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Logistic Service Development of E-commerce

A case study of AliExpress - an online international trade platform in China

Paper within International Logistics and Supply Chain Management

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Abstract

Background: as a convergence of business activities and information technology, e-commerce has brought massive changes to the supply chain management. Today, many e-commerce companies choose to cooperate with third party logistic service providers to perform or improve their logistic services. Meanwhile, those e-commerce companies consistently affect the operational processes of their logistic service providers. This thesis focuses on the case of AliExpress, which is an e-commerce company that collaborates with third party logistics in terms of their transportation, warehousing, etc. The collaborations have evolved through time, and developed by three stages, each of which aims at having better logistic performances to generate more profits.

Aim and purpose: the aim of this research is to analyse the development of logistic services for e-commerce by partnering with third party logistic service providers in the setting of international trade. By studying the development, the benefits will be identified.

Method: the authors used inductive approach to fulfil the exploratory purposes. In order to gather primary data, the authors applied interviews. Company documents, journal papers, articles and books were collected as secondary data respectively.

Result and analysis: the authors obtained empirical findings from three interviews. In the findings, the authors depicted the process of logistic service development and comparisons between logistic service development benefits for e-commerce and sellers have been made. In terms of data analysis, the authors used the theoretical framework in conjunction with the findings to answer the research questions.

Conclusion: in the final chapter, the authors answered the research questions based on the analysis. The authors conclude that logistic service development for e-commerce has three stages which are: partner with 3PL, work towards channel collaboration and build an e-fulfilment strategy. The benefits of such development are equitable and shared for both e-commerce company and sellers.

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1 Introduction

The main task of the introductory chapter is to provide readers with a general background of e-commerce and logistic service. Furthermore, this chapter intends to show the problem discussion and clarify the research purpose and questions. Finally it will be followed by perspective and delimitation.

1.1 Background

The advent of the Internet has brought to supply chain management dramatic changes by introducing on-line transactions, which facilitates the increasing globalization and product variation which shortens the product life cycles (Amitava & Rahul, 2003). In order to stay competitive, companies are forced to re-examine and even reconstruct their supply chains to meet the increasing sophistication and massive diffusion of new technologies (Amitava & Rahul, 2003). The word "E-commerce" was created in order to describe Internet enabled chains, which indicates various business activities, such as electronic fund transfer (EFT), online marketing, online transactions and electronic data interchange (EDI), and other supply chain management related functions and activities (Ayo, Ayodele, Tolulope & Ekong, 2008). E-commerce has emerged as the convergence of business practices and information technologies (Ayo et al., 2008). It concerns systems related to networking, telecommunications, information retrieval, message handling and workflows (Ayo et al., 2008). When adopted under operation environment, e-commerce is able to establish Business-to-Business (B2B) and Business-to-Customer (B2C) models. Those applications will improve the performance of partner integration and collaboration in transactions (Chen & Su, 2011).

Third party logistics (3PL) has also evolved of both the business forms and styles since its first advent. 3PL implies both logistics and supply chain management services (Joel, et al., 2008). And it is considered to be an on-going trend for companies to a 3PL (Cho, Ozment & Sink, 2008). The 3PL industry is strongly influenced by user demands and increasing globalization (Lieb, 2005). It is widely acknowledged that today's 3PL has become more collaborative than ever, however, those 3PL companies are becoming more fastidious in selecting their operating partners. Small and medium customers are having a hard time finding 3PL to operate their logistic services (Lieb, 2005). Therefore, changes are taking place in those companies in terms of the relationships and collaborative operations.

Both e-commerce and 3PL have been through changes and challenges over history. It should be noted that the on-going upswing in e-commerce activity is continually having significant effects on 3PL distribution network processes, according to a new report from global real estate firm Jones Lang LaSalle (JLL) (Berman, 2012). Since e-commerce shipments require a new infrastructure to be in charge of the sustainable online business, 3PL is an appropriate option for those e-commerce companies to outsource their logistic services to. This in turn creates a lot of opportunities and stimulates the development for 3PL companies (Cho et al., 2008). The collaboration generates various issues, such as cost-saving and inventory management, however, it creates profits and business opportunities for both sides as well.

