

# Cross-Border E-Commerce Report

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## Cross-Border E-commerce Market Evaluation

In this section, we present a comprehensive evaluation of the USA cross-border e-commerce market, focusing on market size and growth prospects. Cross-border e-commerce is a dynamic and rapidly evolving sector, and understanding its size is crucial for businesses seeking to expand internationally.

### I. Market Definition:

We define the cross-border e-commerce market as all online transactions involving the purchase and sale of goods and services across international borders. This includes online retail, B2B commerce, digital marketplaces, and cross-border payment services.

### II. Key Variables:

To evaluate the market size, we considered the following key variables:

- Total Ecommerce Value in the United States
- Import over total sales value in the United States
- Purchase from China Percentage
- Market growth trends.

### III. Data Sources:

Our analysis was based on a combination of primary and secondary data sources, including:

- Market research reports from reputable firms such as Statista and International Post Corporation.
- United States Census Bureau.
- Data from international organizations like the World Trade Organization (WTO).
- Industry-specific data from e-commerce platforms like Alibaba, Amazon and Shopify.
- Custom surveys were conducted with international shoppers and e-commerce businesses.

#### IV. Calculation of Market Size:

In accordance with the Annual Survey of Manufacturers conducted by the United States Census Bureau(Figure 1), an impressive 69% of sales value in the United States was attributed to online transactions in 2021. E-commerce, a thriving sector in the U.S., contributed significantly to the nation's economic landscape, boasting a market value of \$4.2 trillion USD. Notably, a substantial 48.28% of this value emanated from cross-border trade, amassing a total of **\$2.02 trillion USD in the burgeoning USA cross-border e-commerce market**. *3 year industry annual growth rate is 2.63%, the market value is expected to reach hit 6.5 trillion by 2025.*

Recognizing the pivotal role played by China in the global cross-border trade landscape, it becomes imperative to delve into the dimensions of China-USA E-commerce trade. In the year 2021, a noteworthy 38% of U.S. consumers revealed that their most recent cross-border purchase originated from China. As a result, the **China-USA E-commerce trade sector flourished with transactions amounting to an impressive \$770 million USD.**

#### ██████'s Position in the Campaign

In this section, we present a comprehensive evaluation of the advantages and potential of ██████ expansion into the Cross-Border E-commerce Market and the preparation needed for the action.

##### I. Company Overview

██████ is a second-hand trading marketplace for North American Chinese, proposing an efficient solution to the cumbersome trading of second-hand items, poor information flow, and the lack of an overseas Chinese community in North America.

The Chinese second-hand market will reach \$4.36 billion in 2026, according to a rough estimate based on the 1.6% Chinese share of the U.S. population and the fact that the average value of Chinese second-hand items is 30% higher than that of other

racers. Facing such a blue ocean market, [REDACTED]'s joining will bring great resource integration and scale effect.

## II. Core Competencies

[REDACTED]'s core competence is a set of trading processes tailored to the trading characteristics of Chinese consumers in NA, including but not limited to: a designated evaluation and recommendation algorithm, reliable shipping services with a tracker, a financial security system with an anti-fraud feature and 24 hourly on-duty Madarin-speaking customer services.

The ultimate goal of [REDACTED] is to build the largest E-commerce Chinese community in NA. By nature, the scale effect would play the community potential to its max upon the consideration fo cross-border e-commerce integration.

## III. twofold cross-border e-commerce concerns

### 1. Drop-shipping Logistic:

Drop-shipping has been an ongoing priority for small-medium-size cross-border e-commerce conductor, which eases their inventory pressures to a huge extent. Given this factor, logistic utililization would be a on-going concern for the partnership because shipping all the way from China definitely adds downward pressure on customers' satisfaction regarding the delivery speed.

On average, 63% of customers experience more than 5 days of the delivery process and almost half of the population claim they value free shipping heavily. [REDACTED] faces a trade-off between supplier cost and customer satisfaction.

### 2. Inventory Warehouse:

An alternative, but more expensive option for drop-shipping is warehousing. Bulk-shipping commodities to [REDACTED]'s local warehouses in NA would greatly

insure the delivery speed. Yet, we need further detail cost analysis to determine if getting out of our way into warehousing construction is in alignment with our business goal.

#### IV. Cross-Border E-commerce Challenge Analysis

##### 1. Change in Consumer Behaviour and supply chain disruption:

Consumer adopts an expectation of fast and free shipping yet supply chain issues make that hard to meet. Construction on a Logistic database is necessary for better supply chain utilization, in extreme circumstances, [REDACTED] should take building our own distribution channel into consideration.

##### 2. Cost Minimization:

The FED's expectation of maintaining a high interest rate made expansion pricy while cutting thin the profit margin. Regarding gaining exposure in the Cross-Border e-commerce market, [REDACTED] should adopt strategies towards constant economic uncertainties, such as strategic pricing, timely discounts, new income streams, and cutting overhead costs.

## Appendix

Figure 1. Sales, value of shipments, or revenue (\$1,000) and E-Shipments value (\$1,000)

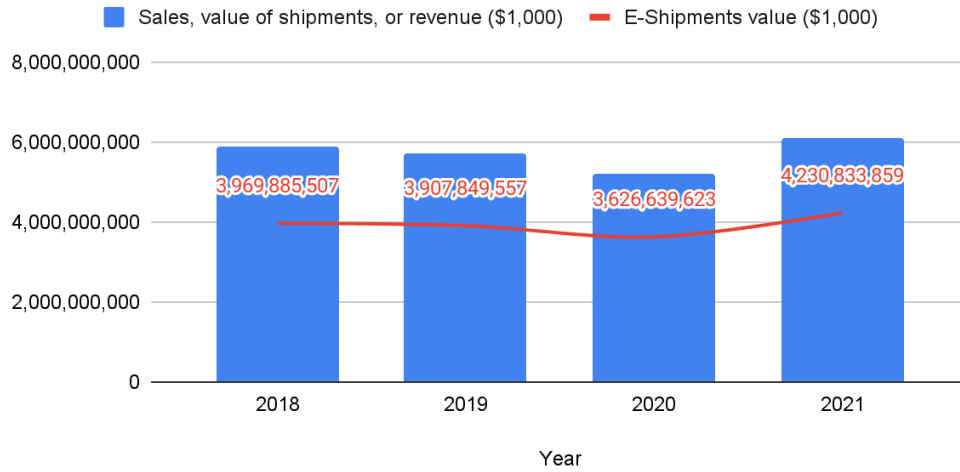


Table 1.

Geographic Area Name	Year	Sales, value of shipments, or revenue (\$1,000)	Imported Goods	Percentage of Imported Good	E-Shipments value (\$1,000)	Growth Rate	E-Shipments as percent of total sales, value of shipments, or revenue (%)
United States	2018	5,890,662,939	2,614,221,000	44.38%	3,969,885,507		N
United States	2019	5,734,459,485	2,567,445,000	44.77%	3,907,849,557	-1.56%	N
United States	2020	5,203,861,496	2,406,932,000	46.25%	3,626,639,623	-7.20%	69.7
United States	2021	6,079,602,177	2,935,314,000	48.28%	4,230,833,859	16.66%	69.6
					AAGR	2.63%	