



**STUDY ON TRANSPORTATION BUSINESS DEVELOPMENT OF  
HITPOUND INTERNATIONAL LOGISTICS COMPANY IN  
CROSS-BORDER E-COMMERCE ENVIRONMENT**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF  
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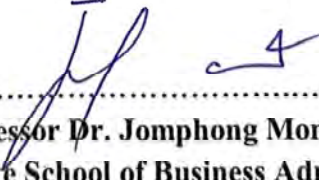
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This Independent Study has been Approved as a Partial Fulfillment of the Requirement  
of International Master of Business Administration in International  
Business Management

Advisor.....

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Date: .....23/7/2023

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## Declaration

*I, Zhang Hongwei, hereby certify that the work embodied in this independent study entitled "STUDY ON TRANSPORTATION BUSINESS DEVELOPMENT OF HITPOUND INTERNATIONAL LOGISTICS COMPANY IN CROSS-BORDER E-COMMERCE ENVIRONMENT" is result of original research and has not been submitted for a higher degree to any other university or institution.*

张宏伟

(Zhang Hongwei)

May 3, 2023




**Title:** Study on Transportation Business Development of Hitpound International Logistics Company in Cross-Border E-Commerce Environment

**By:** Zhang Hongwei

**Degree:** Master of Business Administration

**Major:** International Business Management

**Advisor:** .....

  
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### ABSTRACT

Against the backdrop of the information revolution, cross-border e-commerce provides new technical support and growth models for the further development of international trade, and at the same time presents new opportunities and challenges for small and medium-sized cross-border e-commerce enterprises in China, in terms of management innovation, the transformation of business models and channels, and the optimization of business processes. In view of this, it is worthwhile to analyse and study the operation and strategies of small and medium-sized cross-border e-commerce enterprises. The objective of the study is 1). to analyze the company's development environment in the field of cross-border e-commerce logistics. 2). to identify the company's development problems in the current environment. 3). to determine the strategies that can be used to solve the development problems.

This study used documentary method. Based on the theory of cross-border e-commerce and using traditional strategic management theories as a tool, this paper presents a case study of a cross-border e-commerce enterprise, focusing on the theme of "Research on the development strategy of cross-border e-commerce enterprise HITPOUND. Based on the PEST and SWOT models, the external environment and internal conditions, the competitive advantages and disadvantages, and the opportunities and challenges faced by the cross-border e-commerce company are analyzed, and a suitable development strategy for the cross-border e-commerce company is proposed to standardize business processes, improve the company's performance, and achieve a higher market share, thereby enhancing its core competitiveness. The study argues that the study argues that Company HITPOUND needs to continue to strengthen the expansion and exploration of its three main segments, namely logistics, merchandise, and IT systems, and to make these three areas its core competencies to become a leader in the industry.

