

Countermeasures for Chinese Foreign Trade Enterprises Amid the “Full Custody Wave” in Cross-Border E-Commerce

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Abstract: With the acceleration of global economic integration and the rapid development of cross-border e-commerce, an increasing number of foreign trade enterprises are encountering new market opportunities and challenges. In recent years, the “full custody” model has gradually emerged, providing one-stop service support for cross-border e-commerce enterprises. While this model reduces operational difficulties, it also introduces new requirements for the business models of Chinese foreign trade enterprises. This paper examines how foreign trade enterprises can respond to the opportunities and challenges presented by the full custody model from five key perspectives: background analysis, business layout adjustments, marketing channel innovation, digital and intelligent empowerment, and flexible operational strategies. The findings aim to provide insights into the sustainable development of foreign trade enterprises within the cross-border e-commerce ecosystem.

Keywords: Cross-border e-commerce; Full custody model; Foreign trade enterprises; Digital and intelligent transformation

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1. Introduction

With the rapid expansion of the cross-border e-commerce industry in recent years, many Chinese enterprises have shifted their focus to overseas markets in pursuit of new growth opportunities. The industry is currently experiencing a favorable period for global expansion, presenting Chinese enterprises with unprecedented prospects for international market exploration. According to data from Frost & Sullivan, the global cross-border e-commerce transaction volume increased from approximately 2.3 trillion in 2018 to an estimated 7.7 trillion in 2028, with a compound annual growth rate (CAGR) of 9.8% from 2023 to 2028. The rapid development of cross-border e-commerce has created a vast market space for enterprises, particularly as strong consumer demand in emerging economies has opened new growth channels for Chinese foreign trade enterprises^[1].

Over the past two years, the full custody model in cross-border e-commerce has experienced significant growth, quickly becoming the dominant model in China’s cross-border e-commerce export sector. This model restructures the cross-border e-commerce value chain, exerting a profound and far-reaching influence on China’s

foreign trade ecosystem. While it offers enterprises greater convenience in accessing overseas markets and has fueled the rapid expansion of China's cross-border e-commerce exports, it also presents notable challenges. The model significantly reduces enterprises' marketing autonomy, compresses profit margins, and intensifies price competition, leading to mixed industry reactions. To navigate these challenges, foreign trade enterprises must promptly adjust their business layouts and product development strategies, innovate marketing channels, leverage digital and intelligent technologies, and accelerate digital transformation and upgrading. These measures will enable enterprises to mitigate the negative impacts of the full custody model, turn challenges into competitive advantages, and achieve high-quality foreign trade development ^[2].

Thus, in the context of globalization, the rapid rise of cross-border e-commerce presents Chinese foreign trade enterprises with both opportunities for international expansion and the necessity to adapt their business strategies to emerging challenges. This paper explores how enterprises can effectively respond to the "full custody wave" through adjustments in business layout, marketing innovation, digital and intelligent empowerment, and flexible operational strategies, providing valuable insights for the sustainable development of Chinese foreign trade enterprises.

2. Adjusting business layout and product development concepts

Under the full custody model, Chinese foreign trade enterprises must flexibly adjust their business layout and product development strategies in response to global market changes and consumer demands to enhance their market competitiveness.

2.1. Precise target market positioning

The deepening of globalization and the widespread adoption of digital technologies have led to increasingly refined market segmentation. Foreign trade enterprises should fully utilize big data analysis to gain a comprehensive understanding of the consumption preferences, cultural habits, and purchasing power of target markets ^[3]. For instance, in European and North American markets, high-end consumers prioritize product quality and brand value, prompting enterprises to focus on design innovation and sustainability. In contrast, in Southeast Asian and African markets, where demand for cost-effective products is high, enterprises should emphasize price advantages and practicality. Through differentiated market positioning, foreign trade enterprises can accurately align with regional consumption demands and enhance market penetration.

