

**Copyright:** © 2023 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

**Abstract:** The rapid development of the “Internet+” has ushered in a new era of global digital technology innovation. Concurrent with the deepening trends of economic globalization and integration, international trade is progressively undergoing extensive digitization, with cross-border e-commerce emerging as a significant manifestation of this transformation. Within this landscape, the cross-border e-commerce B2B platform is anticipated to become a pivotal driver for China’s cross-border trade growth, representing a strategic opportunity for trade transformation. This paper provides a comprehensive examination of the concepts, characteristics, and development status of cross-border e-commerce and B2B platforms, considering both global and Chinese perspectives. Focusing on a prominent case study, Alibaba International Station, a B2B cross-border e-commerce platform, the paper delves into its business model and core competencies, offering a thorough analysis of its role in the intricacies of international e-commerce and its contribution to the field. Drawing on insights gained, the paper concludes by presenting targeted recommendations from both the platform and government perspectives. These suggestions are informed by a nuanced understanding of the development opportunities and challenges facing China’s cross-border e-commerce B2B platforms.

**Keywords:** Digital economy; Cross-border e-commerce; B2B platform 2.0; Business model analysis; Alibaba International Station

**Online publication:** December 22, 2023

## 1. Introduction

The rapid evolution of “Internet+” has instigated a paradigm shift in global digital technology innovation. Aligned with the deepening processes of economic globalization and integration, international trade is unmistakably veering toward digitization. The advent of cross-border e-commerce has not only revolutionized the global business landscape but has also redefined the international trade model, emerging as a crucial manifestation of the digitization of global trade. Business-to-business (B2B) platforms, acting as pivotal connectors between diverse businesses, are instrumental in altering conventional business paradigms. Their

operational model effectively navigates the complexities of transactions, enabling companies to adapt and cultivate new business approaches amid the globalizing landscape.

Alibaba International Station is a trailblazer in cross-border e-commerce and a quintessential B2B platform. This paper scrutinizes its business model and competitiveness using the Strengths, Weaknesses, Opportunities, and Threats (SWOT) model. Furthermore, it delves into the intricate realm of cross-border e-commerce development, exploring its multifaceted nature. The paper also investigates the substantial contribution of B2B platforms to the evolution of international e-commerce. The overarching objective is to provide targeted recommendations aimed at addressing the current stage of cross-border e-commerce development in China.

## 2. Literature review

### 2.1. Cross-border e-commerce and B2B platform

Cross-border e-commerce entails international business activities wherein trading entities at different customs borders engage in transactions, make payments through e-commerce, and deliver goods to complete the transaction via cross-border logistics <sup>[1]</sup>. Chinese scholars commonly categorize cross-border e-commerce using traditional e-commerce model classifications, such as B2B, B2C, and C2C, each with distinct meanings and differences as outlined in **Table 1** <sup>[2]</sup>. In the contemporary era, with the continual evolution of the Internet, cross-border e-commerce, characterized as a novel business model and an emerging trade method, occupies a vast market space with promising development prospects <sup>[3]</sup>.

**Table 1.** Current major business models of cross-border e-commerce models

Models	Participation subjects	Characteristics of transactions	Representative websites
B2B	Business-to-business transactions	Large volume Small batch Centralized orders	Alibaba Made-in-China
B2C	Business-to-consumer transactions	Small volume Multiple batches Scattered orders	Amazon Dunhuang
C2C	Consumer-to-consumer transactions	Small business transactions	eBay

B2B e-commerce involves the online marketing and selling of products between two businesses, aiming to expand customer reach and reduce cost-to-serve, thereby driving increased revenue for the businesses involved. As one of the fastest-growing sales models, the global B2B e-commerce market size is anticipated to reach USD 9,209.33 billion in 2023, with a projected Compound Annual Growth Rate (CAGR) of 20.2% from 2023 to 2030 <sup>[4]</sup>. The onset of COVID-19 has accelerated the demand for e-commerce amidst a backdrop of slowing economic activity. Faced with stay-at-home restrictions, numerous consumers and businesses embraced digitalization to conduct transactions for goods and services online. Additionally, the surge in web applications and cloud services has further fueled this demand. B2B platforms, serving as conduits for cross-border e-commerce transactions, are increasingly becoming pivotal drivers for the digital transformation of small and medium enterprises (SMEs) <sup>[5]</sup>.