1.2 Problem discussion

It is common to see the development of business models such as e-commerce and integrated supply chain activities help firms significantly cut logistics and administrative costs with the help of advanced Internet and inter-organization information systems (Kim, OwT & Junc, 2008). Competition and business paradigms have been changed from products to customers, business transactions to business relationships, information to knowledge, enterprise to extended enterprise and network focus amongst others (Kim, et al., 2008). Given this developing e-ecosystem, the competition does not simply stay in the stage where it is one company versus another company but rather one supply chain versus another supply chain (Kim, et al., 2008). Wang and Sang (2005) also mentioned that an enterprise can survive for a long time only if its whole supply chain can keep highly competitive (Wang & Sang, 2005). In the era of the web enabled business to business (B2B) and business to consumer (B2C) market, supply chain management and logistics service have become increasingly crucial to firms that are involved in the e-commerce activities.

In e-commerce, firms are interrelated and connected to form a larger supply chain network where four flows exist: flow of goods, flow of information, flow of financing, and flow of trading. One notable characteristic of e-commerce is the integration of these four flows (Wang & Sang, 2005). However, these four flows are running in different velocities, where the velocity of goods flow is much slower than that of the other three and it has been the bottleneck of the supply chain (Wang & Sang, 2005). However, the logistical problems faced in e-commerce are very different compared with those tackled in offline channels (Ghezzi, et al., 2012). E-commerce shipments require a whole new distribution frame in order to handle the online businesses (Cho, et al., 2008). In this situation, third- party logistics (3PL) service providers are often being selected to take charge of the logistics design, delivery, storage and transportation by utilizing their professional and complete value-added services (Wang & Sang, 2005; Cho, et al., 2008). Thus, 3PL's logistics service efficiency ultimately determined the efficiency of the supply chain (Wang & Sang, 2005). As mentioned by Wang and Sang (2005), *"All of these bring several new requirements both on the 3PL's service and on its logistics business process"* (Wang & Sang, 2005, p. 431).

In addition, many researches have shown that the success of e-commerce is closely related to the effectiveness and efficiency of its fulfilment strategy and distribution network. Jeff Bezos, the founder and CEO of Amazon.com, Inc. said that *"The logistics and the customer service – the non-glamorous parts of the business – are the biggest problem with e-commerce. A lot of these companies that are coming online spend all their money and effort building a beautiful Web site and then they can't get the stuff to the customer"* (US News & World Report, 1999). Richer and Kalakota (1999) stated that the success or failure of a company's online business is based on the efficiency of their fulfilment strategy (Richer & Kalakota, 1999). Cho, Ozment and Sink have proved that there is a positive relationship between the strength of a firm's internal logistics capability and its performance in the e-commerce market in their research (Cho, et al., 2008). Ramanathan (2010) stated that the ability of a firm to attract and retain customers is vital to its success while Lee and Whang (2001) claimed in their research that the effectiveness of order fulfilment is an important determinant of customer satisfaction and retention for online businesses (Ramanathan, 2010; Lee & Whang, 2001). The effective

and efficient transaction of goods is critical for e-commerce logistics (1999, 2000, cited in Cho, et al., 2008).

In this thesis, the authors are working with AliExpress, which is a subsidiary of Alibaba Group. As described on its official website, *"Launched in 2010, AliExpress (www.aliexpress.com) is a leading global e-commerce marketplace made up of small business sellers that offer a wide variety of consumer products at great prices. With more than 50 million products in over 40 major product categories as of March 2013, AliExpress is dedicated to bringing unique products to its 3.6 million registered buyers in more than 200 countries and regions"* (Alibaba Group, 2013).

