

# ***Cross Border E-commerce and Enterprise Internationalization: Current Situation, Influencing Factors and Development Trend***

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**Abstract:** This research paper comprehensively analyzes and summarizes the current situation, influencing elements, and development trends of cross-border e-commerce and enterprise internationalization. The study reveals that the size of the cross-border e-commerce market is constantly growing. There is remarkable growth in the transaction volume of major platforms. The product categories are varied, and the trade flow shows a trend of regional agglomeration. The degree of enterprises' involvement in internationalization keeps rising. Small and medium-sized enterprises are gaining more and more prominence by making use of cross-border e-commerce platforms. On the other hand, large enterprises enhance their competitive advantages through global strategic deployments. Cross-border e-commerce and enterprise internationalization are influenced by complex and diverse factors, including internal factors such as enterprise size, resource endowment, internationalization experience, and digital capabilities. External factors include market environment, policy environment, and technological development. Cross-border e-commerce and enterprise internationalization will lead to a trend of diversified and refined development in the future, with technological innovation leading industry development, supply chain optimization, and localized operation becoming key factors. The research results of this article provide theoretical support and decision-making references for enterprise practice. In order to enhance their competencies, it is advisable that enterprises take the initiative to make use of cross-border e-commerce platforms. Additionally, they should closely monitor changes in the external environment and adjust their internationalization strategies in a flexible manner, thereby boosting their market competitiveness.

**Keywords:** Cross-border E-commerce, global trade, enterprise internationalization

## **1. Introduction**

Cross-border e-commerce has become increasingly prominent in the global business and an indispensable part of international business activities. Its indispensability is mainly reflected in the following aspects: first, from the perspective of transaction scale, the scale of the cross-border e-commerce market continues to expand. According to the data from Statista, in 2021, the size of the global cross-border e-commerce market had reached 1,245.54 billion US dollars. It is forecasted that by 2030, this market size will soar to 8,4002.72 billion US dollars, with an annual compound growth

rate of 29.3%. Secondly, regarding enterprise participation, as of the end of 2024, over 120,000 enterprises nationwide were involved in cross-border e-commerce operations. At the same time, the construction of over 1,000 cross-border e-commerce industrial parks has been completed [1]. These data reveal that cross-border e-commerce is not only of great significance in terms of transaction volume, but also highly attractive to enterprises and has remarkable development potential.

Driven by the digital economy and the wave of globalization, the rapid growth of cross-border e-commerce has greatly accelerated the internationalization of enterprises. It reduces the market access threshold, breaks through traditional trade barriers, and enables small and medium-sized enterprises to enter the international market with lower costs [2]. Cross-border e-commerce, through the optimization of supply chain management, has effectively reduced the length of the supply chain and significantly enhanced operational efficiency. Take enterprises as an example, they can directly connect with overseas customers through cross-border e-commerce platforms. In this way, intermediate processes are reduced, and operational costs are also decreased accordingly. These advantages not only offer small and medium-sized enterprises the chance to participate in international trade but also provide large enterprises with new methods to expand their global market reach.

Nevertheless, during the course of leveraging cross-border e-commerce to facilitate internationalization, enterprises are confronted with numerous hurdles. These include insufficient regional collaboration, incomplete policy backing, and the digital divide, among others. Therefore, conducting an in-depth exploration of the current state, influencing factors, and development process of cross-border e-commerce and enterprise internationalization can not only help grasp the characteristics of the current global economic transformation, but also offer valuable references for the development of other countries and regions around the world. More accurately, the research objective of this paper is to conduct an in-depth analysis of the internal relationship between cross-border e-commerce and enterprise internationalization. From the perspective of theoretical support, this paper will elaborate in detail on the internal operating mechanisms of cross-border e-commerce and enterprise internationalization, thereby opening up a new perspective for relevant theoretical research and laying a new theoretical foundation [3]. In terms of providing references for enterprise decision-making, this paper will put forward detailed strategic measures and suggestions for enterprises on how to leverage cross-border e-commerce platforms to explore the global market and strengthen their competitiveness [4].

## **2. Development status of cross-border e-commerce and enterprise internationalization**

In recent periods, the cross-border e-commerce industry has seized the opportunity for rapid development, and its market scale has been showing a continuous expansion trend. According to Statista, the global e-commerce market that crosses borders reached US \$1245.54 billion in 2021 and is predicted to hit US \$8402.72 billion by 2030, with a growth rate that is 29.3% compounded annually. The profound integration of the global economy and the rapid progress of digital technology are the key factors that have propelled the formation of this growth trend. Currently, most cross-border e-commerce transactions are carried out through cross-border e-commerce platforms, and their transaction scales are extremely substantial. In 2024, among the world-renowned cross-border e-commerce platforms, Amazon's transaction volume reached \$350 billion, Shopify's was \$128.1 billion, Wal-Mart's was \$50 billion, and eBay's was \$37 billion. The specific details are shown in Figure 1.

