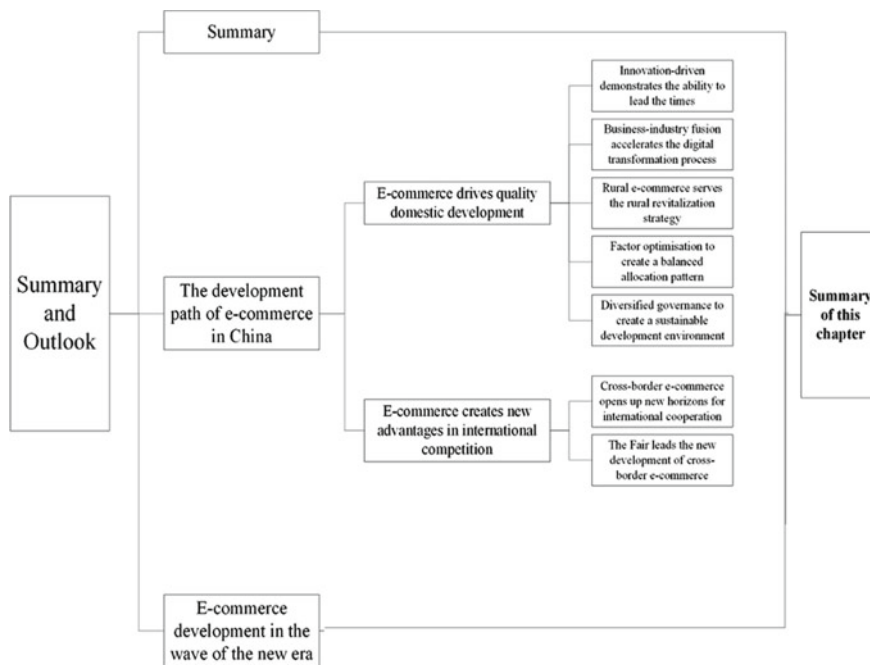


Chapter 10

Summary and Outlook



Knowledge Map of this Chapter



10.1 Summary

The year 2021 is the opening year of the implementation of the 14th Five-Year Plan and the outline of the 2035 Vision of China, and the first year of the new journey of building a comprehensive socialist modern country. During the 13th Five-Year Plan period, China's e-commerce has maintained a good momentum of development, and has become an important part of the digital economy with the largest scale of development, the fastest growth rate, the widest coverage and the most active entrepreneurship and innovation, and an important driving force for the integration of the real economy and the digital economy.

The rapid development of e-commerce has also indirectly contributed to the development of China's economy. In the process of changing the traditional mode of economic development, e-commerce has a role that cannot be replaced by other information technologies. It promotes China's traditional economic development model to the direction of effectiveness, efficiency, convenience and speed, gradually turning to the use of science and technology, big data and other new economic development model, and then e-commerce due to its convenience, efficiency, high yield and other characteristics in China's national economy to occupy the market, and then promote the steady growth of China's national economy. E-commerce in enterprise companies, domestic trade, etc. plays an important role. It is also an important tool for transmitting social information, and a new force for economic growth in China. Therefore, the development of e-commerce is of great importance to the economic development of our country, so cannot curb its development. Thus, promoting the industrialization process in China and improving the quality and efficiency of economic operation is of great practical significance for the socialist modernization of the mid-20th century.

In today's globalized economy, we must integrate e-commerce with the traditional economic model, maintaining the essence of the economy while eliminating those things that are backward and unsuitable for the information and data-based economy of today, only in this way can our economy continue to develop and surpass the existing economy under the impact of economic globalization. In the context of economic globalization, we should try to grasp and seize the opportunity to make our development faster and more stable, to develop a more long-term strategic vision, to grasp the opportunity, not to be impatient, not to be complacent, and to keep our feet on the ground in order to develop better and longer. When facing various challenges of globalization, we must be courageous and strive to overcome all kinds of challenges and difficulties, so that e-commerce can develop and grow under difficult conditions, and new experiences become more resilient and develop better under difficult conditions. In this way, we can better promote the economic development of enterprises and the growth of the national economy.

10.2 The Development Path of E-Commerce in China

E-commerce is the result of the deep integration of information technology and business activities. With scenario-based, digital and intelligent as its main characteristics and low-cost and high-efficiency as its main advantages, e-commerce has to a certain extent promoted new productivity and new development trends, thus driving the structural reform of the supply side of China's economy and the upgrading of consumption, and becoming an important support for economic growth in countries around the world. As the second largest economy in the world, China has a good foundation for development and huge room for development, and has created a road for the development of e-commerce with Chinese characteristics, providing Chinese wisdom for the development of China and the world.