**Keywords:** cross-border electronic commerce, cross-border logistics, PEST analysis, SWOT theory

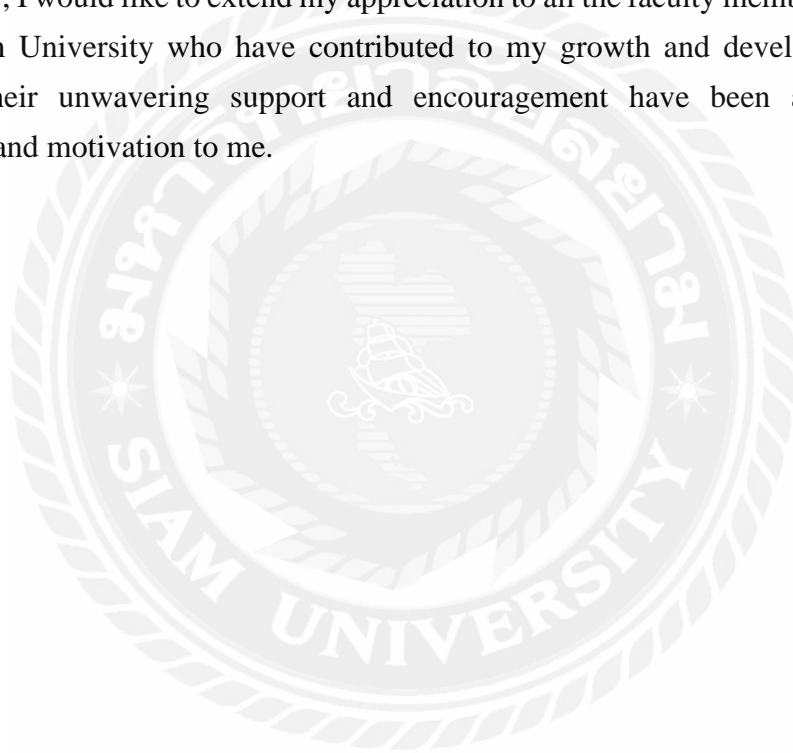


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# **1. Introduction**

## **1.1 Background of the study**

Since entering the new century, China's e-commerce industry has fully unleashed growth, domestic e-commerce from scratch, and now several major e-commerce platforms have developed into tens of billions, hundreds of billions of emerging enterprises, and online shopping has fundamentally changed people's current consumption concepts and habits, in the rapid development of domestic e-commerce at the same time, the development of small and medium-sized enterprises and other issues have also been widely concerned about the community (Bai, 2015). In the rapid development of domestic e-commerce, issues such as the development of small and medium-sized enterprises have also received wide attention from society. In the context of the e-commerce industry becoming a strategic new industry, online transactions go beyond the borders and dock with the world's e-commerce network to form a new form of foreign trade - online foreign trade, which is the cross-border e-commerce industry referred to in this paper, has also become the next big trend of development as a matter of course (Wu, 2015).

The e-commerce industry is undergoing a huge transformation, and at the same time, e-commerce has also made the entire traditional economy undergo radical changes. The new e-commerce trading platform already has powerful integration functions, which not only transfer the traditional overseas promotion, transaction support, logistics and transportation, after-sales service, credit management, customer service, and many other links to the Internet but also make use of the special advantages of the Internet to improve these links and make them more humane and convenient from the perspective of enhancing customer experience (Dong, Liu, & Sang, 2015). It is this comprehensive advantage of cross-border e-commerce that has enabled it to emerge as a bright spot.

## **1.2 Problems of the Study**

From the viewpoint of China's economic development in recent years, especially after the financial crisis in 2008, the traditional foreign trade model has been affected by the global financial crisis and continues to be in the doldrums, with no sign of recovery, which has a huge impact on China, a "world factory" that relies on exports (Guo, 2016). Many domestic small and medium-sized manufacturing enterprises, due to relatively fixed customers, closed buyer demand, long order cycle, high exchange rate risk, and seriously low-profit margins, all these unfavorable conditions have

erupted during the financial crisis, and many small manufacturing enterprises in Guangdong, Zhejiang, and other places have closed, causing a major impact on economic development and labor employment (Du, 2010).

In contrast, the volume of foreign transactions under the cross-border e-commerce model has been growing rapidly, and some data show that in 2010, most foreign purchasing traders had already tried to purchase the goods they needed through cross-border e-commerce (Government China, 2016). The adoption of this new online procurement method has greatly reduced the procurement cost of buyers and improved communication efficiency (Li, 2013). Of course, this new procurement method, due to its convenience, also makes the traditional large orders gradually develop in the direction of small orders, multi-frequency, and customization.

### **1.3 Objective of the Study**

1.To analyze the company's development environment in the field of cross-border e-commerce logistics.

2.To identify the company's development problems in the current environment.

3.To determine the strategies that can be used to solve the development problems.

### **1.4 Scop of the Study**

Based on the cross-border e-commerce theory, this paper uses the traditional strategic management theory analysis method as a tool to carry out a case study of HITPOUND cross-border e-commerce company. The competitive advantages and disadvantages of the enterprise, the opportunities and challenges it faces are analyzed and summarized, to formulate a development strategy suitable for HITPOUND cross-border e-commerce enterprises.

### **1.5 Significance of the Study**

The significance of this paper is to conduct some research on the environment and trends of cross-border e-commerce business development and to study what opportunities and challenges this change will bring to express logistics enterprises, and what strategies our express logistics enterprises should adopt to cope with these opportunities and challenges. As the leader of the domestic express logistics industry, Postal Express Logistics must give full play to its advantages, understand the market situation and development dynamics, recognize its strengths and weaknesses, seize the opportunity to formulate development strategies to adapt to the new situation and



build up its competitive advantages under the rapid development of cross-border e-commerce, itobe invincible in the future competition of the world express logistics market.