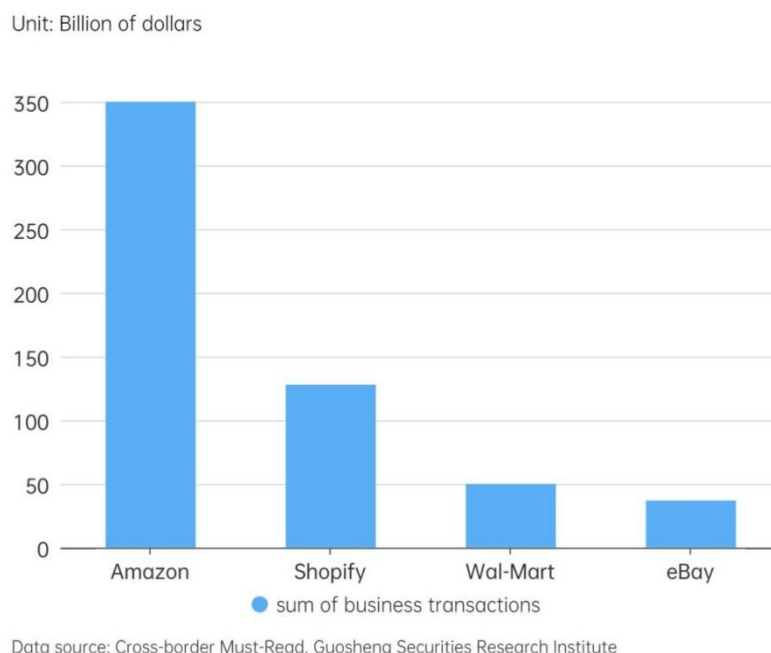


Figure 1: The world's major cross-border e-commerce platforms

In terms of commodity categories, IPC issued the 2024 global cross-border e-commerce consumer survey report. (International Post Corporation) shows that clothing and footwear (43%), consumer electronics and personal care products (19%), home garden arts (17%) and sports and leisure products (16%) are the most popular categories, as shown in Figure 2. Most of the global cross - border e - commerce commodity trade flows are clustered in several regions: namely China, the United States, the European Union, and Southeast Asia.

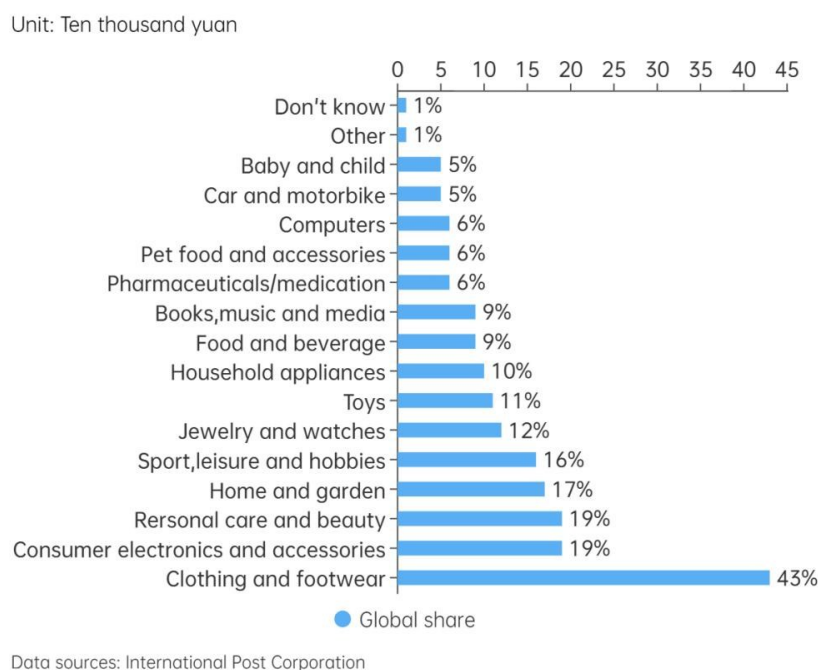


Figure 2: Product categories in cross-border e-commerce

As the largest exporter in the global cross - border e - commerce sector, the main destinations of Chinese goods are North America, Europe, and Southeast Asia. Based on the data from Statista, in 2022, the cross - border e - commerce exports from China to the US accounted for more than 30% of its total exports, and numerous American consumers purchased a large number of Chinese goods through platforms such as Amazon and eBay. Moreover, the data from Eurostat clearly shows that in 2021, China's cross - border e - commerce exports to the EU witnessed a robust growth trend, with a growth rate as high as 25%. Additionally, these exports accounted for more than 20% of the EU's total cross - border e - commerce imports.

