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A Research on E-Commerce Shipping Platform Models In the Context of “Internet Plus”

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ABSTRACT

In cyber-age, with the creation and growth of e-commerce platforms online causing profound changes to the way of business-doing in traditional sectors, “Internet Plus shipping” is now well predicted as an inevitable trend shipping business. As e-commerce shipping platforms make advertising, publication of information, business communication and transaction easier and more convenient, they are becoming a driving force accelerating the development of shipping industry. In domestic market today, there are already a variety of comparably matured models with which online shipping platforms operate, however, through evaluating their performances; these models have both unique advantages and disadvantages or deficiencies. The paper in the first place gives a summarization to what exactly e-commerce shipping can do, then introduces some most recognizable operational models on current stage, and lastly, from the perspective of “Internet Plus”, offers some proposals with the hope of helping advance its future development.

1. Introduction

According to latest statistics, total output within Chinese market grows by no less than 10% annually since 2015, and in 2018, it's worth 37,000 billion RMB. Thanks to the fast growing of Internet business, e-commerce shipping platforms are developing rapidly with COSCO shipping lines, E-shipping and ship-xy among the most successful. All these successful shipping platforms have contributed to the structural upgrade and reform in the shipping industry. Still, as a new type of business model lacking sufficient supervision for the reason that it hasn't been around for long, it's plagued with issues we cannot ignore like security concerns and lack of common standards. So, under such a context, looking into new strategies that can help

optimize stable and sustainable development of e-commerce shipping platforms has become critical.

2. What an E-Commerce Shipping Platform Does In the Context of “Internet Plus”

Roughly ten years on, since its birth, e-commerce shipping platforms have won wide approval in the shipping business, for below reasons: 1; business work in this industry, in traditional ways, is not only heavy and tiring, but also requires large quantities of workforce that need to carry out basic as well as repetitive work, although it is technically easy, causing huge labor cost. If e-commerce platform is applied, all those basic and repetitive work can be done easily on the platform, thus simplifying the business process and reducing labor cost

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significantly. 2; While many shipping companies operate big-valued orders that have stricter and higher requirements upon timing and speed, e-commerce shipping platforms make online communication & transaction possible, improving efficiency and creating more business opportunities. 3; on an e-commerce shipping platform, communication can be made in real time, so customers' needs can be feedback to shipping companies promptly. Therefore, in this sense, it is helpful in improving service quality and building up a stable cooperation.

3. Key Functions of an E-commerce Shipping Platform

Although many platforms on current stage differ in types and structure, in essence, they all share something in common——common sharing of resources & information, a more simplified transaction process and ever-improving services being what all these platforms pursue. To put short, an e-commerce shipping platform is an integrated utility of information, transaction, and services.

3.1 Platform of Information

Supported by a powerful internet, e-commerce shipping platforms are capable of collecting any information related to shipping industry, and, through artificial filtering, compilation and re-classification, these information can be displayed on the platform and then shared among registered users. This has made it easier for shipping companies to look for their partners, secure a contract and better understand the business. All these related information can be classified into below two categories:

3.1.1 Administrative Information

This information are mostly published by government bodies like the Bureau of maritime affairs or the Port Authority, as regulative guidelines, even impacting future development of shipping industry at times. In this way, shipping companies can promptly adjust their strategies accordingly.

3.1.2 Business Information

Obviously, this information are about latest development in the industry or latest news, and information related to influential transactions. The advantage of e-commerce platforms in displaying this information is that all these information are of the latest. In a market getting more and more competitive, whoever holds critical information and resources wins.

3.2 Platform of Transaction

E-commerce shipping platform supports online transaction, playing the role as a middleman or arbitrator. Due to the authority of such a platform, most transactions are made with little difficulty. Compared to traditional face-to face transactions, the so-called B2B new model makes transactions faster and more efficient without being affected by time or distance. Besides, because many platforms provide guarantee services, customers should have no worry that their shipment or cash may go missing. What's more, dedicated to better services, many platforms have made a couple of options available in regards to how a transaction is to be done, for example, there are business negotiations, contract signing online, and others.

3.3 Platform of Services

As more and more such platforms are being built up, areas that management and maintenance covers are also extended from purely technical support to areas of technical support, services and management combined. There are three kinds of services that e-commerce shipping platforms provide: the first is business services, which are about transactions or latest developments in the industry, as well as inquiry service regarding vessel-lines and shipping-time. All these business information is sharable among registered users. Second is administrative services. Because there are procedures that have to be approved by government bodies, in the past, people of specialty are deployed by shipping companies to relevant government bodies to apply for a government approval. But now, this can be done online. The third kind of service is financial, which provide loans, mortgages and payment service.

4. Nature of E-commerce Shipping Platforms

4.1 Platforms Sponsored by Shipping Companies

Companies mentioned here are mainly owners of vessels or containers, and platforms in this category can again be divided into two groups. One is developed by shipping company itself for business operation online; examples are Panalpina and COSCO shipping. Their business area covers online booking, vessel date inquiry, shipment tracking, and import & export documentation and bill of lading claim. Characteristics of the services are transparent prices, guaranteed vessel availability, standardized operational procedures. These shipping companies' direct-sale style platforms have been making full use of

their own resources to get closer with shipment owners and small-to-medium sized forwarding agents, creating better and better customer experiences.