2.2. Dynamic adjustment of product structure

Given the rapid evolution of consumer preferences and market trends, foreign trade enterprises must improve product development efficiency and responsiveness. Under the full custody model, data feedback from platforms enables enterprises to swiftly identify popular products and areas requiring improvement ^[4]. For example, clothing manufacturers can adjust sizes and styles based on consumer reviews, while electronics companies can refine functional designs through data monitoring, launching upgraded products that meet market demands. Additionally, foreign trade enterprises should diversify their product lines to mitigate the risks of over-reliance on a single category or market. For instance, some Chinese manufacturers have shifted their focus from low-value-added products to emerging sectors such as high-value-added smart home devices and wearable technology. By optimizing product structures, enterprises can strengthen their competitiveness in the international market.

2.3. Strengthening brand building

Under the full custody model, platform brands often become the focal point for consumers, potentially diminishing

the visibility of independent enterprise brands. To address this challenge, Chinese foreign trade enterprises must reinforce brand building and establish international influence through differentiated branding strategies. For example, localized marketing approaches can help enterprises earn the trust of overseas consumers. In European and North American markets, emphasizing product sustainability and high-end design can enhance brand appeal, whereas in Southeast Asian markets, highlighting affordability and practicality can be more effective. Additionally, enterprises can enhance brand image through social media engagement, content marketing, and word-of-mouth promotion. Collaborating with influencers on platforms such as Instagram and TikTok can increase brand exposure, while interactive activities can foster consumer loyalty.

2.4. Building a global supply chain network

To meet the demands of global cross-border e-commerce, enterprises must establish an efficient supply chain system, encompassing overseas warehouse networks, logistics optimization, and localized after-sales services. This approach not only shortens delivery cycles and improves customer satisfaction but also reduces operational costs through flexible inventory management. Under the full custody model, close collaboration with platform supply chain networks is essential to ensure the efficient delivery of products.

3. Innovating marketing channels

Under the full custody model, innovating marketing channels has become a crucial strategy for foreign trade enterprises to overcome market limitations and expand brand influence. With the widespread application of digital technologies, diversified marketing approaches have become key to attracting global consumers.

3.1. Deepening the use of social media marketing

Social media has become a major traffic source for cross-border e-commerce. Platforms such as Facebook, Instagram, TikTok, and YouTube attract vast numbers of global consumers. Foreign trade enterprises can engage target audiences by precisely placing advertisements, collaborating with influencers for product promotions, and organizing interactive brand activities. For example, partnering with prominent TikTok influencers allows enterprises to showcase product usage scenarios and core features through short videos, quickly capturing consumer attention.

Social media also provides cost-effective advertising tools. Through advanced algorithm-driven targeting, enterprises can deliver personalized advertisements to specific user groups, maximizing conversion rates. Data indicates that by 2024, approximately 70% of cross-border e-commerce enterprises have experienced significant growth through social media advertising, solidifying social media as a primary channel for brand promotion ^[5].

3.2. Utilizing live streaming marketing and interactive experiences

Live streaming marketing has emerged as a significant trend in cross-border e-commerce. Supported by the full custody model, live streaming sales integrate product demonstrations, real-time consumer interaction, and direct purchasing functions, providing enterprises with a powerful marketing tool. Foreign trade enterprises can conduct brand promotions through live streaming tools provided by cross-border e-commerce platforms or attract consumers via third-party platforms such as TikTok Live and YouTube Live.

Live streaming also enhances consumer trust by showcasing product features in real-life scenarios, effectively reducing return rates. By demonstrating the functionality and quality of products in an interactive manner, enterprises can strengthen consumer confidence and drive sales.

3.3. Implementing localized marketing strategies

To expand into international markets, foreign trade enterprises must adopt localized marketing strategies tailored to the needs of regional consumers. For instance, in European and North American markets, consumers place high value on corporate social responsibility and environmental sustainability. Enterprises can enhance their reputation by promoting eco-friendly products. Meanwhile, in Southeast Asian markets, festival promotions and group-buying campaigns are more effective in attracting consumers.