## **2. Literatures Review**

### **2.1 Past Research**

Boyson, Csorisi, Dresner and Rabinovich (1999) report pointed out that "the important form of cross-border logistics distribution is the logistics distribution of third-party enterprises. How to effectively supervise and monitor the transnational logistics distribution of third-party enterprises is crucial for the rapid development of cross-border e-commerce".

Domestic cross-border import transaction e-commerce survey, Wang, Wang and Liu (2013) pointed out that " the vigorous development of domestic cross-border e-commerce, is standing on the cornerstone of China's traditional transnational international trade, and the support of government departments has promoted the development of transnational e-commerce. However, it is also faced with the shortage of comprehensive personnel, electronic payment risks, the logistics service industry needs to flourish, and other major aspects of the practical questions ". According to the analysis of case data, Yang and Yu (2014) pointed out that " if domestic cross-border e-commerce is widely applied, appropriate third-party channels must be selected to be effectively promoted. At the same time, improve the self-management level of foreign trade enterprises. The government should also improve legislation to create a good atmosphere for cross-border e-commerce, and actively encourage and guide the growth of foreign trade enterprises." Ji & Zhang (2015) research, "at present China's cross-border e-commerce overall scale is growing rapidly, small and medium-sized enterprises and commodity concentration, and logistics and trading related system, but there are still many challenges, such as transnational logistics development backward, infringement of foreign patents, the sun rebates, foreign exchange settlement, and other related practical issues need to improve, only perfect and progress, to ensure China's cross-border electricity order good vigorous development".

Cao, Li (2013), and others believe in the third-party logistics model of cross-border e-commerce that " logistics distribution is the key to cross-border e-commerce, which is also related to the improvement of the quality and value of cross-border e-commerce. Based on the analysis of the current development status of

China's logistics distribution mode, it is pointed out that the current logistics distribution construction system still needs to be improved, but the comprehensive management level is not strong, and the degree of information still needs to be improved. In the face of the above situation, he proposed that China will study a new management mode of transnational third-party Taobao, further improve the quality of service, and help multinational Taobao to further develop and grow." Xia (2014) analysis pointed out that " the current small multinational Taobao generally has foreign small bags, B2C foreign trade enterprises joint collection, international logistics enterprises warehouse collection and other forms. Therefore, in the selection of logistics mode, multinational Taobao e-commerce we western medicine fully consider the price, efficiency, seller in the country, and many other factors, compare the benefits of various logistics distribution forms, to hang the most suitable domestic small and medium-sized enterprises, save production costs, improve economic benefits ".

## 2.2 PEST Analysis

PEST analysis represents the four macro-environmental factors, namely Politics, Economics, Social and Technology, that affect the development of an enterprise. PEST analysis is to analyze these four external environmental factors of the industry where the enterprise is located, never grasp its macro development environment, and evaluate its impact on the enterprise's strategic objectives and formulation (Pei, Xue, Yang & Su, 2012).



Figure 1 PEST Analysis Mode

P stands for "Politics", for political and legal factors. The political environment refers to the political forces that have actual or potential impact on the business activities of the enterprise, while the legal environment refers to the local laws and regulations that affect the business activities of the enterprise. The political and legal environments are the foundation of business operations, which must be adjusted in response to changes in political and institutional (governmental) attitudes toward the business being conducted (Li, 2017). At the same time, the enterprise must carefully study the relevant policies and ideas of the target market, such as the country's relevant tax law, antitrust law, intellectual property law, labor protection law, etc., which can affect the operation and profitability of the industry in which the enterprise is located. E stands for "Economic", for economic environmental factors, including a country's economic system, industrial layout, resource situation, level of economic development and future economic trends (Lu, 2013). Economic factors determine a country's overall demand on a macro level and play a decisive role in business operations. In the process of strategy formulation and implementation, enterprises need to pay attention to and predict the national and international economic conditions. S stands for "Social", which refers to the social, cultural, and natural environment factors, including population size, age structure, ethnic structure, income level, consumption structure, consumption level, etc. Each country and region have its own social factors. Social factors vary greatly from country to country and region to region, and so do consumer behavioral characteristics. In the process of making and implementing strategic decisions, enterprises need to conform to the local social environment (Wang, Wang & Liu, 2013). T stands for "Technology", which is the factor of technological environment. Changes in the technological environment have a direct impact on the execution process and management style of a company. A company that operates with advanced technology will have a competitive advantage over a similar company that operates with outdated technology.