4.2 Platforms Sponsored by Logistics & Forwarder Agent Companies

It's always the case that top-level forwarding agents can, with their better services and superior goods-collecting capability, secure more competitive prices from shipping lines. There's always a pre-signed agreement between a top-level forwarding agent and a shipping line that guarantees the availability of vessels and competitive prices. So, platforms of this category are more powerful, covering nearly all areas. On the one hand, it is in challenging a new environment in which information is getting more and more transparent that logistics & forwarding agent companies attempt to build up such platforms which are often considered as a measure of upgrading. On the other, such platforms can also be interpreted as a venture made by big and powerful enterprises beyond their traditional field. These platforms are yet another new direction of development.

4.3 Platforms Sponsored by Internet Companies

Due to the potential of shipping business and its high-valued transactions, some Internet companies are attracted into the field to build up their own platforms. Such platforms rely heavily on mother company's web-related technological capacity, and, if compared with former two types of platforms, this type of platforms share much more abundant and comprehensive information of all kinds, besides some online transaction service. But professionally, this type of platform is less powerful than the former two. The good news is that, thanks to the latest development of big-data technology, Internet companies can better support their platforms in technical ways like using integrated technology and data-analysis.

5. Perceived Issues in the Running of Current E-commerce Shipping Platforms

Although more and more shipping companies are getting focused on the development of e-commerce shipping, platforms are still currently plagued with many concerning issues. 1. The operation of vessel-shipping business is still confined within the traditional thinking, contradicting actual needs on platforms and a constantly changing Internet environment. 2. Lack of price transparency on platforms, causing forwarding agent companies quoting different prices for the same shipping line and higher prices quoted online than offline. When the latter phenomenon

happens, customers will no longer have any willingness to book vessel and do any other transaction online. 3. The percentage of customers who make payment online is low. A lot more customers simply use its inquiry function and the worst case is that some platforms don't even support online payment.

6. Suggestions & Proposals for the Optimization and Improvement of E-Commerce Shipping Platforms in the Context of "Internet Plus"

6.1 Common Sharing Of Information Is the Foundation for the Growth of E-Commerce Shipping Platforms

It is also a distinctive characteristic of such platforms integrating the Internet plus shipping, producing more valuable information for reference. It's worth noting that, thanks to the developing Internet networking, there have been rampant huge abundances of all sorts of shipping-related information on such platforms flooding in, rendering it difficult for shipping companies to distinguish truly valuable information from fake one. To tackle the issue, we need to concentrate more on the filtering, selection and re-compilation of information to make it easier for shipping companies to get their needed information as fast as possible. On the other hand, it is also suggested that such platforms invest more in cooperating with Customs and Border and Immigration Agency, where most relevant information comes from.

6.2 Accelerate the Construction of Security System and Standardization System via Technological Methods

Due to frequently high values and large quantities of goods that go on transaction in the shipping business, how to well protect the security of goods and payment becomes a common concern for businessmen and the platform itself. It's undeniable that, although most platforms have their edges on service qualities, they are falling far behind in terms of security protection. So it is strongly recommended that, in the following stage, more work should be done the management of security by upgrading the level of network security and strengthening present protective measures. Only by improving the network security environment, can we earnestly begin to win the approvals of shipping companies. From another perspective, this is also an effective measure to win over more customers and more orders. The other field where more work is required is standardization. More and more such platforms are

being set up and operated with their own set of standards which differ from each other's, which makes the common of information and regulation harder. To solve the problem, a set of commonly respected standards are expected to be drafted up for all platforms to observe.

6.3 Play Government Roles in Supervision & Regulation and Guidance

The shipping business is widely considered a pillar industry in China, involving the transportation of fundamental commodities and goods, upon which national economy and people's livelihood are dependent. So in this regard, supervision and regulations by the government becomes a necessity. Governmental engagement in terms of supervision and regulatory measures, can not only help the industry as a whole develop in a healthy path, but also speed up the establishment of corresponding policies and regulatory laws. Finally, owners or the managing authority of such a platform also has a duty to be cooperative and assist in receiving governmental supervision or regulations, like, for example, by providing Customs and Board & Immigration Agency access to its database. Not only can this manner and attitude help build up a positive relationship between governing bodies and platforms themselves, but also creates an environment that is beneficial to the healthy development of e-commerce shipping platforms

7. Conclusion

As the "Internet Plus traditional industries" is becoming more and more of a mainstream business model for the development of some national pillar industries especially the shipping industry, we surely should embrace and utilize the so-called "Internet Plus" based technologies, to push

forward the development of shipping industry. Although on the current stage, businesses on domestic e-commerce shipping platforms are growing into sizes of some significance and multiple models have been deployed, in practice, they still come with shortcomings and defects like, security problems and the lack of universally applicable standards, which are hindering the healthy growth of e-commerce shipping platforms. In the future, my suggestion is that a lot more extra work is needed to be done, technically, on the management level, and in the drawing up of new policies and regulatory measures, specifically for the creation of a healthy and positive environment, in which e-commerce shipping platforms can develop fast and grow into a momentum that drives the upgrading and transformation of the entire shipping industry.

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