

Competitive Analysis of Cross-border E-commerce Business of Logistics Enterprises: The Case of Rookie Wrap Company

Xinkai Juan^{1,a,*}

¹*Department of Economics and Management, Zhejiang University of Science and Technology,
Zhejiang, China*

a. juanxinkai@outlook.com

**corresponding author*

Abstract: This paper discusses the competitiveness of logistics companies in cross-border e-commerce business, using Rookie wrap as an example. Through a comparative analysis of the development history, characteristics and comparison with other logistics companies (e.g., S.F.Holding Co.,Ltd), this paper summarizes the key factors affecting the competitiveness of logistics companies, including market size, revenue capacity, business diversification, growth rate, technological innovation and service innovation. It is found that Raiding Bird Wrapped, relying on the strong background of Alibaba Group, has a huge potential scale and influence in the field of e-commerce logistics, and actively lays out intelligent logistics and overseas markets. In contrast, SF has a more comprehensive business layout, including express delivery, supply chain management, e-commerce logistics and international business, showing a stronger anti-risk ability. The article points out that the key to enhance the competitiveness of logistics enterprises is to actively explore the market, increase market share, and adjust and optimize the business structure, focusing on the development of business strengths, while trying to expand new businesses. Through continuous technological innovation and service upgrading, logistics enterprises can consolidate their position in the fierce market competition and realize sustainable development.

Keywords: Rookie wrap, S.F.Holding Co., Ltd, cross-border e-commerce.

1. Introduction

Under the background of the rapid development of the global digital economy, cross-border e-commerce business has advanced by leaps and bounds, and a number of outstanding enterprises such as Amazon, eBay, and shopee have emerged, which has significantly improved the efficiency of inter-regional logistics, and provided a basic guarantee for the trade exchanges between our country and other countries around the world, and further promoted the rapid development of China's e-commerce market, and pushed forward the social and economic sustainable development of our country. Sustainable economic development [1]. However, cross-border e-commerce business has to cope with the influence from many external factors, such as tariffs, exchange rates, and regional policies, while improving the quality of products and supply chain management capabilities to enhance its own advantages. For a cross-border e-commerce company, how to improve the competitiveness of its business and better respond to the trend of digital economy directly determines the future development prospects. In this regard, this paper will take Rookie wrap Company as an example,

adopt a comparative research method to summarize the key influencing factors of cross-border e-commerce business, and further put forward ideas to improve business competitiveness.

2. The development history of Rookie wrap

2.1. Early stage of establishment (2013-2015)

information platform construction, win-win cooperation

In 2013, Rookie wrap came into being, aiming to solve the problems of inefficiency and information silos in China's logistics industry. Its core strategy is to build an open and shared logistics information platform based on big data to achieve the optimal allocation of logistics resources.

(1) Big data-driven: By collecting and analyzing logistics data, the rookie network provides courier companies with intelligent routing planning, warehouse optimization and other solutions to improve overall logistics efficiency.

(2) Win-win model: Rather than engaging in express transportation directly, the rookie network cooperates with major courier companies such as SF, Shentong and Yuantong, integrating their logistics resources to form a huge logistics network. This win-win model not only avoids duplication of construction, but also improves the utilization rate of resources.

(3) Friendly user interface: Rookie Shroud APP provides convenient sending and checking functions, with good user experience, and quickly gained user recognition.

2.2. Development Period (2016-2018)

Intelligent Logistics Layout, Cross-border E-commerce Expansion

With the rapid development of the e-commerce industry, Rookie wrap began to lay out intelligent logistics and actively expand cross-border e-commerce business.

(1) Intelligent logistics equipment: Rookie wrap launched unmanned warehouses, unmanned vehicles and other intelligent logistics equipment to realize automated sorting and distribution and further improve logistics efficiency.

(2) Overseas Warehouse Layout: Rivulet has set up overseas warehouses in many countries and regions around the world, providing integrated services such as warehousing and logistics for cross-border e-commerce companies, shortening the logistics timeframe and lowering logistics costs.

(3) Popularization of e-documentation: Rivulet promotes the popularization of e-documentation to digitize logistics information and improve logistics efficiency and transparency.

2.3. Maturity period (2019 to present)

Logistics network optimization and service upgrade

Entering the maturity period, Rookie wrap further optimizes its logistics network, improves its end-to-end distribution capabilities, and upgrades its logistics services through digital means.

(1) End-to-end distribution network: Rookie wrap has built a nationwide end-to-end distribution network, including Rookie wrap stations and express cabinets, to make it easier for users to pick up their items and improve the efficiency of end-to-end distribution.