### 2.2. Related analysis of e-commerce development in China

Globally, it is estimated that over 1 billion people engage in cross-border online shopping, with the Asia-Pacific region emerging as the fastest-growing cross-border e-commerce area <sup>[6]</sup>. China stands out as a prominent representative of cross-border e-commerce within the Asia-Pacific region.

Against the backdrop of global epidemics and economic restructuring, China has introduced a novel economic paradigm known as “dual circulation,” significantly advancing the development of the country’s cross-border e-commerce industry. In 2022, the number of cross-border e-commerce entities in China surpassed 100,000, with over 200,000 independent stations established and approximately 690 cross-border e-commerce industrial parks in comprehensive pilot zones <sup>[7]</sup>. China has entered into bilateral e-commerce cooperation memorandums with 29 countries, particularly those involved in the “Belt and Road” initiative, resulting in rapid growth of e-commerce transactions.

China’s cross-border e-commerce B2B platform has experienced swift development, characterized by market specialization and application diversification. In 2020, its market size constituted about 72.8% of the entire cross-border e-commerce market, with the “agricultural and sideline products” market holding a substantial share. The growth of China’s B2B platforms is intricately tied to the support of government policies, encompassing tax incentives, streamlined customs clearance processes, international cooperation agreements, a well-established supply chain system, and a robust manufacturing base. Additionally, continuous innovation in China’s digital technologies, such as artificial intelligence (AI) and big data analytics, has played a pivotal role in this evolution.

### **3. Case study: Alibaba International Station**

Established in 1999, Alibaba International Station represents the inaugural business segment of the Alibaba Group and has evolved into the primary platform driving the digitalization of foreign trade <sup>[8]</sup>. With a cumulative service record exceeding 26 million active corporate buyers across more than 200 countries and regions <sup>[9]</sup>, it has solidified its status as a preferred network platform for export companies seeking to expand their international trade ventures <sup>[10]</sup>. Notably, on September 14, 2023, Alibaba International Station announced its comprehensive nationwide operations, signaling its intent to undertake refined operations tailored to the unique characteristics of different countries and markets. This involves leveraging online national pavilions and other strategic methods <sup>[11]</sup>.

#### **3.1. Business model analysis**

Alibaba International Station operates on an innovative business model with intricate mechanisms designed to forge connections between foreign buyers and sellers in the realm of electronic shopping, providing a comprehensive solution for global trade in the Internet environment. The company boasts an e-market platform, transportation and logistics service, payment and financial solutions, as well as data analytics and digital advertising devices. Serving as an online marketplace, Alibaba International Station facilitates the easy global sale of products for SMEs, minimizing cross-border trade barriers. Collaborating with various logistic service providers ensures timely delivery, thereby supporting international trade and elevating customer satisfaction.

The platform prioritizes secure transactions, utilizing payment options such as Alipay and Ant Financial to instill trust in aspects such as safe payments, funding, credit security, and foreign exchange. Alibaba International Station features a flexible financial system with a diverse array of deals. Leveraging big-data intelligence to monitor buyers’ purchasing behaviors and market trends empowers sellers to refine both their products and marketing strategies. This data-driven decision-making process greatly enhances the overall buying experience for consumers. The platform’s commitment to regularly upgrading its data tools enables it to adapt effectively to evolving market needs.

### **3.2. Competitive analysis**

Alibaba International Station's global footprint is evident in markets worldwide, offering a distinctive convergence point for overseas vendors and purchasers. Its robust structural framework provides sellers with multiple entry points and consumers with diverse options. The platform boasts an efficient global supply chain, integrating warehouses and custom logistics for streamlined and effective delivery.

However, challenges persist. Diverse laws and regulations across regions introduce risk and complexity. Transaction satisfaction is impacted by the platform's limited direct control over product quality, compounded by the presence of numerous competing global e-commerce platforms.

Despite these challenges, opportunities for market growth abound, including expanding into more developing countries and embracing sustainability approaches to meet evolving customer needs. The integration of technologies such as blockchain and AI can enhance platform functions and bolster security, representing crucial elements for performance improvement and a secure online environment.

Nevertheless, threats loom on the horizon. Geopolitical tensions may disrupt international trade, and emerging e-commerce platforms pose challenges to market shares due to intensified competition. Legal changes and trade disputes among nations can potentially affect business operations. Addressing these challenges while capitalizing on opportunities will be pivotal for Alibaba International Station's sustained success in the dynamic global marketplace.