10.2.1 *E-Commerce Drives Quality Domestic Development*

General Secretary Xi proposed at the National Conference on Internet Security and Informatization that we should accelerate the promotion of digital industrialization, constantly give rise to new industries, new industries and new models, and promote new development with new kinetic energy; promote the digitization of industries, use new Internet technologies and applications to transform traditional industries in an all-round, all-angle and all-chain manner; promote the deep integration of the Internet, big data, artificial intelligence and the real economy, and accelerate the manufacturing. Agriculture and service industries are digitalized, networked and intelligent. Under the new situation in the new era, e-commerce continues to stimulate vitality and power, and continues to promote high-quality domestic development.

10.2.1.1 Innovation-Driven Demonstrates the Ability to Lead the Times

Innovation is the first driving force leading development and is a strategic support for building a modern economic system. The shaping of a high-quality e-commerce industry cannot be separated from technological application innovation, business model innovation and enterprise collaborative innovation.

1. Technology application innovation

The development and evolution of e-commerce is closely related to the iterative update of technology, and it is only by profoundly grasping the change of technology application that we can promote the change of e-commerce. The current development of e-commerce is no longer limited to the simple adoption of traditional technologies such as Internet technology and information security technology, but emphasizes the promotion of 5G, big data, Internet of Things, artificial intelligence, block chain, VR, AR and other new generation information technologies for integrated innovation and

comprehensive application in the field of e-commerce to further enhance the product level and service capacity of e-commerce and improve the quality and efficiency of e-commerce development.

2. Industry model innovation

The upgraded application of new-generation information technology has provided the underlying foundation for the development of new business models in e-commerce, making the role of e-commerce in reconstructing the industrial value chain continuously enhanced. The emergence of new business models such as social e-commerce, content e-commerce, fresh food e-commerce and live-streaming e-commerce has continuously enriched the e-commerce consumption scenario, deeply explored the consumption demand, and significantly improved the accuracy of matching supply and demand. Under the epidemic, the integration of e-commerce and various fields is even ushering in big changes: firstly, digital operations have achieved rapid transformation, with telecommuting and cloud exhibitions becoming important ways of communication in commerce and trade; secondly, the application level of digital documents has been continuously improved, with electronic invoices, electronic contracts, electronic files and electronic face sheets greatly enhancing the efficiency of transaction confirmation; thirdly, digital payment research has been deeply promoted, and the digital RMB has gradually penetrated into the field of e-commerce payment, bringing about significant improvement in payment security and efficiency.

3. Collaborative innovation

Under the new situation, the development of e-commerce places more emphasis on collaboration, enhancing communication through collaboration, raising the level of enterprises through cooperation, and constantly bringing into play the supporting and guiding role of network platforms in expanding markets and improving industrial structures. Collaboration mainly includes two levels, one is enterprise collaboration, with emphasis on resource complementation and data sharing between enterprises, focusing on the orderly opening of data, channels, talents, technology and other platform resources between enterprises, strengthening the organic combination of innovation and industry chains, and promoting the integration of innovation between upstream and downstream industry chains, large and small enterprises. Second, strengthen regional collaboration, formulate regional e-commerce service strategies, promote the integration of infrastructure, service resources and project funds in the region, promote the synergistic development of the east and west, and form a regional e-commerce development ecology with dovetailing production and marketing, complementary advantages and deep synergy.

10.2.1.2 Business-Industry Fusion Accelerates the Digital Transformation Process

Business-industry integration is an important way to stimulate the product power and innovation of e-commerce, and an important way to accelerate the digitalization of industry.

1. Manufacturing intelligence

For manufacturing enterprises, their core value lies in providing customers with satisfactory services, and the application of any technology is a means around achieving this core value. At present, most of China's manufacturing enterprises are technology-driven, lacking sustainable and efficient profitability mechanisms and business model innovation. E-commerce, on the other hand, also faces new challenges in the development process: how to accurately reflect consumer demand, quickly provide products and services, and effectively connect production and marketing. In such an environment, e-commerce has shown a trend of extending to the upstream manufacturing chain, interconnecting with the industrial internet platform, collaborating and innovating, promoting the traditional manufacturing industry to "go to the cloud and use the data to empower intelligence", and building a new intelligent manufacturing model with e-commerce as the traction, i.e. based on the e-commerce platform to connect with users' individual needs, adopting personalized customization, flexible production, reverse design, direct user connection manufacturing, etc., to achieve synergistic improvement of enterprise marketing and order taking ability and collaborative manufacturing ability.