### **2.3 SWOT—CLPV Theory**

SWOT-CLPV Theory is a model based on the SWOT model with slight modifications. This analysis method is a way to analyze the reality of a company more objectively and accurately. The four factors S, W, O, and T interact with each other and have a great impact on the survival and development of the company (Mankiw, 2020). Under the interaction of the four factors, four different market environments

and strategic postures are created, namely, the advantageous posture with "Leverage" (L); the "Control" (C) market posture that affects the ability of the enterprise to play advantage market situation; Vulnerability (V) competitive situation, which reduces the strength of the company's superiority; and Problem (P) competitive situation, which is more dangerous due to the combination of external threats and internal disadvantages, the competitive situation, which reduces the strength of the firm's superiority.

#### SWOT-CLPV Comprehensive Adaptability Analysis

From the above analysis we can fully understand the four relationships between the internal strengths and weaknesses of the enterprise) the external opportunities and threats of the enterprise. This analysis is based on the four analytical concepts of leverage, inhibition, vulnerability, and problematic, and thus forms the basis of the whole SWOT analysis theory. The analysis must also be conducted in conjunction with various other technical tools, based on the collection of specific and actual internal and external environmental data and information, to first identify the various environmental factors or variables that exist and potentially exist internally and externally, and then, to formally enter this SWOT analysis process (Wu, 2015). Sometimes, a variable or factor in the environment is an opportunity for one company, while it poses a threat to another.

When using the four theoretical concepts of leverage (L), inhibition (C), vulnerability (V), and problematic (P) for SWOT analysis, one should be fully aware of the dynamic changes, the transformation of strengths and weaknesses, and the transformation of opportunities and threats (Ouyang, 2015). Because the loss of opportunity means the transformation of the environment from advantage to disadvantage & the absence of threat means the emergence of a certain favorable situation. the SWOT-CLPV analysis matrix better shows the inter-transformation relationship between these four factors SWOT-CLPV is more practical, clearer, and stronger compared with the SWOT model.

## **2.4 Adaptation of analytical methods**

It has been argued that many aspects of the above two traditional strategic analysis methods are no longer suitable for the needs of today's management practice in the context of the development of the information society, especially in the platform of Internet informationization. The main reason for this is that these two methods are dominated by the manufacturing industry and the cost orientation, and the assumption of the industrial structure is relatively fixed, with less consideration

given to the industrial change or the faster pace of industry renewal. The main reason is that both approaches are manufacturing and cost-oriented, assuming a relatively fixed industry structure and taking less account of rapid industrial change or renewal. The applicability of the analytical approach to the service sector, particularly in the context of e-trading platforms, is somewhat controversial.

(1) The nature of cross-border e-commerce is not different from traditional trade. Cross-border e-commerce in China is mainly divided into business-to-business (B2B) and business-to-consumer (B2C) trade modes (Mankiw, 2020). Under the B2B mode, enterprises mainly release information and place picture advertisements under the electronic information platform, but the actual transaction and customs clearance related processes are basically completed offline, and their sales are included in the customs statistics; under the B2C mode, Chinese enterprises directly face global consumers on the international e-commerce platform to carry out sales activities, and the logistics mainly adopts the methods of air parcels, postal service and express delivery, and the main body of its customs clearance is the postal service or express delivery company, and currently the main body is the postal service or express delivery company. In the B2C mode, Chinese enterprises sell directly to global consumers on international e-commerce platforms. Although there is a difference between cross-border B2B and B2C at the business operation level, the fundamental needs of enterprises have not changed with the industrial changes, so PEST and SWOT analysis tools can undoubtedly capture the essence of enterprise development through the complex appearance of industrial changes, accurately reveal the factors that are crucial to industrial competition, and identify those factors that are crucial to the industry and the enterprise itself. It can also identify those strategic innovations that will maximize the profitability of the industry and the enterprise itself. (2) The special feature of cross-border e-commerce lies in the mode of electronic trading platform. Electronic transactions have brought about a transformative impact on trade methods and approaches, but in essence, seeking survival and development in a fiercely competitive market, enhancing one's own value and building core competitiveness is the eternal theme of enterprise development, and the traditional model of competitive strategy focuses on the enhancement of the value of the enterprise itself, especially on the position of the enterprise in the market competition as well as the competitive environment with a deep understanding and awareness, and the ability to take full advantage of the various problems and issues existing in the environment. On the basis of making full use of the various problems existing in the environment and creating new opportunities, it determines the relationship between