(2) Digital logistics: Through digital means, Rookie Shao Bao realizes the visualization of the entire logistics chain, allowing users to check the status of their parcels at any time, enhancing logistics transparency and user experience.

(3) Green Logistics: Rookie wrap actively promotes green logistics, using environmentally friendly packaging materials and promoting new energy logistics vehicles to reduce the impact of logistics on the environment.

3. Comparative analysis of Rookie wrap and other logistics companies

Based on the above data, the following five factors affecting the development of logistics companies are derived:

Table 1: Comparison table of data between Rookie wrap and SF

Unit: Billions	total revenue	Express business revenue	growth rate	revenue structure	R&D investment
Rookie wrap	\$86	\$96	20%	E-commerce logistics services (\$60.2), warehouse management (\$12.9), international logistics (\$4.3), etc.	¥25.12
S.F.Holdig Co.,Ltd	\$200	\$150	10%	Mainly from express business, but also includes diversified revenue sources such as supply chain management,e-commerce logistics, and international business	¥22.23

3.1. Market size and revenue capacity

(1) Revenue scale: in the logistics industry, scale and economy of scale are important issues [2]. Alibaba Group, as the parent company of Rookie wrap, has a total revenue far exceeding that of SF Express. This data shows that Rookie wrap has a huge potential scale and influence in the logistics market. The strong background of Alibaba Group provides rich resources and broad market space for NBP.

(2) Market share: As an important part of Alibaba Group, RBW relies on Alibaba's huge e-commerce platform, and its market share in the e-commerce logistics field is high. This gives RBW a certain advantage in the competition with other logistics companies.

3.2. Business diversification

(1) Revenue structure: diversification has a positive impact on the competitiveness of logistics enterprises [3]. The revenue structure of SF Express is relatively diversified, covering a variety of fields such as express delivery business, supply chain management, e-commerce logistics and international business. This diversified business layout helps SF to diversify risks and improve overall market competitiveness and risk resistance.

(2) Scope of services: Rookie wrap mainly focuses on e-commerce logistics services, providing efficient logistics solutions for merchants and consumers on e-commerce platforms. SF, on the other hand, provides more comprehensive services, including personal courier, corporate courier, supply chain management, cold chain logistics, etc., which makes SF more competitive in multiple logistics areas.

3.3. Growth rate and potential

(1) Revenue growth rate: the revenue growth of Rookie wrap is closely related to the growth of Alibaba Group's e-commerce business. As the e-commerce market continues to expand, the growth potential of Rookie wrap is huge. In contrast, SF's growth is more dependent on its competitiveness in the express market and the expansion of its diversified business.

(2) Market potential: the degree of marketization is an important factor affecting the competitiveness of the logistics industry [4]. Relying on Alibaba's e-commerce platform, RBW has a large customer base and market demand, and therefore has a large growth potential in the e-commerce logistics sector. SF, on the other hand, with its comprehensive services and good reputation, has a broad space for development in a number of logistics segments.

3.4. Technology and service innovation

(1) Logistics technology: technological innovation is the key driver of the competitiveness of the cross-border e-commerce logistics industry [5]. Both Rookie wrap and SF have made large investments in logistics technology, such as intelligent logistics, automated sorting, and drone distribution. The application of these advanced technologies helps to improve logistics efficiency, reduce operating costs, and create more value for enterprises.

(2) Service innovation: Service quality plays an important role in the competition of Chinese logistics companies [6]. Both companies are actively exploring new service models to adapt to changes in market demand. For example, the instant delivery service launched by Rookie wrap, cold chain logistics and medicine logistics of SF. These innovative services not only meet the diversified needs of consumers, but also bring new growth points for enterprises. In the future market competition, Rookie wrap and SF will consolidate their market position through continuous technological innovation and service upgrades.

3.5. Balance between self-management and cooperation

(1) Rather than engaging in express transportation directly, Rookie wrap is integrating the logistics resources of its partners to form a huge logistics network. It is important to collaborate different stakeholders in developing and implementing smart logistics solutions[7]. The advantage of this model is that it can rapidly expand without the need to build its own logistics infrastructure, can quickly cover a wider area to meet the logistics needs of different users, in addition to avoiding duplication of construction, reduce operating costs, improve resource utilization, as well as a high degree of flexibility, according to changes in the market and the needs of the user, flexible adjustment of the logistics program. However, the disadvantage of this model is that its service quality is not stable, dependent on the quality of service partners, there may be uneven service levels, affecting the user experience, and its control over their own brand is weak, can not fully control the logistics services, brand image by the partners have a greater impact.