2. Supply chain digitalization

The "integration of business and production" will accelerate the digital integration of finance, logistics, storage, processing and design in the supply chain, thus forming a new model of industrial Internet and a new industry. Represented by enterprise e-commerce, it will transition from the traditional single service model to an integrated online and offline service, solving business pain points in procurement, marketing, distribution and customer service, forming a flexible supply chain business system with rapid supply chain response capability.

10.2.1.3 Rural E-Commerce Serves the Rural Revitalization Strategy

Rural revitalization is an important strategy for the country to promote the modernization of rural agriculture, and it is also the necessary way to build a moderately prosperous society and promote socialist modernization in an all-round way. With the development of e-commerce and the implementation of policies related to e-commerce in rural areas, rural e-commerce has become a new development mode that drives the integration of rural industries and promotes economic and social development, and it provides new momentum and a new carrier for the revitalization of the five levels of the countryside.

10.2.1.4 Rural E-Commerce Serves the Rural Revitalization Strategy

To achieve the goal of building a moderately prosperous society and comprehensively constructing socialist modernization is the need to make the modernization of rural agriculture a priority, while rural revitalization is a key national strategy to promote the modernization of rural agriculture. In recent years, e-commerce has driven the formulation of relevant policies from cities to rural areas. As a new economic development model, rural e-commerce has helped the integrated development of various industries in rural areas, ultimately promoting the progress of the whole society's economy, especially providing new impetus and a new carrier for the five major aspects of rural revitalization.

1. Promoting the revitalization of rural industries

The entry of e-commerce into rural areas opens up new sales channels, focuses on the selection and breeding of products with special characteristics, cultivates them into local special industries and promotes the expansion of the market scale of the original industries. These changes also indirectly improve the infrastructure of rural areas rich in products and diverse channels and increase the income of people in rural areas.

With the support of big data, rural e-commerce has forced the transformation and upgrading of traditional industries in rural areas with large-scale and standardized production, and has even created new industries as a result, while ensuring product quality. Subsequently, rural e-commerce clusters have emerged, from production to packaging, transportation and sales promotion, with various links in the entire supply chain. Rural e-commerce has gathered the resource elements needed at each end of the supply chain, achieving an efficient gathering of logistics, information flow and capital flow.

2. Promoting the revitalization of rural talents

The development of rural e-commerce has brought a large number of e-commerce talents back to rural areas, solving the dilemma of talent being a constraint to rural e-commerce. The return of talents has given the countryside a new lease of life, and the elderly and children left behind in the countryside have new opportunities for development, which is the social benefit of rural e-commerce in addition to the economic benefits it brings.

3. Promoting the revitalization of rural ecology

The entry of e-commerce into rural areas has brought new impetus to the revitalization of rural ecology. The resulting large number of Taobao villages and Taobao outlets has, to some extent, alleviated the environmental problems caused by the development of rural industries. The re-emergence of rural industry and commerce has led to a fuller use of rural land, and the associated support for e-commerce business production is available at a lower cost, promoting the green development of the rural economy.

4. Promoting the revitalization of rural culture

Rural e-commerce has further enhanced the effect of the popularity of the Internet. E-commerce has brought new culture and new ideas core concepts to rural areas, changing the backward thinking of rural people and creating new farmers nowadays, and also promoting the further upgrading of the three streams of e-commerce. At the same time, rural e-commerce has greatly promoted the construction of a harmonious rural society by driving farmers to increase their income and solving rural employment problems.

5. Promoting the revitalization of rural organizations

Grassroots organizations in the countryside lose their vitality due to the lack of fresh blood injection, but with the development and help of rural e-commerce, many young people have returned to the countryside and entered rural organizations to become rural e-commerce leaders. All these talents are important forces for the revitalization of rural organizations. In addition, the aid of science and technology has digitized and made transparent rural commerce, further upgrading the governance and management of the countryside. This is an important role that the concept of rural e-commerce plays in promoting the revitalization of rural organizations.