The United States is the most important importer globally in the cross - border e - commerce field. It predominantly imports merchandise from regions including China, the European Union, and Southeast Asia. Data from the U.S. Department of Commerce indicates that in 2022, cross-border e-commerce exports from the United States amounted to \$200 billion. These exports primarily flowed to destinations such as Canada, the European Union, and China.

Trade in cross - border e - commerce among EU countries is vibrant, with a significant volume of goods being imported from both China and the United States. According to Eurostat data, over 60% of the total transaction volume within the EU was due to cross-border e-commerce in 2021.

The Southeast Asian market has increasingly emerged as a crucial destination for cross-border e-commerce, predominantly importing products from China and the United States. According to the Southeast Asia Digital Economy Report jointly released by Google, Temasek, and Bain, the e-commerce market in Southeast Asia was worth \$131 billion in 2022. It is worth noting that Chinese goods account for more than 40% of its imports.

The trajectory of economic development has shifted towards globalization and integration, and the trade relationships among countries have become increasingly intertwined and mutually reliant. Cross-border e-commerce boasts substantial development opportunities in areas characterized by comparable geographical and cultural features. This phenomenon has not merely achieved the successful dismantling of conventional trade obstacles among nations. Instead, it has progressively propelled the advancement of global trade by stimulating the involvement of enterprises and consumers in business - to - business trade, as well as transactions between consumers and enterprises [5].

At the same time, the international participation of enterprises has also been increasing. By the end of 2024, there had been more than 120000 enterprises engaged in cross-border e-commerce business across the country, and in excess of 1000 cross-border e-commerce industrial parks came into being. Many regions have successfully nurtured an extremely complete cross-border e-commerce industry and ecological chain, which has already evolved into an important driving force for promoting the expansion of the scale of foreign trade [1]. In recent years, the enthusiasm of global enterprises to engage in internationalization has soared significantly, and their participation degree has been remarkably enhanced. Especially in the context of the rapid advancement of cross-border e-commerce, small and medium-sized enterprises are gradually growing into the core driving force for the internationalization process. Large enterprises consolidate their advantages through a global layout, mainly focusing on high-tech, energy, and manufacturing industries. For example, Amazon, Alibaba, and other enterprises lay out supply chains and sales networks worldwide. Shein has quickly occupied the market through its cross-border e-commerce platform. In 2023, its valuation reached an astonishing 471.9 billion yuan. There has been a remarkable increase in the participation of small and medium-sized enterprises (SMEs) in international operations through cross-border e-commerce platforms. These enterprises predominantly engage in the trade of consumer goods, encompassing items like clothing, electronic products, and household goods. However, they are confronted with various hurdles, such as elevated logistics expenses and intricate payment and settlement procedures.

The main ways and channels for enterprises' internationalization include building independent stations, establishing strategic alliances with overseas partners, and conducting business through cross-border e-commerce platforms. Independent stations constructed by enterprises themselves allow them to have more effective control over the brand image, user data, and marketing tactics. Forming strategic partnerships with overseas collaborators will assist enterprises in jointly delving into the market, achieving resource sharing, and capitalizing on complementary strengths. Carrying out business operations through cross-border e-commerce platforms is one of the most effective ways for enterprises to break into the global market. Enterprises can use Amazon and eBay. The huge overseas consumption base of Alibaba international station and other platforms quickly reached overseas consumers.

The internationalization paths of enterprises in different industries are greatly different due to the industry attributes. By vertically integrating the supply chain system, manufacturing enterprises take the overseas production base as the strategic goal to achieve the dual purpose of cost control and market expansion. This mode not only helps to reduce production costs but also better adapts to the market demand of different regions and improves the competitiveness of enterprises [6]. Service enterprises place greater emphasis on brand establishment and the enhancement of service quality. They draw in international customers by offering distinctive and top-notch services. Moreover, service enterprises also achieve the localization and standardization of their services through the establishment of a global service network, aiming to satisfy the demands of consumers in various countries and regions. The challenges faced by cultural and creative industries in the process of internationalization are more complex. It is necessary to maintain cultural characteristics and adapt to the market demands of different cultural backgrounds. Such enterprises usually promote their products and services through cross-cultural exchanges and cooperation, as well as innovative marketing strategies, to achieve global development [5].

