

The Application and Influence of E-commerce in International Trade

-- Taking Amazon as an Example

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Abstract: With the advancement of globalization and the rapid development of Internet technology, e-commerce plays an increasingly important role in international trade. Being one of the biggest online retailers in the world, Amazon's use and impact in global trade have garnered a lot of attention. This study primarily employs a methodology that integrates literature analysis with case analysis. First, by reading pertinent literature, one can gain an understanding of Amazon's use in international trade, including its big data and cloud computing technologies, worldwide supply chain network, diverse payment options, and cross-border e-commerce platform. Secondly, through the analysis of Amazon's application cases in international trade, such as: KIVA orange robot operation, the impact and role of e-commerce in international trade are deeply discussed. The study presented in this paper demonstrates that e-commerce is being used more and more in international trade, and that Amazon, one of the biggest e-commerce platforms globally, is having a major impact on this field of commerce. E-commerce plays a significant role in promoting trade facilitation, reducing costs, improving efficiency, and supporting the growth of medium-sized and small businesses in international trade. However, the digital divide and security issues remain as bottlenecks in the application and development of e-commerce in international trade. Therefore, it is crucial to strengthen the formulation and implementation of relevant policies and measures to promote the application and development of e-commerce in international trade.

Keywords: E-commerce, International trade, Amazon, Application, Impact.

1. Introduction

As a global e-commerce leader, Amazon boasts over 300 million active users, encompassing a diverse range of categories including books, electronic products, household goods, clothing and other fields. Amazon connects sellers and buyers around the world through its platform, enabling the online transaction of goods. This model is not only convenient for consumers, but also provides a broader market space for sellers. The application of e-commerce in international trade is mainly reflected in the following aspects: simplifying trade processes, improving trade efficiency, expanding market

space, and promoting trade facilitation. However, the application of e-commerce in international trade has also brought some negative effects. For example, the monopoly phenomenon of e-commerce platforms may lead to unfair market competition, while the tax issue of cross-border e-commerce may also have an impact on traditional industries. Therefore, while promoting e-commerce, it is also necessary to address its possible negative impact and take appropriate measures to deal with it.

In short, the application of e-commerce in international trade has become an irreversible trend. The e-commerce platform represented by Amazon is playing a role that is becoming more significant in international trade. Chinese enterprises should actively embrace e-commerce and enhance their competitiveness in international trade through innovation and optimization of operation models. Meanwhile, the government should also strengthen the supervision of e-commerce to ensure that its application in international trade can bring more opportunities and challenges for our economic development. This paper will analyze the application of Amazon in international trade as a case study, followed by an analysis of its impact, aiming to provide suggestions for Chinese e-commerce enterprises regarding their strategies in international trade.

2. The Application of E-commerce in International Trade -- taking Amazon as an Example

In general terms, e-commerce refers to the use of various electronic tools to engage in business activities; more specifically, e-commerce primarily involves conducting business operations through the Internet. E-commerce refers to the economic behavior of using the Internet, communication network, electronic payment system and other information technology means to conduct transactions and business activities on the Internet. It covers electronic transactions between merchants and consumers, including online shopping, online payment, e-commerce platform operation, e-commerce solution provision, etc[1].

E-commerce represents a form of business activity carried out through electronic means, characterized by the following six distinct features. Firstly, e-commerce offers convenience, enabling transactions to be performed anytime and anywhere without the necessity of visiting physical stores, thereby conserving both time and energy. Secondly, e-commerce operates on a global scale, which connects merchants and consumers worldwide via the Internet, facilitating international trade. Thirdly, a broad range of products and services that meet the distinct needs of varied customers are displayed in e-commerce. Fourthly, e-commerce exhibits personalization features that enable the provision of customized products and services based on individual consumer preferences. Fifthly, e-commerce is highly efficient and has the potential to enhance business performance and profitability through automated processing and data analysis. Sixthly, e-commerce fosters interactivity by facilitating communication and engagement between merchants and consumers via social media platforms or online communities.