Through researches of previous literatures, little information was found regarding the logistic service development for e-commerce and its benefits. Literatures only concerns part of e-commerce and logistics such as e-commerce development, logistic service in e-commerce, and relationship between e-commerce and 3PL etc. There is a lack of systematic research regarding how logistic service develops for e-commerce from the right beginning and the benefits such development brings to e-commerce. Therefore, the authors aim to investigate AliExpress's logistics service development and the benefits it brings in this thesis. By studying this case, the following research questions have been developed.

1.3 Research questions

RQ1: How do logistic services develop over time for international e-commerce?

RQ2: What are the benefits of such development to international e-commerce?

1.4 Purpose

The purpose of this thesis is to study and analyse how logistic services for e-commerce have developed by a company partnering with 3PL service providers in an international trade setting. Furthermore, the authors aim to investigate the benefits of such development to e-commerce.

1.5 Perspective

In this thesis, there are two perspectives that are taken into account for the research. For the first part of the purpose, in order to explore the development of logistic services for international e-commerce, the perspective of e-commerce company has been chosen. It is because the e-commerce company is in a leading position for the logistic service development in cooperation with 3PLs. When it comes to the second part of the purpose, the perspective of e-commerce company and sellers has been chosen to explore what benefits such development has brought to their e-business.

1.6 Delimitation

The authors have chosen to limit the research to an e-commerce industry that focus on export from China within both the B2B and B2C market. In addition, the authors further restrict the logistics service provider to third party logistics (3PL) that operate internationally.

1.7 Disposition of the thesis

This master thesis is composed by 6 chapters and each chapter will be briefly introduced as following.

Chapter 1 – Introduction narrows down the topic, and represents a brief background of the related field. Problem raised from the background will be discussed, followed by research questions and purposes.

Chapter 2 – Literature review provides the definitions and concepts related to e-commerce, third-party logistics and supply chain management. Important models are illustrated in this part.

Chapter 3 – Methodology represents research approaches, research purposes and research strategies respectively. Furthermore, data collection techniques are discussed, along with limitations and credibility.

Chapter 4 – Empirical findings represents the information and data collected from both primary and secondary sources, include the case background, description of logistic services development and benefits related to the development.

Chapter 5 – Analysis intends to analyse the empirical data collected from three interviews. The authors intend to use the theoretical framework that established in literature reviews to structure the analysis. The purpose of this chapter is to answer the research questions.

Chapter 6 – Conclusion summarises the research results and demonstrate the answers of the two research questions.

2 Literature Review

In this chapter, previous theories and models regarding e-commerce, 3PL, logistics and supply chain management, organizational learning, and relational benefits are presented. The authors of this thesis intend to demonstrate the previous literatures and use such knowledge to form the theoretical framework for later analysis.

2.1 E-commerce

2.1.1 The concept of e-commerce

The highly advanced technology that appears in the Internet nowadays is amazing and the rapidity of its acceptance is remarkable. It is such a powerful tool that has changed how firms conduct businesses since it provides unlimited options and opportunities for both companies and customers (Markellou, Rigou & Sirmakessis, 2006). The rapid development and adoption of Internet has introduced the concept of "electronic commerce" or "electronic business" to market transactions (Cho, et al., 2008). E-commerce can be defined from four perspectives according to Kalakota and Whinston (1997):

- "*Communication perspective- e-commerce is the deliverer of information, products/services or payments over telephone lines, computer networks or any other electronic means;*
- *Business process perspective- e-commerce is the application of technology towards the automation of business transactions and work flows;*
- *Service perspective- e-commerce is a tool that addresses the desire of firms, consumers and management to cut service costs while improving the quality of goods and increasing the speed of service delivery;*
- *Online perspective- e-commerce provides the capacity to buy and sell products and information on the Internet as well as other online services*" (cited in Gunasekaran, Marri, McGaughey & Nebhwani, 2002).