### **3. Factors affecting cross-border e-commerce and enterprise internationalization**

The developmental trajectory of cross-border e-commerce and the process of enterprise internationalization are affected by numerous factors. These factors are able to be grouped into internal and external dimensions. The internal factors predominantly consist of the enterprise's scale, resource endowment, internationalization expertise, and digital capabilities. On the other hand, the external factors encompass the market conditions, the policy landscape, and the progress of technological development. These elements mutually influence one another, ultimately determining the comprehensive configuration of cross-border e-commerce and the process of corporate internationalization.

Internal factors, encompassing corporate scale, resource availability, the experience gained throughout the internationalization process, and digital proficiency, have a significant impact on the development of cross-border e-commerce and the routes of enterprise internationalization [3]. With abundant capital, technology, and talent resources, large enterprises can lay out supply chains and sales networks worldwide, and realize global layout through overseas mergers and acquisitions, plant construction, and other means. For instance, Shein rapidly carved out a prominent position in the market via its cross-border e-commerce platform. Its robust supply chain integration capabilities and substantial financial backing are the pivotal factors contributing to its success. When it comes to small and medium-sized enterprises (SMEs), there has been a striking surge in their involvement in internationalization initiatives through cross-border e-commerce platforms. However, they are currently grappling with several challenges. Among these are the relatively high logistics expenses and the intricate nature of payment and settlement processes. Enterprises with rich international experience can better understand the market demand, cultural differences, and laws and regulations of different countries, to formulate effective market strategies. For example, when entering the

Southeast Asian market, enterprises need to understand the size, color preference, and payment habits of local consumers, which require enterprises to accumulate certain international experience. In the present digital era, data has evolved into an essential production factor, propelling the economic development of nations across the globe [7]. Digital competence functions as the key differentiator and strength, empowering enterprises to adapt to and flourish within the growth landscape of cross-border e-commerce. Enterprises need digital marketing, data analysis, online payment processing, and other capabilities to improve operational efficiency and user experience. For example, through big data analysis, enterprises can accurately locate target customers, and optimize product recommendation and inventory management.

External factors include market environment, policy environment, and technological development, which together shape the external conditions of cross-border e-commerce and enterprise internationalization [3]. The business environment is dynamic, constantly developing, and regularly reshaped [5]. Enterprises must consider the needs of the target market, competition patterns, and cultural differences. There are significant differences in consumer demand in different countries and regions. For example, European and American markets have a higher preference for high-quality and personalized products, while Southeast Asian markets pay more attention to cost performance. In addition, cultural differences will also affect the brand positioning and marketing strategies of enterprises. For example, in the Middle East, enterprises need to respect local religious beliefs and cultural customs. The trade policies, tax policies, and trade barriers of various countries will have a direct or indirect impact on enterprises. For example, to protect their industries, some countries have set up high tariff barriers, increasing the import costs of enterprises. The formulation of particular free trade accords, like the Regional Comprehensive Economic Partnership Agreement (RCEP), offers enterprises an expanded market access scope and more advantageous trading conditions. At the same time, advancements in technology are the crucial impetus that spurs the internationalization of cross-border e-commerce and enterprises. For example, the development of logistics technology, including the application of intelligent warehousing and logistics distribution systems, has improved the effectiveness and accuracy of logistics activities. The innovation of payment technology, such as the promotion of mobile payment and digital currency, simplifies the cross-border payment process and reduces the payment risk. Moreover, the implementation of big data and artificial intelligence technologies promotes the digital transformation of cross-border e-commerce enterprises. It provides these enterprises with more precise market insights and assistance in making informed decisions [8].

#### **4. Cross-border e-commerce and internationalization of enterprises**

The global cross-border e-commerce market is growing at an accelerated pace. According to emarketer's data, the market value of global cross-border e-commerce reached trillions of US dollars in 2024, and it is projected to maintain an average annual growth rate in the double digits in the subsequent several years. This growth trend is mainly due to the deep integration of globalization and digitalization, the rise of emerging markets, policy support, and trade facilitation [4]. In the meantime, technological innovation is seeing increasingly widespread application in the cross-border e-commerce field, thereby bringing about revolutionary and unparalleled changes to the entire industry. AI, big data, blockchain, and other technologies not only improve operation efficiency but also create a more convenient, intimate, and innovative shopping experience for consumers. For example, TikTok shop has a cooperative relationship with Amazon and other platforms by its strong traffic effect, which attracts sellers. In addition, the application of blockchain technology can realize decentralized cross-border payment, reduce intermediate links, reduce payment costs, and improve payment efficiency [8].