## **4. Suggestions and conclusions**

The intricacies surrounding Alibaba International Station and cross-border e-commerce underscore the pivotal role of technology, compliance, and sustainability in shaping the landscape of international trade. These platforms must carefully navigate the delicate balance between innovation, adherence to regulations, and sustainable practices to determine their future trajectory, growth, resilience, and user experiences in the global markets.

From the platform's standpoint, there is a need for comprehensive support to sellers in risk management and compliance, including the provision of educational resources and robust assessment systems. Enhancing credibility could involve providing Internet-based legal consulting services. Embracing sustainability initiatives, such as encouraging sellers to minimize wastage or adopt renewable sources, is crucial. Continuous focus on technical innovation is imperative to enhance user experiences, maintain competitiveness in today's dynamic markets, and pave the way for a more progressive future.

From the government's perspective, there are several key recommendations. Firstly, the government should enhance the existing legal and regulatory framework, streamlining export procedures, and adjusting tariffs based on the current developmental stage. Secondly, the government should actively encourage and support technological innovation through financial subsidies, particularly in the application of AI, big data, and blockchain in cross-border e-commerce. Lastly, strengthening supervision of cross-border e-commerce platforms is essential to safeguard consumer rights, instill confidence in cross-border shopping, and foster a secure marketplace.

In summary, as globalization accelerates, cross-border e-commerce is emerging as a crucial component of export trade for various countries. It is believed that with concerted efforts from the government, enterprises, and platform operators, along with close international cooperation, the future of cross-border e-commerce holds vast prospects.

## Disclosure statement

The authors declare no conflict of interest.

## References

- [1] Xu C, 2016, Research on the Business Model of China's B2B Export E-Commerce Platform Version 2.0, thesis, Beijing Forestry University.
- [2] E L, Huang Y, 2014, New Way of International Trade: The Latest Research on Cross-Border E-Commerce. *Journal of Dongbei University of Finance and Economics*, 2014(2): 22–31.
- [3] Lai Y, 2016, Cross-Border E-Commerce: Innovative Development Shows Results. *China Economic Times*, 2016: 005.
- [4] Grand View Research, 2023, Business-to-Business E-commerce Market Size, Share & Trends Analysis Report, viewed October 18, 2023, <https://www.grandviewresearch.com/industry-analysis/business-to-business-b2b-e-commerce-market>
- [5] Qiao W, Wang L, 2020, B2B Cross-Border E-Commerce Platform Operation Mode and Its Influencing Factors – Taking Dunhuang.com as an Example. *Modern Marketing (Business Edition)*, 2020(6): 51–53.
- [6] Liu A, Osewe M, Shi Y, et al., 2022, Cross-Border E-Commerce Development and Challenges in China: A Systematic Literature Review. *J Theor Appl Electron Commer Res*, 17(1): 69–88. <https://doi.org/10.3390/jtaer17010004>
- [7] China International E-Commerce Network, 2023, Summary of E-Commerce Information, viewed October 18, 2023, [https://www.ec.com.cn/article/swyq/scdt/202306/1997\\_1.html](https://www.ec.com.cn/article/swyq/scdt/202306/1997_1.html)
- [8] China Daily, 2021, China International E-Commerce Centre Releases Report: Ali's International Website Has Become the Main Platform for Promoting Foreign Trade Digitization, viewed October 18, 2023, <https://baijiahao.baidu.com/s?id=1710153588611128303&wfr=spider&for=pc>
- [9] Yangjiang Daily, Xu Q, 2021, Frontline Practice: The 20th China (Yangjiang) International Hardware, Knives, and Scissors Expo Launches an Online Exhibition on October 19, viewed October 18, 2023, [https://www.southcn.com/node\\_20d09eff75/53991fe09d.shtml](https://www.southcn.com/node_20d09eff75/53991fe09d.shtml)
- [10] JRJC, 2021, Global Supply Chain Trends Development Report: Ali International Station Has Become the Main Platform to Promote Foreign Trade Digitization, viewed October 18, 2023, <https://baijiahao.baidu.com/s?id=1710234714967272454&wfr=spider&for=pc>
- [11] Jiemian News, 2023, Ali International Station Has Launched Nationalized Operations, and the Southeast Asia Pavilion is Now Live in September, viewed October 18, 2023, <https://www.jiemian.com/article/10098824.html>

### Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.