2.1. Cross-border E-commerce Platform

As one of the world's largest online retailers, Amazon's cross-border e-commerce business has a wide range of global influence. Through the Amazon e-commerce platform, consumers can directly buy goods from other countries or regions, thereby transcending the geographical limitations inherent in traditional trade, enabling consumers to access a wider array of products that are not only more diverse but also competitively priced. At the same time, Amazon also provides a convenient sales channel for global sellers, through the cross-border e-commerce platform, sellers can promote products to global consumers, achieving greater visibility and increased sales. This is especially important for SMEs, which often lack the necessary resources and channels to independently penetrate international markets. Amazon's international e-commerce venture not only provides

consumers with more choices, but also broadens the international market for sellers and promotes the development of global trade.

2.2. Worldwide Chain of supply

Amazon has established a huge supply chain network on a global scale, and through efficient supply chain management, it realizes the rapid circulation of goods from production to sales. Its strong logistics system, including overseas warehousing and international logistics, provides convenient and efficient solutions for cross-border trade. Amazon aggregates scattered order requirements through a virtual network, consolidates goods at the performance centers, and subsequently collaborates with large-scale logistics enterprises such as UPS and Jihua Logistics to leverage the scale effects of comprehensive distribution[2]. Amazon's global supply chain management includes procurement, warehousing, logistics and other links. By optimizing the supply chain, it effectively reduces costs, improves efficiency, and delivers superior services to consumers worldwide.

2.3. Diversified Payment Methods

Amazon provides global consumers and sellers with a variety of international payment options to enable worldwide transactions, such as credit cards, PayPal, debit cards, electronic wallets, etc., to facilitate global consumers to conduct transactions. At the same time, through cooperation with international financial institutions, Amazon has realized payment and settlement on a global scale. This diversified payment method not only enhances the user experience, but also promotes the smooth progress of international trade.

2.4. Big Data and Cloud Computing Technology

Amazon has a leading edge in the field of big data and cloud computing technology. Through the application of big data analysis, Amazon is able to accurately grasp consumer needs and provide targeted marketing strategies for sellers. At the same time, Amazon's cloud computing services also provide strong technical support for global them to help enterprises achieve digital transformation and enhance competitiveness. Through the application of big data and cloud computing technology, Amazon has injected new vitality into the development of global trade.

3. The Impact of E-commerce on International Trade -- taking Amazon as an Example

E-commerce, emerging as a pivotal engine of global trade, particularly exemplified by Amazon's leadership in the industry, has exerted a transformative influence on international trade. Firstly, e-commerce platforms such as Amazon eliminate geographical restrictions, making it easy for global consumers to buy goods from anywhere in the world, greatly expanding the scope of goods circulation. This decentralized transaction method makes international trade more convenient and rapid, and achieves a true 24-hour uninterrupted transaction. Secondly, Amazon has effectively reduced the cost of international trade through its advanced supply chain management system and logistics network. It optimizes every link from production to sales, minimizes intermediate processes, reduces inventory costs, and improves logistics efficiency. This cost advantage empowers medium-sized and small enterprises to participate in the worldwide market, thereby breaking the monopoly position of large enterprises in traditional trade. Moreover, e-commerce platforms such as Amazon have driven innovation in international trade rules. They have led to new electronic payment systems, streamlined customs procedures and increased trade transparency. These changes not only improve transactions efficiency, but also enhance the economic ties between countries and promote the integration of the global economy. Finally, Amazon has injected new vitality into international trade through its strong

brand influence and marketing ability. It continues to innovate and provide a wide range of products and services to meet the needs of consumers around the world. Additionally, Amazon also actively promotes the concept of green environmental protection and sustainable development, leading international trade to develop in a higher quality and more sustainable direction.

3.1. Break Down Trade Barriers

As one of the world's largest e-commerce companies, Amazon has closely linked global business activities through its online platform, which has greatly promoted the development of international trade. Through Internet technology, Amazon has broken many barriers in traditional trade, such as geographical restrictions, information asymmetry, trade policies, etc., making international trade more convenient. Through Amazon's online trading platform, businesses can effortlessly engage in global sales of their products while simultaneously acquiring goods from various international markets. This decentralized trade model effectively promotes the optimal allocation of resources and the globalization of the economy. Amazon collaborates closely with buyers to gain insights into their business buying challenges and continues to innovate and develop new technologies that facilitate organizations and administrators in defining, meeting, and proactively measuring progress toward their procurement budgets and objectives. Amazon River Business is now a strategic partner for businesses in 10 countries including Canada, France, Germany, India, Italy, Japan, Mexico, Spain, the United Kingdom and the United States[3].