the enterprise and the environment, which can provide a basis for e-commerce trade-oriented enterprises to formulate their development strategies, help them to determine their scope of operation, growth direction and business countermeasures, and reasonably mobilize the enterprise structure and allocate resources, so as to make the enterprises gain competitive advantages.

### **3. Research Methodology**

This study used documentary method. This study first makes a more comprehensive elaboration and analysis of the cross-border e-commerce industry in which HITPOUND is located and classifies two different business forms. Then it expounds the background and development process of HITPOUND company and extends the development problem that HITPOUND company is facing now, which is the problem to be solved after the strategic analysis in this paper.

Apply the PEST model to research and analyze the macro environment, competitive environment, external opportunities and challenges, and internal advantages and disadvantages of the market where HITPOUND is located. Strategic matching is carried out through the SWOT matrix, and based on this, HITPOUND's executable alternative strategies are formulated. Then further analyze the alternative strategies to determine the strategic planning of HITPOUND.

This paper focuses on the environment, reasons, trends, and characteristics of the rapid development of cross-border e-commerce business in China, as well as the far-reaching impact of its development on the courier and logistics industry. From these analyses, this paper chooses to use a documentary research methodology. The focus of this paper is on the advantages, disadvantages, opportunities, and threats of the postal courier and logistics companies in the new environment, and what development strategies they must make to adapt to the new environment.

It has been argued that many aspects of the above two traditional strategic analysis methods are no longer suitable for the needs of today's management practice in the context of the development of today's information society, especially in the context of the Internet information platform. The main reason for this is that all three approaches are manufacturing and cost-oriented and assume a relatively fixed industry structure, taking less account of industrial change or the rapid pace of industry renewal. There is some debate as to whether the analysis is applicable to services, particularly in the context of electronic trading platforms. (1) The nature of cross-border e-commerce is no different from traditional trade. Cross-border e-commerce in China is mainly divided into business-to-business (B2B) and business-to-consumer (B2C) trade



models. Under the B2B model, enterprises mainly publish information and advertise pictures on electronic information platforms, but the actual transactions and customs clearance processes are basically completed offline, and their sales are included in customs statistics. Most of them are not registered by customs. Although there are differences between cross-border B2B and B2C business operations, the fundamental needs of enterprises have not changed with the industrial changes, so PEST and SWOT analysis tools can undoubtedly capture the essence of enterprise development despite the complex industry changes, and can accurately reveal the factors that are crucial to industrial competition, as well as identify those factors that are most important for the industry and the enterprises themselves. It can also identify the strategic innovations that will have the greatest impact on the industry and on the profitability of the company itself. (2) The specificity of cross-border e-commerce lies in the electronic trading platform model. The traditional model of competitive strategy focuses on the enhancement of the value of the enterprise itself, especially with regard to the position of the enterprise in the market competition and the competitive environment. The traditional model of competitive strategy focuses on the enhancement of the enterprise's own value, especially with regard to the enterprise's position in the market competition and the competitive environment, and has a deep understanding and understanding of the enterprise's position in the market competition and the competitive environment, and determines the relationship between the enterprise and the environment on the basis of making full use of various problems in the environment and creating new opportunities.

## **4. Finding**

### **4.1 SWOT analysis**

Strengths: Hitpound International Logistics Company is a professional third-party transportation company that specializes in international goods transportation agency services. The company has a vast geographical network with more than 500 branches across 100 cities globally, covering every port city in the world. Hitpound has developed significantly in various shipping fields, including maritime transportation, aviation, railway, sea-air, and sea-rail combined transportation, and has a considerable market share in the Ningbo market. Hitpound International Logistics Company has strong technical strength and a robust network foundation. It can undertake aviation, shipping, multimodal transport services, and provide value-added services such as warehousing, storage, care, package, and

customs clearance. The company also has a complete system and software that allows customers to check the status of logistics development at any time. Hitpound has special advantages for regular flights from European and American countries and important flights from the Middle East, Southeast Asia, Africa, and the United States. The company has a significant price advantage due to its perennial cooperation with large enterprises and airlines worldwide.