E-commerce refers to the transaction of goods and services through electronic communications (Tian & Stewart, 2006). It involves trading goods and services within an electronic marketplace as well as servicing customers, collaborating with business partners, and conducting electronic transactions within an organization (Toland, 2006). There are two basic type of e-commerce: business-to-business (B2B) and business-to-consumer (B2C). B2B e-commerce refers to the sale of products and/or services, or information exchange among two or more businesses through electronic technology, usually with the use of Internet, in a public or private exchange (Mockler, Dologite & Gartenfeld, 2006). In B2C, companies sell products and services directly to consumers. Even though general public is more familiar with B2C, B2B is the form that in fact dominates e-commerce in terms of revenue (Tian & Stewart, 2006).

E-commerce was once treated as an expressway to wealth, however it has actually changed the way people conduct business (Tian & Stewart, 2006). It is noticeable that one of the most distinctive characteristics between e-commerce and traditional media relates to the relatively easier global market reach that is enabled on Internet. The advance technologies of Internet fostered direct, fast and flexible communication between producers, suppliers, and customers across countries (Egea & Menández, 2006). Moreover, e-commerce has the potential advantage of lower costs, higher efficiency, and unlimited reach which leads firms and organizations making great efforts to exploit elec-

tronic channels to reach customers and create new business opportunities (Su & Chuang, 2011; Lepouras & Vassilakis, 2006)

2.1.2 E-commerce order fulfilment

Chen and Chang (2003) have presented a descriptive model of online shopping process as shown below:

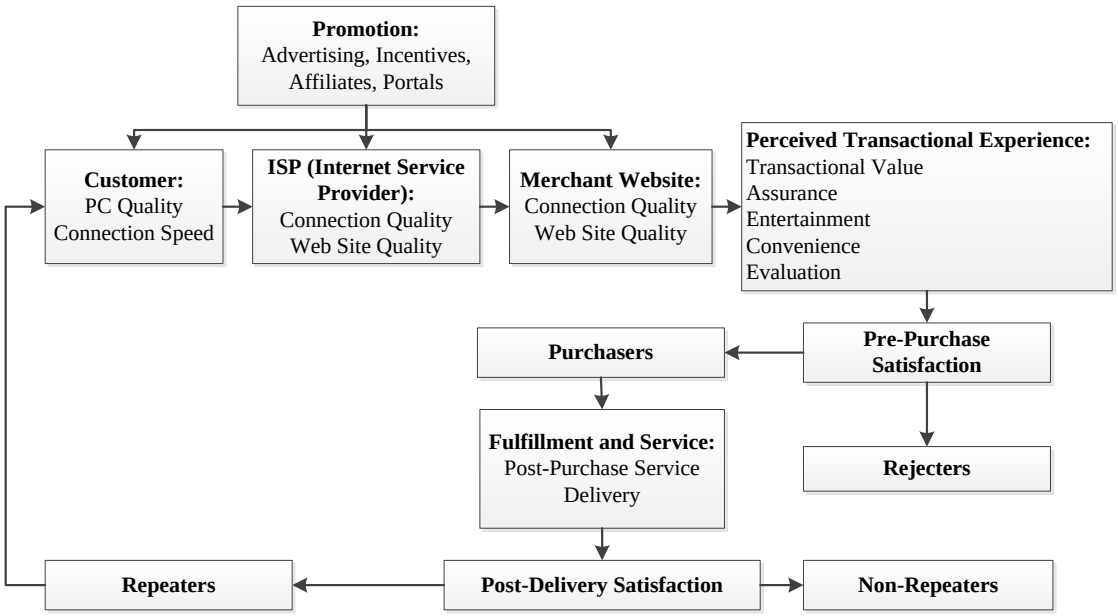

Figure 1, The descriptive model of online shopping process (Chen & Chang, 2003)

As we can see from figure 1 that once a potential customer became a purchaser, the order fulfilment and service will ultimately affect his/her post-purchase satisfaction, which in turn determine whether the customer will come back again or not. In this thesis, the authors are focusing on the logistic collaboration that takes place at the order fulfilment stage. The concept "e-fulfilment" which refers to e-commerce order fulfilment is introduced here.