10.2.1.5 Factor Optimization to Create a Balanced Allocation Pattern

1. High-level use of data elements

The normal operation of e-commerce requires the assistance of data, which is a fundamental element for the further development of e-commerce and is of high value. The development of e-commerce in the new era is no longer a simple analysis of production data, sales data and user data, but a data sharing mechanism that is extended to all walks of life, all enterprises and all departments, allowing them to share data among themselves and realize the openness of data in the e-commerce industry. This has an important role to play in the enhancement of data value. At the same time, e-commerce enterprises need to continuously improve their data processing capabilities within the scope of legality and make efforts for the establishment of a data sharing system in the e-commerce sector.

2. High-quality cultivation of talent elements

The essence of e-commerce is still commerce, and commerce is ultimately a human activity. The innovation of various elements of e-commerce has put forward deeper requirements for the talent element. The traditional on-campus training method can no longer meet the requirements of the new development of e-commerce. Strengthen the five-in-one talent training model of “government, industry, learning, research and application”, encourage e-commerce platforms and e-commerce enterprises to carry out joint actions with colleges and universities, carry out all-round e-commerce training, and strengthen the construction of talent markets in various regions, cities,

states, counties, townships and villages. The new direction of talent training is to promote the construction of composite talent supply.

3. Optimizing carrier resources to a high standard

An important way to accelerate the ability of cooperation and development of enterprises concerned in the field of e-commerce is to develop e-commerce industry service carriers. With the support of a number of national policies, e-commerce demonstration bases have begun to be set up on a large scale in various regions of China. As demonstration bases are of great significance in spearheading the development and progress of small and medium-sized industrial parks, it is only by improving the public service level of demonstration bases and achieving more professional and diversified operation services that we can eventually form a carrier network covering the whole of China with e-commerce base points all over the country and promote further development of e-commerce.

10.2.1.6 Diversified Governance to Create a Sustainable Development Environment

E-commerce constantly creates new business models to adapt to environmental changes, which inevitably brings risks while bringing huge development benefits. In the face of the new problems and risks arising, deepening e-commerce governance and creating a favorable development atmosphere cannot be ignored. The development of e-commerce in China is not determined by one party, the government or the market, but is the result of the joint action of both parties. Therefore, the governance of e-commerce should be multi-party joint and multi-governance.

For market e-commerce platform operators, they should accelerate the iterative upgrading and application of digital technology, continuously improve platform rules, enhance platform autonomy, improve the security, fairness and openness of the platform, and accelerate the implementation of the network security system.

For the government, it should form a positive interaction with enterprises, strengthen supervision and guidance of the market and enterprises, use data to guarantee network security based on the development of science and technology, and establish a data property rights system to improve market norms. In the e-commerce sector, the government should establish a comprehensive set of governance standards to promote the healthy development of the e-commerce industry, protect consumer rights and interests in the transaction process, make use of credit collection systems, establish credit systems, and increase protection for both enterprises and consumers.

For e-commerce industry organizations, the organization should actively liaise with all parties to form a multi-party e-commerce governance system to create a favorable environment for the development of a digital economy.

10.2.2 E-Commerce Creates New Advantages in International Competition

10.2.2.1 Cross-Border E-Commerce Opens Up New Horizons for International Cooperation

With the advancement of Internet technology, the building of global logistics networks, the diversification of payment methods and China's consumption upgrade, the scale of China's cross-border e-commerce market has gradually expanded, more and more Chinese products have opened their doors to overseas. China is also gaining more international cooperation and mutually beneficial trade cooperation opportunities as a result. This is a new dynamic to achieve mutual promotion of the domestic and international double cycle and to promote high-quality economic development.

China has always been a strong supporter of promoting a high level of cross-border e-commerce development, continuing to promulgate favorable policies, encouraging e-commerce platform companies to operate globally, making continuous improvements in all aspects of e-commerce, upgrading infrastructure and optimizing the layout of the industry, which has greatly enhanced the security and convenience of trade with various countries. At the same time, China has also introduced various policies to stimulate the development of cross-border e-commerce supporting service enterprises and has stepped up efforts to build cross-border e-commerce comprehensive pilot zones, seeking to take Chinese products and brands out of China to the world and to digitize the global industrial chain and supply chain. In addition, China is actively exploring innovation in the whole process of cross-border e-commerce transactions, promoting the formation of international trade rules adapted to the development of cross-border e-commerce and building an international framework. China has combined the Belt and Road Initiative and the development of cross-border e-commerce to promote the development of Silk Road e-commerce, and has now established bilateral e-commerce cooperation mechanisms with 22 countries on five continents, taking the path of cross-border e-commerce development with Chinese characteristics (Table 10.1).