**Weaknesses:** The container transportation business has become more competitive, leading to lower freight rates and reduced profits for foreign transportation agencies. Logistics enterprises rely on shipping companies, but with the lack of ship capacity, the bargaining power of logistics companies is weak. Shipping companies are now expanding their profit scope by offering overseas logistics agency services, competing with logistics companies for customers. Hitpound International Logistics Company specializes in sea-air transportation, with most of their offices located in port and airport areas. However, the shipping and aviation industries face obstacles, including intense price competition and direct engagement in logistics services, limiting overall growth for Hitpound.

**Opportunity:** China's modern logistics services are being built under a unified, fair, and effective legal system. The country has established a modern logistics distribution work intermenstrual meeting chaired by the National Development and Reform Commission to promote the growth of national logistics distribution services. With the deepening of China's market economy, rising GDP, improving quality of life, increasing disposable income, and development of the internet, more people are turning to online shopping. This shift in consumer behavior has led to the development of e-commerce and, in turn, has driven the growth of logistics services.

**Threat:** Because of the outbreak, As the Chinese government's policy on the international logistics agency industry is relaxed, It is equivalent to greatly reducing the market entry threshold for foreign logistics business, So more small and medium-sized international logistics agencies have sprung up one after another, At the same time, the demand for foreign logistics agencies is getting higher and higher, Both the need for good quality and cheap products, Also requires a high level of service, The company is to survive, We must also lower our product prices while increasing our business, So the market value of international logistics is also more and more close to the cost, So that some enterprises in order to achieve the amount of indicators, To disrupted the market economy.

## 4.2 PEST Analysis

**Political:** The government aims to create a new situation of high-level opening to the outside world, emphasizing the need to promote the upgrading of exports and the balanced development of trade. Policies to stabilize and improve export policies, accelerate customs clearance reform, and expand cross-border e-commerce pilot work are emphasized. The government has made great breakthroughs in cross-border e-commerce policies and pilot projects, showing its strong support for its development to drive high-level foreign trade exports. The government will continue to support cross-border e-commerce in various aspects, making it a good time for the vigorous development of this business.

**Economic:** China's economy has relied heavily on exports to maintain high growth rates for three decades, but the 2008 financial crisis caused a sharp decline in export volume and value. With China's internal consumption still developing, the economy faced great pressure. However, the demand for Chinese products still exists, and cross-border e-commerce has emerged as a new "export" model that benefits both producers and consumers. Since the financial crisis, the cross-border e-commerce industry has grown significantly, becoming a new engine to support export growth, with revenue exceeding 200 billion RMB in 2012.

**Social:** The development of cross-border e-commerce has changed people's consumption habits and behaviors, bringing the world closer and allowing for easier access to exotic goods. The lowered threshold for import/export trade has allowed more ordinary people to sell products globally, creating a low-cost and efficient international marketing channel that benefits SMEs and individuals. This has led to increased employment and social support for the cross-border e-commerce business model.

**Technology:** The development of e-commerce technology started in developed countries, but China's status as a major import and export country and the world's factory made it an ideal environment for e-commerce development. Domestic e-commerce rapidly developed in the new century with leading platforms like Taobao and Jindong, requiring complex technical systems to support the trading, payment, service, and logistics processes. Developed countries like the US and UK provided technical support for cross-border e-commerce, including large-scale trading platforms and reliable global payment systems. PEST analysis showed that China has favorable conditions for cross-border e-commerce development, and the challenge is to find the right strategy.

## **4.3 Result of Analysis**

### **4.3.1 Hitpound 's development problems**

Hitpound international logistics company as a traditional logistics representative enterprise, although the current enterprise management also entered the primary stage of more perfect, but as the international trade situation fade, the total volume, combined with other types of companies to join, cause the enterprise facing the competition is increasing, decreasing profitability, but the customer demand continues to increase, the enterprise benefit continues to rise. Difficulties encountered in business operation. The following results were obtained through the PEST analysis method in the 4C theory above and the SWOT analysis supported by the SWOT-CLPV theory. It is mainly reflected in:

#### **1. Lack of management mechanism of the international freight transport market**

Government departments have no systematic regulatory norms for the international logistics business, The continuous promulgation of various regulations makes the international logistics agency business fall into chaos, Each agency has formulated different policies and regulations according to its own actual needs, You can even formulate policies and regulations without conducting internal research, For example, the business tax with a value-added tax, Later, it was not suitable for the international logistics company operation and changed back, Another example is the transportation Bureau's weight restrictions, Leading up to a general strike on vehicles, This has led to Hitpound International Logistics Company's long run in a chaotic external environment, Various problems and contradictions will often appear in the process of operation.