Agatz, Fleischmann and Nunen (2008) define e-fulfilment as the collection of purchasing, warehousing, delivery and sales.

Figure 2, e-fulfilment process (Agatz, et al., 2008)

- Purchasing: refers to all supply processes, i.e. ordering of final products;
- Warehousing: refers to the storage and handling function;
- Delivery: refers to activities that physically move the product to the customer;
- Sales: refers to all processes that directly interface with customer demand, e.g. pricing, order forecasting (Agatz, et al., 2008).

Moreover, Agatz et al. (2008) have identified several issues within e-fulfilment as shown in table 1.

		E-fulfilment
Sales and delivery planning	Delivery service design	Last-mile service, delivery time windows, return options
	Forecasting and pricing	Delivery fees, dynamic pricing, cross selling, lead-time quoting
	Order promising and revenue management	Delivery yield management, cost and revenue based segmentation
	Transportation planning	Routing for home delivery, dynamic routing
Supply management	Distribution network design	Inventory location, drop shipping
	Warehouse design	Degree of automation, warehouse layout, return handling
	Inventory and capacity management	Safety stocks, integration with demand management, inventory rationing, integration of returns, staffing level

Figure 3, Issues in e-fulfilment (Agatz, et al., 2008)

The issues that have been identified above were originally in a multi-channel distribution setting. However the case in this thesis can still fit in this scenario since AliExpress is composed by a lot of small sellers with both B2B and B2C businesses that complicated the e-fulfilment process. These issues are most likely to be present in e-fulfilment practices and e-commerce companies needs to deal with some if not all of them. In order to conduct excellent e-fulfilment to increase the post-delivery satisfaction, some requirements in the operational aspect should be classified. According to Tarn, Razi, Wen and Perez Jr (2003), three key operational areas have been identified for e-fulfilment based on the nature of e-business.

- *"Fulfilment centre: an e-fulfilment operation including e-fulfilment processes and their components consists of slotting (storage), picking, sorting, packaging and delivery processes.*
- *Infostructure: is defined as the collaborative network capable of processing Internet orders and exchanging information via LAN/WAN across multi-platform information systems of business partners. Data capture and supply chain application systems are integral part of the infostructure.*
- *Reverse logistics: an e-fulfilment operation's job is not over with the picking and shipping of products to the customer"* (Tarn, et al., 2003)

It is vital to understand that the fulfilment centre and infrastructure must be supported by a robust and reliable warehouse management system (WMS) (Tarn, et al., 2003). Moreover, real-time information exchange including the ability to track shipped product on 3PL partners' systems can be achieved with a comprehensive system consisting of WMS, enterprise resource planning (ERP) and supply chain management (SCM) (Tarn, et al., 2003). However, an over costly e-fulfilment process with such heavy investment will drop the profit substantially, and the excessive e-fulfilment costs will increase the maintenance price in the fu-

ture as well (Lummus & Vokurka, 2002). Thus e-commerce companies should evaluate the following e-fulfilment options before making any huge investments:

- *"Distribute from an existing distribution centre*
- *Acquire a dedicated e-fulfilment centre*
- *Use a third-party e-fulfilment service provider*
- *Ship direct from the supplier to the customer*
- *Pick and ship from existing retail stores*
- *Ship to a local store or central pickup point"* (Lummus & Vokurka, 2002)

2.2 Third-party logistics (3PL)

2.2.1 Concept of 3PL

Taking a broad view, Coyle, Bardi, & Langley Jr. (1996) defined 3PL as an external organization performs part of or all of the logistics functions of a company. Similarly, Lieb (1992, p.29) defines 3PL as "the use of external companies to perform logistics functions that have traditionally been performed within an organization". Laarhoven, Berglund, & Peters (2000) view 3PL as contract-based activities performed by logistic service providers including the management of transportation and warehousing.