(2) In contrast, SF is to take direct mode, independent of the provision of various logistics services, including express transportation, warehousing, cold chain logistics. The advantage of this model is that the quality of service is stable, can independently control the logistics service, can ensure the consistency and stability of the quality of service, enhance the user experience and brand image, at the same time there is no weak control of their own brand problems.

4. Suggestion

Based on the comparative analysis of Rookie wrap and SF, as well as the key factors affecting the competitiveness of logistics enterprises, the following are some suggestions to enhance the competitiveness of logistics enterprises' operations:

4.1. Actively develop markets and increase market share

Focus on e-commerce logistics: In view of the huge growth potential of the e-commerce logistics market, Rookie wrap can further deepen its cooperation with Alibaba's e-commerce platform, provide more efficient and convenient logistics services, and expand its market share.

Expansion of overseas markets: SF can continue to expand its overseas business, utilizing its mature international logistics network and rich experience to provide cross-border e-commerce companies with better cross-border logistics services, and open up new market space.

Deep plowing in niche markets: transportation size has an impact on transportation efficiency, cost, and market competitiveness [8] Logistics enterprises can choose specific niche markets for deep plowing according to their own advantages, such as cold chain logistics, pharmaceutical logistics, fresh food e-commerce, etc., to provide more specialized services to meet specific customer needs.

4.2. Adjust and optimize business structure and focus on developing business strengths

Strengthening core business: Logistics enterprises should focus their resources on strengthening their core business, such as the e-commerce logistics service of Rookie wrap and the express business of SF, to improve service quality and enhance market competitiveness.

Business diversification: Logistics enterprises can expand business diversification according to their own situation, such as SF's supply chain management, international business, etc., to diversify risks and improve risk resistance.

Win-win cooperation: Logistics enterprises can cooperate with other enterprises, such as the cooperation between Rookie wrap and express delivery companies, SF and e-commerce platforms, integration of resources, complement each other's strengths, and achieve win-win situation.

4.3. Continuous technological innovation and service upgrading

Intelligent logistics: information technology and intelligent logistics plays an important role in the development of cross-border e-commerce logistics [9]. Logistics companies can use big data, artificial intelligence and other technologies to create an intelligent logistics system, automation and intelligence of logistics transportation, warehousing, distribution and other links to improve efficiency and reduce costs.

Service innovation: Logistics enterprises can continuously launch new service models according to market demand, such as the instant delivery service of Ropeway, the cold-chain logistics of SF, pharmaceutical logistics, etc., to meet the diversified needs of consumers.

Green logistics: Logistics enterprises should actively promote the development of green logistics, use environmentally friendly packaging materials, promote new energy logistics vehicles, reduce the impact of logistics on the environment, and achieve sustainable development.

4.4. Optimize self-operated and cooperative models

Cooperation is important in the development of cross-border e-commerce logistics [10]. Rookie wrap: It can continue to optimize its cooperation model, strengthen the management and service quality monitoring of partners, and ensure the consistency and stability of service quality.

SF: It can consider cooperation in some regions or business areas to expand its service scope and improve market coverage.

4.5. Focus on talent training and brand building

Talent cultivation: Logistics enterprises need to pay attention to talent cultivation, establish a high-quality logistics personnel team, to provide talent protection for enterprise development.

Brand building: logistics enterprises need to strengthen brand building, enhance brand awareness and reputation, enhance market competitiveness.

In short, logistics enterprises to enhance the competitiveness of the need to start from a number of aspects, and constantly technological innovation and service upgrading, optimize the business structure, and actively explore the market, in order to be invincible in the fierce market competition.

5. Conclusion

The competitiveness of logistics companies in cross-border e-commerce business is affected by a variety of factors, including market size, revenue capacity, business diversification, growth rate, technological innovation and service innovation. In order to enhance competitiveness, logistics enterprises need to take active measures. First, actively explore the market to increase market share and enhance profitability, such as expanding new business areas and focusing on emerging markets such as cross-border e-commerce and cold chain logistics. Secondly, adjust and optimize the business structure, focus on the development of business strengths, while trying to expand new business, business diversification and risk diversification. In addition, logistics companies need to strengthen technological innovation and service innovation, such as adopting technologies such as big data, artificial intelligence, and Internet of Things, to improve logistics efficiency, reduce operating costs, and provide more convenient and efficient logistics services to meet diversified user needs. Finally, strengthen brand building and talent training, enhance brand awareness and reputation, enhance user trust, and provide talent protection for enterprise development. Through these measures, logistics enterprises can be invincible in the fierce market competition and achieve sustainable development.