Localization efforts should also extend to advertising design, language optimization, and payment method adaptation to foster consumer engagement. For example, when targeting Southeast Asian markets, enterprises can use local languages in advertisements and integrate culturally relevant visual elements, such as holiday-themed designs. These strategies effectively enhance brand affinity and market recognition.

3.4. Building brand stories through content marketing

Content marketing is a powerful tool for strengthening brand loyalty. Through mediums such as blogs, videos, and images, enterprises can communicate brand values and product narratives to consumers. For example, sharing behind-the-scenes videos of the product manufacturing process or inviting customers to participate in brand storytelling initiatives can foster emotional connections with consumers.

Under the full custody model, enterprises can leverage platform-provided data to analyze consumer preferences and develop customized content tailored to different audience segments, increasing brand appeal. Some Chinese enterprises on Amazon have successfully cultivated a loyal consumer base by offering detailed product tutorial videos and interactive Q&A content.

4. Attaching importance to digital and intelligent empowerment

Amid the full custody wave in cross-border e-commerce, digital and intelligent transformation has become essential for foreign trade enterprises to reduce costs, enhance efficiency, and strengthen competitiveness. The widespread application of technologies such as big data, artificial intelligence (AI), and cloud computing enables enterprises to optimize business processes, improve decision-making capabilities, and gain a competitive edge in the market.

4.1. Promoting the development of digital infrastructure

Digital infrastructure serves as the foundation for digital and intelligent empowerment. Foreign trade enterprises must establish efficient order management systems, warehousing management systems, and logistics tracking platforms to meet the operational requirements of the full custody model. For instance, automated order management systems facilitate seamless order processing from placement to delivery, while logistics tracking systems provide real-time updates on package status, thereby enhancing customer satisfaction.

Cross-border e-commerce platforms often offer comprehensive digital tools to support business operations. For example, Amazon's Seller Central and Alibaba.com's digital operation tools assist enterprises in optimizing supply chain management and marketing strategies. Leveraging digital tools enables enterprises to improve resource utilization efficiency, reduce labor costs, and minimize error rates.

4.2. Utilizing big data to optimize business decisions

Big data provides foreign trade enterprises with valuable market insights and a solid foundation for decision-making. Under the full custody model, platforms generate vast amounts of data related to consumer behavior, sales trends, and market demand. Enterprises can refine business operations by analyzing these datasets. For instance,

tracking popular products and user reviews allows enterprises to adjust inventory levels in a timely manner, preventing both overstocking and shortages.

Big data analytics also enhances precision marketing and product development. By examining consumer demographics and preferences in target markets, enterprises can design marketing campaigns and develop customized products that align with consumer needs.

4.3. Leveraging artificial intelligence to enhance operational efficiency

AI is increasingly integrated into cross-border e-commerce, offering intelligent solutions to improve operational efficiency. For example, AI-driven customer service systems provide 24/7 automated support, handling common inquiries and significantly reducing labor costs. AI-powered recommendation algorithms analyze consumers' browsing and purchase histories to deliver personalized product suggestions, thereby increasing conversion rates.

In logistics, AI technology optimizes transportation routes, predicts order demand, and manages inventory. For instance, Amazon's intelligent warehousing system utilizes AI algorithms to streamline goods sorting and distribution, thereby improving logistics efficiency.

5. Flexible and diverse operation strategies

The rise of the full custody model provides foreign trade enterprises with a wide range of operational tools and resources but also intensifies market competition. In this context, enterprises must adopt flexible and diverse operation strategies to better meet consumer needs and enhance market competitiveness.