Other definitions have been focusing on the distinctive functions and organizational features of the relationships between 3PL and the company. Bagchi and Virum (1998) define 3PL as a logistic alliance tights the connection between customers and providers, and fulfils several logistic needs. Bask & Anu (2001) also suggests that besides the fulfilment of logistic needs, business-to-business relationships should also be included in 3PL's main focuses.

2.2.2 3PL services

Different 3PL providers have their different categorization standards in terms of 3PL services they offer. According to Khurana (2012), there are four types of 3PL logistic services. A full service 3PL should include supply chain management, warehousing, consolidation service and order fulfilment:

Supply chain management: Khurana (2012) indicates that *"A well-oiled supply chain is at the heart of a successful ecommerce business. So if your inbound freight delivery requirements are taken care of, then the 3PL has done a good job".*

Warehousing: In this case, 3PL will specifically focus on the warehousing requirements. The investment stresses on space and technology management, in order to run a warehouse efficiently and effectively. Cost-efficiency is also included in some circumstances.

Consolidation service: E-commerce merchants often meet the situation where various small products should be sent to the same location. This is the situation when consolidation should be applied. Small goods can be consolidated into one shipment to save the shipping cost. As Khurana (2012) has referred, *"A service provider sending several small packages as one large package is referred to as a consolidation service, also known as freight consolidation or cargo consolidation. It is one of the many services provided by a third party logistics provider".*

Order fulfilment: The main task of e-commerce business is actually the fulfilment of the order. 3PL in this case should provide services that enable the products to reach the cus-

tomers on the right time, in good condition and at the right place. Order fulfilment is critical when evaluating the 3PL performances.

Vaidyanathan (2005) categorized 3PL services into four groups. Apart from Khurana, he indicates that there are four groups of 3PL services, which are inventory and logistics management, customer service, warehousing and transportation.

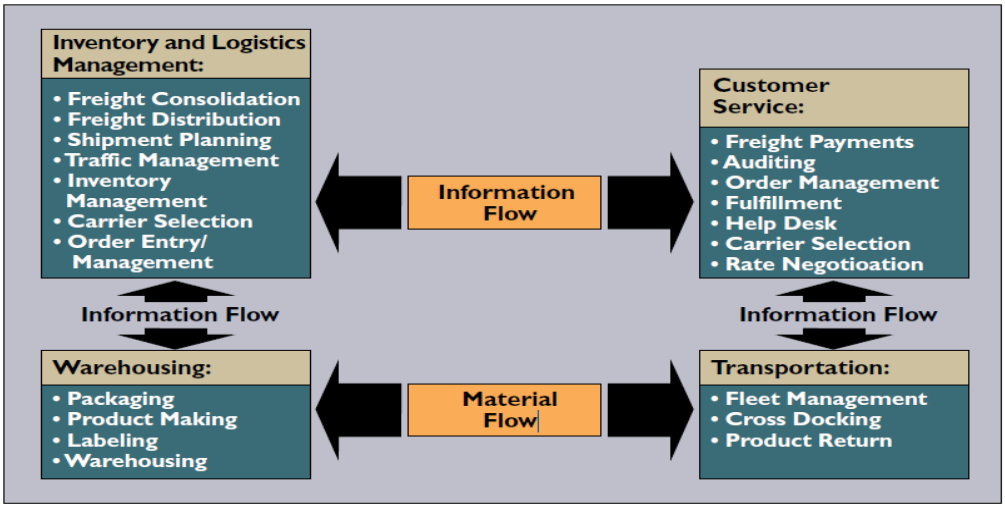

Figure 4, Categorization of logistics functions (Vaidyanathan, 2005)

According to Vaidyanathan (2005), improving IT will significantly decrease the costs of transaction. Information flow and material flow validate the interrelationships among the four categories (Vaidyanathan, 2005).Material flow is essential for integration of transportation and distribution, while information flow plays a significant role in integrating the four categories (Vaidyanathan, 2005).

2.2.3 Classification of 3PL

Hertz and Alfredsson (2003) have classified 3PL into four categories: service developer, customer adapter, standard 3PL provider and customer adapter.