Refereces

- [1] Jū Huiting, Liu Chun. *Research.(2021) on the innovation and development of cross-border e-commerce logistics models*[J]. *Rural Economy and Technology*, 32(06): 67-68.
- [2] Cho, H., & Lee, J. (2020). Does transportation size matter for competitiveness in the logistics industry? The cases of maritime and air transportation. *The Asian Journal of Shipping and Logistics*, 36(4), 214-223. <https://doi.org/10.1016/j.ajsl.2020.04.002>
- [3] Annual report summary of S.F.Express(2023) https://www.sf-express.com/uploads/2023_45f4bc8381.pdf
- [4] Guo Shouting, Yang Hui-Peng, & Wu Zhen-Qiu. (2023). Spatial and temporal dynamics of the competitiveness of China's logistics industry and its influencing factors. *Exploration of Economic Issues*, (9), 65-80.
- [5] Choi, D., & Song, B. (2018). Exploring Technological Trends in Logistics: Topic Modeling-Based Patent Analysis. *Sustainability*, 10(8), 2810. <https://doi.org/10.3390/su10082810>
- [6] Wang, Y., Chen, H., & Zhang, Y. (2020). The Impact of Technological Innovation on the Competitiveness of Cross-Border E-Commerce Logistics. *Journal of Business Logistics*, 41(1), 27-42.
- [7] Zhang, H., & Wang, J. (2023). Smart Logistics in Cross-Border E-Commerce: A Framework and Research Agenda. *International Journal of Information Management*, 78, 102942.
- [8] Cho, H., & Lee, J. (2020). Does transportation size matter for competitiveness in the logistics industry? The cases of maritime and air transportation. *The Asian Journal of Shipping and Logistics*, 36(4), 214-223. <https://doi.org/10.1016/j.ajsl.2020.04.002>
- [9] Choi, D., & Song, B. (2018). Exploring Technological Trends in Logistics: Topic Modeling-Based Patent Analysis. *Sustainability*, 10(8), 2810. <https://doi.org/10.3390/su10082810>
- [10] Liu, X., & Wang, Z. (2023). Research on the Development Strategy of Cross-Border E-Commerce Logistics in the New Era. *China Soft Science*, (4), 176-184

Appendix

Data computation:

Revenue Comparison of Express Delivery Business
- Rookie wrap (hypothetical data):

- Assuming that Rookie wrap 's express delivery revenue accounts for 10% of Alibaba Group's total revenue, Rookie wrap 's express delivery revenue will be approximately US\$8.6 billion in 2023.

- If the e-commerce logistics revenue of Rookie wrap accounted for 70% of its total revenue, the e-commerce logistics revenue would be approximately \$6.02 billion.

- S.F.Holdig Co.,Ltd (actual data):

- Revenue from S.F.Holdig Co.,Ltd 's express business in 2023 will be about \$15 billion.

- If SF's express business accounts for 75% of its total revenue, the revenue from the rest of its business (including supply chain management, e-commerce logistics, international business, etc.) would be about US\$5 billion.

Revenue Growth Rate Comparison

- Rookie Shaoxing (hypothetical data):

- Assuming a 20% growth rate for Alibaba Group, the growth rate for Rookie Bird Shroud could be similar, i.e., a revenue growth rate of about 20% in 2023 compared to 2022.

- This implies that the courier revenue for 2022 would be approximately \$7.23 billion ($\$8.6 \text{ billion} / 1.20$).

- S.F.Holdig Co.,Ltd (actual data):

- S.F.Holdig Co.,Ltd 's 2022 revenue growth rate of 10% year-on-year would result in total 2022 revenue of about \$18.1 billion ($\$20 \text{ billion} / 1.10$).

- Express revenue would be about \$13.5 billion ($\$15 \text{ billion} / 1.10$).

Revenue Structure Comparison

- Rookie wrap (hypothetical data):

- Assuming that Warehouse Management revenue accounts for 15% of Rookie wrap 's total revenue, Warehouse Management revenue would be approximately USD 1.29 billion ($\text{USD } 8.6 \text{ billion} * 15\%$).

- If international logistics revenue accounts for 5% of total revenue, international logistics revenue would be approximately \$430 million ($\$8.6 \text{ billion} * 5\%$).

- SF (actual data):

- Supply chain management revenue accounted for 10% of total revenue, then supply chain management revenue was about US\$2 billion ($\text{US\$}20 \text{ billion} * 10\%$).

- E-commerce logistics revenue accounts for 5%, then e-commerce logistics revenue is about US\$1 billion ($\text{US\$}20 \text{ billion} * 5\%$).

- International business revenue is 5% of total revenue, resulting in international business revenue of approximately \$1 billion ($\$20 \text{ billion} * 5\%$).