#### **2. Fierce business competition, frequent vicious competition**

International freight forwarding business overall competition degree is relatively high, plus international freight forwarding industry operation is relatively simple, led to many properties does not belong to transportation agent company, such as shipping companies, airlines, foreign trade enterprises are involved in the international freight forwarding industry competition, between the companies for customers, has adopted a series of disorderly competition to suppress competitors, the main means and lower quotation, high commission, false invoice, pay overcharge, etc., seriously damaged the fair in the commercial competition. Under such vicious competition conditions, Hitpound International Logistics Company only adopts the passive low-price dumping strategy, and does not mean to carry out the development of logistics commodities with high added value and advanced performance.

#### **3. Monotonic service products, low customer satisfaction**

The main business of Hyder State International Logistics Company is the designated service of overseas branches, which is generally the so-called FOB service, which is directly booked to the shipping company, according to the instructions of overseas branches, to earn the booking fees and the value-added business fees of drag card, customs declaration, logistics, etc. The service mode is relatively simple. In addition, operators often carry out single repetitive work every day, the work content is boring and the mode is solidified, and the amount of work tasks is super large, resulting in often working overtime, resulting in the enterprise after-sales service awareness of customers, and even rely on the consignee or designated distribution enterprise, to the consignor.

#### **4.3.2 Strategies statement**

In order to find new profit growth points, and conform to the call of the country, Hitpound International Logistics Company must make corresponding changes.

##### **1. Build a cross-border e-commerce logistics platform.**

To successfully carry out the cross-border export package services in Yiwu, it is necessary to unify all imported cross-border warehouse services, and to establish a relatively complete cross-border e-commerce logistics system (Zeng, &Liu, 2002). For export package service, it must be docking the national postal savings bank of China yaoshan town branch and Yanwen logistics tracking system, the Hitpound international logistics company obtained package information and their system, so not only can facilitate to pay the freight with them, and the agent to pay the freight, also facilitate them to track their package. About the function of overseas warehouse, also need to establish a logistics platform, the logistics platform of the logistics platform needs to put the user purchase foreign products shopping platform and customs, commodity inspection platform, using this platform, the user's order data, transaction data and personal data accurate import to the customs platform, by cross-border electricity goods agency price information from the platform, then through the EDI way to the customs for customs, in the customs system to accept the data, and then check the data, if no problem, for release processing, if there is a problem, temporarily withholding goods, and the information will be immediately reflected to the cross-border electricity logistics platform, and after the cross-border electricity import logistics agency will be able to according to the above information to carry out the next step, or be directly sent to the recipient, or withholding goods waiting for customs examination and approval (Zhang, & Zhang, 2016). At present, we are using the international logistics management system, and the international logistics

company is a third-party enterprise, is the service platform designated by the General Administration of Customs, the system use has been good so far, and there has been no serious failure.

## 2. Product Strategy

Now Hitpound international logistics company in Yanwen city cross-border package quantity can do within five thousand a day, most sent to China, there are a few sent to Brazil, generally we can through China post Yanwen get the market price of 6.5 discount cost price, and then the basic to the market price of 7-fold and 7.5 discount price to sell to small and medium-sized enterprises (Ye, 2015). The advantage of the import and cross-border logistics policy is that the non-tax benefits they can get under certain circumstances are determined that the charges for overseas warehouses are charged by ticket. Multinational warehouse is the fixed cost of warehouse rent fees, warehouse rent fee is RMB 20 flat a month, plus the price of property fees, rent office, rent labor company labor price, combined with the above cost, combined with social competitors, hastate international logistics company currently multinational warehouse average charge level is about:

Current warehouse is the largest user of Tmall international, warehouse display is the most of each product each stage of infant milk powder, and many diapers, health products and drinks, etc., also belong to the unit price is lower, the demand of big goods, both proved the Hitpound state international logistics company the rationality of the international political cognition, and reflect from the side for the user requirements for overseas markets are different (Zhang, & Qin, 2016). The average daily order number of the warehouse is less than 5,000, but in various promotional holidays such as Double Eleven, the number of orders surges, and may even reach hundreds of thousands of orders per day, which is also a challenge for the work efficiency of the warehouse staff.