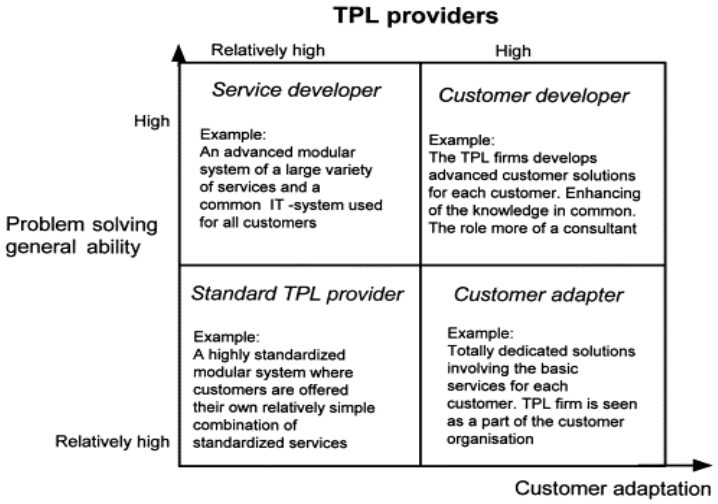

Figure 5, Classification of 3PL (Hertz and Alfredsson, 2003)

Standard 3PL provider offers standard 3PL services, such as warehousing, distribution and picking and packing goods, etc. Service developer refers to the value-added services provider. Services vary from customer to customer, and involve standard activities that fulfil each customer's requirements. Such development relies heavily on IT system. Customer adapter refers to the 3PL services that in charge of customer's existing services. 3PL largely increases the efficiency instead of actually developing the services themselves. Customer developer involves the integration of logistic operations. According to Hertz and Alfredsson (2003), customer developer often refers as 4PL, who share both logistic rewards and risk with the customers.

2.2.4 Strategic reasons for using 3PL

According to Tom Jones, the senior VP and general manager of U.S. Supply Chain Solutions with Ryder System Inc., companies will receive several advantages by using 3PL provides to be in charge of their logistic services (cited in Blanchard, 2008). Those benefits are improving global capabilities, reducing costs, achieving environmental objectives, enhancing security, improving quality, speeding process change and eliminating hand-offs (Blanchard, 2008).

3PL providers have solid and systematic understandings of the local markets and regulations (Blanchard, 2008). Therefore, they will benefit companies who are looking for global development but are lack of the knowledge of the local situations by providing services specifically for the regions and nations. With the help of 3PL, excessive and unwanted costs during the processes of carrying, returning goods and losing sales will be shaved off (Blanchard, 2008). For companies that are encountered with high shipping costs and market volatility, 3PL is able to reduce the less-than-truckload (LTL) freight costs (Andel, 2011). However, how could 3PL achieve the low freight costs? As Andel (2011, p.28) indicates in his article, 3PL succeeds "*by negotiating additional discounts based on volume and the 3PL's relationship with those carriers.*" Meanwhile, in other cases, companies share their operational processes in warehousing and consolidation, which can also reduce the excessive costs (Blanchard, 2008).

3PL providers also assist the company to achieve the environmental objectives by optimizing the distribution processes and consolidating routes (Blanchard, 2008). Some 3PL companies offer educational program to train drivers to be fuel-efficient, and import technology to enhance vehicle performance (Blanchard, 2008). Also, according to Blanchard (2008, p.80), "*3PLs have the expertise to help navigate manufacturers through new security regulations and can provide counsel on best practices to improve security policy and procedures.*" 3PL providers sometimes implement the security programs to enhance the monitoring processes of the company.

The import of 3PL services is expected to bring the improvement to the company's performance in terms of reduction in inventory levels, increasing in customer satisfaction, accuracy in order delivery, etc. (Blanchard, 2008). Managers reflect that, with 3PL providers, changes are more likely to take place. With manufactures that pursue accelerated development, 3PL will assist them by speeding up the change processes (Blanchard, 2008).