5.1. Customized marketing plans

The full custody model equips enterprises with advanced marketing tools and extensive data resources, enabling them to formulate highly targeted and customized marketing plans. By accurately analyzing consumers' purchasing preferences, browsing habits, and historical data, enterprises can design personalized promotional activities. For instance, offering differentiated discounts, gift packages, or customized services to specific consumer groups can enhance customer retention and increase repurchase rates. Additionally, enterprises can launch time-limited promotional campaigns aligned with seasonal trends and major shopping festivals to create a sense of urgency and stimulate purchases. For example, leveraging global sales events such as "Black Friday" and "Double 11" to offer special discounts or bundled promotions can drive long-term sales growth through short-term marketing surges.

5.2. Diversified payment channels

The convenience of payment methods significantly impacts the conversion rate of cross-border e-commerce. With the support of the full custody model, foreign trade enterprises can offer diversified payment options tailored to the preferences of different markets. For example, in the European and American markets, credit cards and PayPal are the primary payment methods, whereas in Southeast Asia, cash-on-delivery and e-wallets are more widely used. With the advancement of cross-border payment technology, an increasing number of platforms now support multi-currency transactions and real-time exchange rate conversions. By integrating these payment tools, enterprises can provide consumers with a seamless payment experience and minimize order losses caused by inconvenient payment processes.

5.3. Optimizing the after-sales service system

High-quality after-sales service is crucial for enhancing customer satisfaction and loyalty. Under the full custody model, enterprises can leverage platform-provided after-sales service functions, such as streamlined return and

exchange processes, prompt customer support, and real-time logistics tracking. Enterprises should proactively collect customer feedback and improve their products and services accordingly. For instance, some enterprises gather consumer opinions on product quality and service efficiency through email surveys or questionnaires and make timely adjustments. This proactive approach to customer service can significantly enhance customer satisfaction and strengthen brand reputation.

5.4. Dynamically adjusting inventory and logistics strategies

While the full custody model simplifies logistics and inventory management, enterprises must continuously optimize these aspects to maintain efficiency. For instance, adjusting inventory distribution in overseas warehouses based on market demand fluctuations ensures the timely supply of popular products while preventing stockouts or overstocking. Additionally, enterprises can flexibly utilize platform logistics services to provide customers with multiple delivery options. During peak shopping seasons, such as holidays, enterprises can improve delivery efficiency and reduce operational costs by stocking up in advance and optimizing logistics routes.

5.5. Providing value-added services to enhance customer retention

Amid increasing market competition, offering value-added services has become a key strategy for attracting and retaining customers. For example, providing extended product warranties, free trials, or complimentary gifts can effectively boost consumers' purchasing willingness. Moreover, enterprises can enhance the shopping experience by offering personalized packaging or customized gift services, thereby increasing perceived value and fostering customer loyalty.

6. Conclusion

The emergence of the full custody model has brought a significant transformation to the cross-border e-commerce industry. By reducing operational complexity, it offers foreign trade enterprises a more accessible means of participating in the international market. However, this model also imposes higher demands on enterprises' core competitiveness. Only those who can adapt flexibly to market changes, continuously refine their business strategies, and maintain a long-term development focus will gain a competitive edge in this evolving landscape.

To navigate these challenges effectively, enterprises must adopt a multi-faceted approach. This includes optimizing business structures and product development strategies to ensure alignment with market demands, utilizing innovative marketing channels to overcome geographical limitations and enhance global brand influence, and leveraging digital and intelligent technologies to enable precise operations and efficient decision-making. Additionally, flexible and diversified operational strategies are essential to meeting the evolving needs of consumers. Such measures not only facilitate a proactive response to the full custody model but also contribute to a comprehensive enhancement of enterprises' overall competitiveness in the context of globalization.

Looking ahead, as cross-border e-commerce continues to evolve, foreign trade enterprises must remain committed to exploring new technologies, business models, and market opportunities. By capitalizing on policy incentives and strengthening internal capabilities, they can sustain long-term growth and remain competitive in the dynamic global marketplace.

Disclosure statement

The author declares no conflict of interest.

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