3.2. Drive the Development of Logistics Industry

Amazon's rapid development has greatly promoted the industry of logistics. In order to meet consumers' demand for fast and convenient logistics services, logistics enterprises continue to carry out technological innovation and service upgrading, raising logistics efficiency and service quality. At the same time, Amazon also promotes the globalization of the logistics industry, and realizes the global circulation of goods through international logistics cooperation, further promoting the facilitation of international trade. For example, Amazon's introduction of innovative technologies such as drone delivery and automated warehouses not only improves operational efficiency, but also reduces logistics costs. For example, the KIVA orange robot operation fundamentally transforms the conventional e-commerce logistics center model characterized by "people searching for goods and people seeking freight." Instead, it employs operational plans to mobilize robots, thereby facilitating a paradigm in which "goods seek people and freight locations seek individuals." The entire logistics center reservoir area realizes unmanned operation, and each warehouse location is automatically sorted to the job post under the drive of KIVA robots. It can improve the information level and storage operation ability of logistics center to the maximum extent[4].

3.3. Boost Global Consumption

The popularity of Amazon has made it more convenient for global consumers to buy a variety of goods, providing consumers with more diversified and more competitive price choices, and further stimulating the growth of global consumption. In addition, through Amazon's online platform, enterprises can conduct market research, product promotion and sales more efficiently, reducing trade costs. In traditional commerce, enterprises are required to invest substantial manpower, material resources, and financial capital to expand their market presence. In contrast, Amazon leverages internet technology to facilitate this process, making it more accessible and efficient. Today, Amazon has total annualized sales of around \$35 billion and serves over 6 million customers worldwide, including 96 of the Fortune 100 companies, 66 of the FTSE 100 and 37 of the DAX-40 companies[5].

At the same time, Amazon continues to broaden its reach. S&P Global Commodity Insights, the leading independent provider of information, data, analysis, benchmark prices and workflow solutions for the commodities, energy, metals and energy transition markets, today announced it will work with Amazon Web Services (AWS), an Amazon Inc. company (NASDAQ: AMZN), to provide access to a holistic set of upstream data for the energy industry. Making this data available will assist energy companies in expediting their digital transformation and facilitate S&P Global Commodity Insights to advocate the development of cloud-based AI and machine learning tools in the oil and gas industry[6].

4. Chinese Enterprises Apply E-commerce Strategies in International Trade

The Third Plenary Session of the 18th CPC Central Committee set out the major task of comprehensively deepening economic structural reform. At the core of this initiative is the imperative to properly coordinate the connection between the market forces and the government intervention, which involves ensuring that the market has a deciding influence on how resources are distributed, while simultaneously enabling the government to adopt a more proactive stance. In this context, the Ministry of Commerce has placed emphasis on the application and normative development of e-commerce, considering it a crucial component in the installation of a modern circulation infrastructure. The Ministry of Commerce adheres to the principle of market orientation and enterprise main body, stimulates market vitality through government guidance and regulation, jointly promotes the application of e-commerce, and solves the problems encountered in its development process. This strategy aims to promote the healthy development of e-commerce while ensuring that it can contribute positively to the continued growth of our economy.

4.1. Strengthen the Construction of Cross-border E-commerce Platforms

Chinese businesses must build more cross-border e-commerce platforms in light of the rapidly expanding global e-commerce industry in order to expand their reach internationally and address the challenges that the industry is now facing. Specific measures include optimizing the website interface design, enhancing the user experience, strengthening the security performance of the platform to ensure the security of user information, improving logistics distribution system to enhance efficiency, increasing multi-language support and expanding the international market. Form a government-led, multi-party participation, unified standards of cross-border e-commerce platform.