10.2.2.2 The Fair Leads the New Development of Cross-Border E-Commerce

China International Import Expo (CIIE), referred to as "Import Expo", "Into the Expo", etc., is organized by the Ministry of Commerce of the People's Republic of China and the Shanghai Municipal People's Government, and hosted by the China International Import Expo Bureau and the National Convention and Exhibition Center (Shanghai). It is the first national exhibition in the world with the theme of import. The China International Import Expo plays a pivotal role in the process of China's opening up to the outside world and is an important initiative by China to open its

Table 10.1 History of the 132 cross-border e-commerce pilot zones approved nationwide

Time	Number	City
March 2015	1	Hangzhou
January 2016	12	Ningbo, Tianjin, Shanghai, Chongqing, Hefei, Zhengzhou, Guangzhou Chengdu, Dalian, Qingdao, Shenzhen, Suzhou
July 2018	22	Beijing, Hohhot, Shenyang, Changchun, Harbin Nanjing, Nanchang, Wuhan, Changsha, Nanning, Haikou Guiyang, Kunming, Xi'an, Lanzhou, Xiamen, Tangshan Wuxi, Weihai, Zhuhai, Dongguan, Yiwu
December 2019	24	Shijiazhuang, Taiyuan, Chifeng, Fushun, Zhangchun Suifenhe, Xuzhou, Nantong, Wenzhou, Shaoxing, Wuhu Fuzhou, Quanzhou, Ganzhou, Jinan, Yantai, Luoyang, Huangshi, Yueyang, Shantou Huangshi, Yueyang, Shantou, Foshan, Luzhou, Haidong, Yinchuan
April 2020	46	Xiongan New Area, Datong, Manzhouli, Yingkou, Panjin, Jilin Heihe, Changzhou, Lianyungang, Huai'an, Yancheng, Suqian Huzhou, Jiaxing, Quzhou, Taizhou, Lishui, Anqing, Zhangzhou, Putian, Longyan, Jiujiang, Dongying, Weifang, Linyi, Nanyang, Yichang, Xiangtan, Chenzhou, Meizhou, Huizhou, Zhongshan, Jiangmen Huizhou, Zhongshan, Jiangmen, Zhanjiang, Maoming, Zhaoqing Chongzuo, Sanya, Deyang, Mianyang, Zunyi Dehong Dai Jingpo Autonomous Prefecture, Yan'an City, Tianshui City, Xining City, Urumqi City

market to the world. From the perspective of e-commerce, the Fair has had a huge impact on e-commerce, especially cross-border e-commerce.

Firstly, the Fair has facilitated the transformation, upgrading and reshaping of the cross-border e-commerce industry; enterprises, brands and commodities from all over the world have expanded into the huge Chinese market through the Fair, providing rich resources and development momentum for China's cross-border e-commerce. Chinese cross-border e-commerce, which is in a new period of transition, has taken this opportunity to begin to refine, brand, localize and diversify its development and gradually move towards the center of the global e-commerce stage. Secondly, the Fair has built a cross-border e-commerce exhibition and marketing platform and ecological system; unlike the traditional gathering of the world's commodities for exhibition and sale and supply and demand cooperation, the Fair provides integrated cross-border e-commerce comprehensive services including summit forums, facilitated customs clearance and comprehensive financial services, and has built the world's first cross-border e-commerce exhibition and marketing platform and ecological system with a complete system, complete functions and perfect services. Thirdly, the Fair promotes cross-border e-commerce to meet diversified consumption needs; as consumer demand expands and upgrades, consumers begin to shift their consumption targets from local branded goods to world branded goods, paying more attention to the quality of goods and consumption experience, and import

consumption tends to normalize; the Fair communicates between cross-border e-commerce platforms and consumption, satisfies diversified consumer needs, and expands the overseas products. The introduction of overseas products and brands is conducive to the transformation, upgrading, change and restructuring of China's domestic industries.

10.3 E-Commerce Development in the Wave of the New Era

In recent years, the world's major economic powers have been facing increasing downward pressure due to factors such as increased international trade frictions and geopolitical risks. This trend has become even more pronounced especially after 2019, when GDP growth rates of major economic powers have fallen sharply.

China's outstanding e-commerce performance during the epidemic has enabled global business entities to find new targets to restore economic momentum. As Jingdong's e-commerce practice in China. This is reflected not only in the enormous value of the efficient operation of supply chains, technology and logistics networks, but also in the rapid realization of all factors of production. The "multiplier effect" will profoundly change the way and mode of world trade, driving the world into a new era of trade.