In terms of market layout, areas such as Southeast Asia, the Middle East, and Latin America have become new growth drivers for cross-border e-commerce. This phenomenon can be attributed to



factors such as the growth of the population, the rise in per capita disposable income, and the enhancement of purchasing power. Take Southeast Asia as an example, e-commerce platforms including Shopee and Lazada have become the go-to choices for local consumers when purchasing goods from abroad. Moreover, the Temu platform offers support for a variety of languages. It has rolled out products and services that conform to the traits of the local market, in line with the demands of consumers in diverse countries and regions. Strengthening the supply chain is also of paramount importance for boosting the competitiveness of cross-border e-commerce enterprises. By improving supply chain management, these enterprises can reduce operational costs, enhance logistics effectiveness, and elevate customer satisfaction. For example, Amazon has realized the transparency and visualization of the supply chain by monitoring the inventory level, logistics and transportation status, and other information in real-time. Meanwhile, the enterprise will expedite the building of overseas warehouses, increase the speed of logistics delivery and the quality of services, and strengthen its local operation capabilities [6].

The swift growth of cross-border e-commerce has offered enterprises fresh opportunities and platforms to embark on the path of internationalization. By leveraging cross-border e-commerce platforms, enterprises can more easily penetrate the international market, cut down on operating expenses, and enhance their market competitiveness. For example, Alibaba's Global Express has emerged as a significant avenue for consumers worldwide to purchase Chinese products [4]. In the process of internationalization, enterprises pay more and more attention to brand building and localized operations and enhance their competitiveness in overseas markets by establishing a global R&D system, supply chain, brand, and marketing capabilities. For example, Shein focuses on the female user market, focusing on the United States, the Middle East, Japan, and Europe, and expanding its category to beauty and personalized customization. Through precise market positioning and brand building, Shein has performed well in the European market, with online sales of nearly \$ 9 billion in 2023, surpassing H&M and Zara and ranking among the top five global e-commerce platforms [5].

Digital technology is increasingly widely used in the internationalization of enterprises. Enterprises promote localized marketing and customized research and development of localized products through digital platforms and consumer data, gradually expand overseas online and offline channels, and layout overseas supply chains. For example, with the help of AI technology, Huguang technology has realized the intelligent whole process from commodity planning to design, production, and shooting, which has greatly improved operation efficiency and product quality [7]. In addition, the internationalization strategy of enterprises is no longer limited to "product internationalization", but to localization and differentiation. Through intensive cultivation in multiple dimensions such as overseas market resources, partners, and local customer groups, enterprises gradually establish comprehensive localization capabilities. For example, the Temu platform focuses on market segments and new business areas and introduces the shipping mode. The delivery time in the United States is 23-27 days, and that in Japan and South Korea is 13-15 days [6].

## 5. Conclusion

This thesis delves deeply into the current situation, influencing factors, and development trajectories of cross-border e-commerce and the process of enterprise internationalization. It also reveals the close relationship and interaction mechanism between these two domains. The research findings indicate that the robust growth of cross-border e-commerce has brought about new opportunities for enterprise internationalization, especially in areas like cost-cutting, supply chain streamlining, and brand influence augmentation. At the same time, internal factors such as the scale, resources, experience, and digital ability of enterprises interact with external factors such as market, policy, and technology development, which jointly determine the degree and effect of internationalization of

enterprises through cross-border e-commerce. Additionally, the development trends of cross-border e-commerce and enterprise internationalization are replete with variety and complication. This is manifested in various ways, including the proliferation of platforms, the advent of novel business models, and the growing significance of brand building and localized operations.

According to the research outcomes, it is recommended that enterprises proactively leverage cross-border e-commerce platforms to broaden their market reach, decrease trade expenses, and enhance operational effectiveness. Strengthen their capacity-building, enhance digital capabilities, optimize supply chain management, and enhance brand building; Focus on market and policy changes, flexibly adjust strategies, and focus on localization and differentiated competition. The government is also supposed to refine relevant policies, back the growth of enterprises, facilitate international cooperation, and foster a favorable environment.

In the future, As the digital economy progresses, the patterns and technological approaches of cross-border e-commerce and enterprise internationalization will keep evolving. The research can be further extended to different countries and regions, focusing on the application and impact of emerging technologies, as well as the special needs and development trends of emerging markets, to provide more targeted strategic suggestions for enterprises.

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