## 3. Service Optimization Strategy

Sea de state international logistics company is focused on optimizing their business in order to improve the quality of their services. They hope to differentiate themselves from traditional express product price wars and expand their international market while enhancing their company reputation. To ensure high-quality service, the company has implemented several measures. Firstly, they strictly control the qualification of their carton suppliers to guarantee that all products are packaged properly, and the quality of the carton affects consumers' purchase experiences. Secondly, they optimize their operation process by providing standard training for storage personnel, ensuring employees memorize SOPs and strictly enforcing quality



control measures. Thirdly, they optimize the disposal method of damaged goods and supervise the entire loading process with electronic video surveillance to protect the rights and interests of the warehouse and logistics enterprises. Finally, the company checks the KPIs of their cooperative logistics enterprises to evaluate their performance. The company also implements a KPI assessment system for all users, which includes several evaluation indexes such as connect single time, error packaging rate, and distribution customer service response. If any index is not met, the company will punish Hitpound International Logistics. Furthermore, the company conducts KPI evaluations for all enterprises and partners to improve service quality and user satisfaction. Overall, the company is committed to providing effective service to their customers through attention to detail and strict quality control measures.

## **5. Conclusion and Recommendation**

### **5.1 Conclusion**

After the analysis in the previous chapters, the development strategy of Hitpound has been clearly positioned - to expand its logistics business and product range through a horizontal integration strategy, to reduce the purchase price of commodities and logistics costs under the guidance of a cost leadership strategy, and to strengthen the construction of an IT system in order to reduce internal management costs. The implementation of the three levels of strategy can bring the following direct effects to Hitpound. First, it can improve the overall gross profit:

Firstly, it can increase the overall gross profit level, which includes two levels, one is the increase of gross profit due to the increase of overall sales volume, and the other is the increase of gross profit margin. Expansion of the assortment can lead to a significant increase in overall sales. With the implementation of the cost leadership strategy, Hitpound has been able to achieve competitive pricing in most of the product categories, which directly enables the newly developed products to be more readily accepted by the market. For the core categories, where Hitpound has a high market share, the cost leadership strategy can increase the profit margins while stabilizing the selling price. This will increase the level of profitability of the organization.

Secondly, to improve Hitpound's ability to raise capital. In addition to its existing sales business, Hitpound will build another core business, international logistics services, while implementing its horizontal integration strategy. This business will be realized in the form of an affiliated company, so that Hitpound will have two businesses as the main body of financing to satisfy the preferences of different

investors. On the other hand, with the rapid increase in revenue and profitability of Hitpound, it will further attract the attention of various investors, thus increasing the possibility of obtaining financing, and Hitpound's IT system will be harmonized with the international accounting standards in terms of financial processing in order to prepare for the future listing.

Thirdly, we will further develop the market for different types of products and make valuable "Made in China" products available to more people in different countries around the world. Consumer electronic products and electronic accessories are now the main categories of products of Hitpound. In Hitpound's strategic plan, the company is planning to develop a new product line of "Made in China" products. In Hitpound's strategic planning, the business unit system can bring a rich and high-quality product line, such as sporting goods, household products, automobile accessories and so on. Cost-effective prices, good quality, and excellent service will allow customers from all over the world to choose to buy "Made in China" products online.

## 5.2 Recommendation

At present, the global situation is changing too fast, and all enterprises need to innovate, otherwise it will soon be eliminated by this era, and the traditional logistics agency industry is also being challenged.

In the research process of this paper, we have reviewed a large number of relevant domestic and foreign literature, logistics industry information and logistics enterprise information, but because of the existence of limited information and personal level and other reasons, so this paper's research and case study is not particularly in-depth, there may be some content inside the article needs further research, in addition, due to the author's own limitations, so this paper's research is more biased towards theoretical analysis, in the empirical analysis of the research needs to be deepened further.

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