The e-commerce "backlash" during the epidemic allowed global business entities to find new targets for economic recovery and catapulted the world into a new era of commerce. However, even if it no longer meets the needs of the new era of commerce, the traditional rules of trade continue.

The key to driving growth in consumer demand in 2020 remains in China, and if you want to appeal to the Chinese market, you don't have to bypass e-commerce. Many international brands are experiencing a 'wave of closures' in the wake of the new pneumonia epidemic: luxury goods are undoubtedly one of the sectors most affected by the epidemic. As the epidemic begins to slow down in the country, large luxury companies naturally have high hopes that the Chinese market will gradually warm up.

However, for the top luxury brands, which rely more on their shops, it is clearly not realistic to expand their offline shops quickly. Moreover, unlike the structure of luxury consumers abroad, domestic luxury consumers are younger and have long been accustomed to socializing and shopping via the internet. Therefore, choosing a platform with quality consumers and strong logistics capabilities is undoubtedly a shortcut for international luxury brands to expand into the Chinese market.

In an increasingly open and inclusive business environment, many overseas brands are eager to experiment with the vast Chinese market and e-commerce has become an important platform for overseas brands to enter the Chinese market. E-commerce platforms provide an efficient and low-risk channel for foreign brands. At the same time, e-commerce platforms can also meet the personalized and diversified consumption needs of domestic consumers through the large-scale introduction of foreign brands and categories.

Industry insiders said that the impact of the new pneumonia epidemic on international trade is obvious, but it is easy to see that the epidemic under the e-commerce “fight back” for international trade has brought a new dawn, so that global business entities to find a new focus to restore economic development. In this era of unprecedented connectivity, the epidemic has limited travel and cut off connectivity, but e-commerce platforms have played an important role with their strong logistics chains.

Promoting the development of e-commerce, especially cross-border trade, is not only the general trend to transform and improve traditional foreign trade, but also an inevitable step to actively respond to the epidemic and effectively cope with the downward pressure of foreign trade growth. After the epidemic, global e-commerce will tend to normalize. The reason for this is that business e-commerce not only ensures the virtualization of the transaction process, effectively reducing the frequency of offline contact between the two parties to the transaction, but also expands the inclusive range of transaction targets, enabling SMEs that are unable to carry out activities based on traditional business models to participate in international trade through digital platforms and thus successfully overcome the crisis. More importantly, in the context of economic integration and trade globalization, e-commerce has not only overcome barriers between countries and shifted international trade to borderless trade, but has also triggered changes in world trade.

The development of traditional trade from regional to global has been driven primarily by transport innovations and the revolution in communication technology. With the rapid development of Internet technology, world trade has changed in terms of commercial presence, business management and trade patterns. The most obvious role of e-commerce platforms is to bring businesses and consumers closer together. As information about raw materials becomes more symmetrical, consumers can see products from different countries on the Internet, and businesses can quickly learn about user preferences and other feedback through the platform. In short, e-commerce is making the world smaller and the marketplace bigger. It has always been able to connect many of the world’s fragmented and very irregular markets into one big marketplace that everyone can access to trade.

Indeed, the increasing globalization and virtualization of the international division of labor, driven by e-commerce, has pushed the global market to optimize the allocation of resources under its auspices and achieve a Pareto lift. This new change has triggered a change in international business models and facilitated a transformation of international business patterns. Industrial products, which previously dominated international trade, have been replaced by information products.

But this does not mean that there is a shortcut to the new global trading system. The traditional rules of trade continue, even though it no longer meets the needs of the new commercial era. In addition, cross-border trade generates a large number of fragmented and individual orders, with a trade path that is very different from the traditional “container order”. However, new regulatory models have not yet been established by governments and many rules, such as relevant tax and technical standards, have not yet been defined.

10.4 Summary of this Chapter

This chapter has illustrated that e-commerce has a significant role to play in China's economic development, to make it an important link between China's industrialized economy and information technology, and thus promote the development of China's industrialization and improve the quality and efficiency of national economic operation. As the second largest economy in the world, China has a good foundation and great potential for the development of e-commerce, opening up a path of e-commerce development with Chinese characteristics, providing Chinese wisdom for the development of e-commerce in China and even in the world, and also having great significance for the realization of socialist modernization in the mid-20th century and the Chinese dream of achieving the great rejuvenation of the Chinese nation.