4.2. Optimize Worldwide Supply Chain Operations

In the context of globalization, Chinese enterprises need to optimize global supply chain management to improve competitiveness. Specific measures include establishing a global supply chain management system to facilitate real-time monitoring and scheduling, enhancing collaboration with suppliers to foster long-term and stable partnerships, optimizing inventory management to reduce holding costs and improving logistics efficiency to shorten delivery times. At the same time, active participation should be made in the formulation of international rules for e-commerce, promote the e-commerce negotiations of China-South Korea, China-Japan-South Korea and other free trade zones, participate in the paperless trade consultations in the Asia-Pacific region, and promote multilateral, bilateral and regional e-commerce exchanges and cooperation, to promote the development of domestic e-commerce and international docking, and promote the establishment of an international rules system and external environment conducive to Chinese enterprises to carry out e-commerce[7]. By actively participating in cross-border e-commerce platforms, such as Amazon, eBay, AliExpress, etc., products can be sold to the global market, thereby expanding the international market. In addition,

attention should also be paid to the development of emerging markets, such as Southeast Asia, Africa, Latin America and other places, to find new market opportunities.

4.3. Improve the Global System For Payments and Settlements

Payment and settlement are very important parts of international trade. Chinese enterprises need to strengthen the global system for payments and settlements to improve transaction efficiency. Specific measures include establishing an international payment platform to support multi-currency payments, strengthening payment security performance to ensure the safety of user funds, optimizing the settlement process and shortening the settlement time, and strengthening cooperation with banks to improve payment efficiency.

4.4. Strengthen Compliance Business Risk Management

Chinese enterprises must understand and comply with international trade regulations, as well as the laws of other nations, to ensure their adherence to legal standards. It is essential to strengthen data security and privacy protection measures to prevent information leakage and misuse. Additionally, establishing a robust risk management framework is crucial for addressing potential market risks and exchange rate fluctuations. At the same time, big data and cloud computing technology are important supports for the development of e-commerce. Chinese enterprises need to actively apply these technologies to improve operational efficiency. Specific measures include the establishment of big data analysis system to achieve precision marketing; strengthening the application of cloud computing technology to improve data processing capacity; developing a customer relationship management system to boost customer satisfaction; and enhancing network security performance to ensure the protection of user information.

5. Conclusion

With the development of globalization and Internet technology, the application of e-commerce in international trade is increasingly extensive. Taking Amazon, the world's largest e-commerce platform, as an example, this paper discusses the application of e-commerce in global trade and its impact on international trade. Through the analysis, the following conclusions are drawn.

E-commerce, first and foremost, significantly streamlines, lowers, and boosts the efficiency of international trade transactions. Amazon and other e-commerce platforms provide a great convenience for participants in international trade through online payment, logistics tracking and other functions.

Secondly, e-commerce expands the market space of international trade, enabling small and medium-sized enterprises to participate in worldwide trade and improve the competitiveness of enterprises. Platforms such as Amazon provide sellers with a global marketplace that gives them direct access to a vast number of consumers.

However, the application of e-commerce in international trade has also brought some negative effects. For example, the monopoly phenomenon of e-commerce platforms may lead to unfair market competition, and the tax problem of cross-border e-commerce may also have an impact on traditional industries. Therefore, in the promotion of e-commerce, it is essential to consider its potential negative impacts and implement appropriate measures to address them. In general, the application of e-commerce in international trade has become an irreversible trend. The e-commerce platform represented by Amazon is playing an increasingly important role in international trade. Chinese enterprises should actively embrace e-commerce and enhance their competitiveness in international trade through innovation and optimization of operation models. At the same time, the government should also strengthen the supervision of e-commerce to ensure that its application in international

trade can bring more opportunities and challenges for our economic development. In addressing the challenges posed by e-commerce, government and businesses need to work closely together to develop and implement effective strategies. The government can ensure fair competition and protection of consumers' rights and interests in e-commerce through legislation and supervision. Enterprises need to continuously improve their e-commerce application capabilities, strengthen brand building and marketing, expand the international market, improve the efficiency of supply chain management, train e-commerce talents, and strengthen international cooperation and exchanges.

In short, the application of e-commerce in international trade has great potential, but it also entails specific risks and challenges. The Chinese government and enterprises should make joint efforts to fully acknowledge the dominance of e-commerce, and simultaneously, they must proactively address its potential negative impacts in order to enhance China's sustainable development and competitiveness in international trade.

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