Last but not the least, 3PL providers eliminate unwanted hand-offs. As stated by Blanchard (2008, p.80), *"Manufacturers can benefit from synergies by engaging 3PLs in adjacent processes that take place before or after what is considered a traditional*

supply chain activity". After achieving the elimination, the costs will be massively reduced.

Other researchers focus on the relationship between companies and their 3PLs, and list how the relationships have benefited the company. A researcher (Anonymous, 2002) suggests that the cooperating has two major advantages, "from many to one" and "minimal risk, maximum flexibility". "From many to one" implies the situation where suppliers ship products to the 3PL's shared-use distribution facilities, and the 3PL fills the downstream orders out of various suppliers' stocks and makes consolidated shipments. Through the process, unwanted large inventories from both suppliers and retailers will be prevented. Another benefit of shared-use distribution is that "*it is a cost-effective way to manage store start-ups, retrofits, and major promotions*" which particularly attract to retailers (Anonymous, 2002, p.43). *"Minimal risk, maximum flexibility"* implies that the 3PL assists the quick response from shippers to other businesses and the shared-use of distribution reduces the costs by the system flexibility. With dedicated approaches provided by 3PL, different model's variable costs and components' fixed costs of logistic activities can be adjusted. (Anonymous, 2002)

2.3 Logistics and supply chain management

2.3.1 Definition of logistics and supply chain management

According to the Council of Supply Chain Management Professionals (CSCMP), which is a premier organization composed by supply chain practitioners, researchers, and academics, supply chain management is defined as:

- *"Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all Logistics Management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, Supply Chain Management integrates supply and demand management within and across companies."*

While logistics is defined by CSCMP as:

- *"Logistics management is that part of SCM that plans, implements, and controls the efficient forward and reverse flow and storage of goods, services, and related information between the point of origin and point of consumption in order to meet customer requirements"* (Cited in Ballou, 2007, p. 338).

Based on the definition of SCM, it can be viewed as having three dimensions which are activity and process administration, interfunctional coordination, and interorganizational coordination. Activity and process include managing activities such as transportation, inventories, warehousing, and order processing that are performed under logistics function. Interfunctional coordination includes collaborating and establishing relationships with other functional areas in the same firm, for example with finance and marketing. Interorganizational coordination refers to collaborating and coordinating product flows among channel members.

To summarize, SCM is viewed as managing product flows across multiple firms which can be shown in figure 6, while logistics is viewed as managing the product flow activi-

ties within the firm. In figure 7, classification and the development of SCM and logistics is presented.

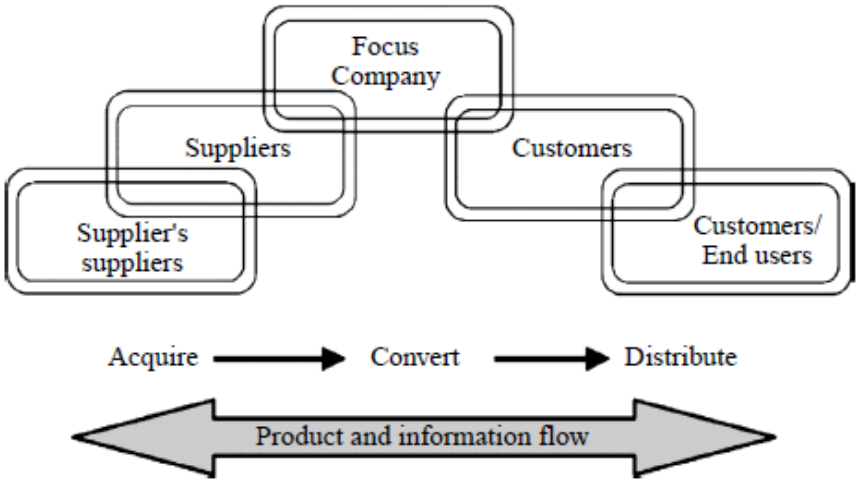

Figure 6, Multiple firms of the supply chain (Ballou, 2007)

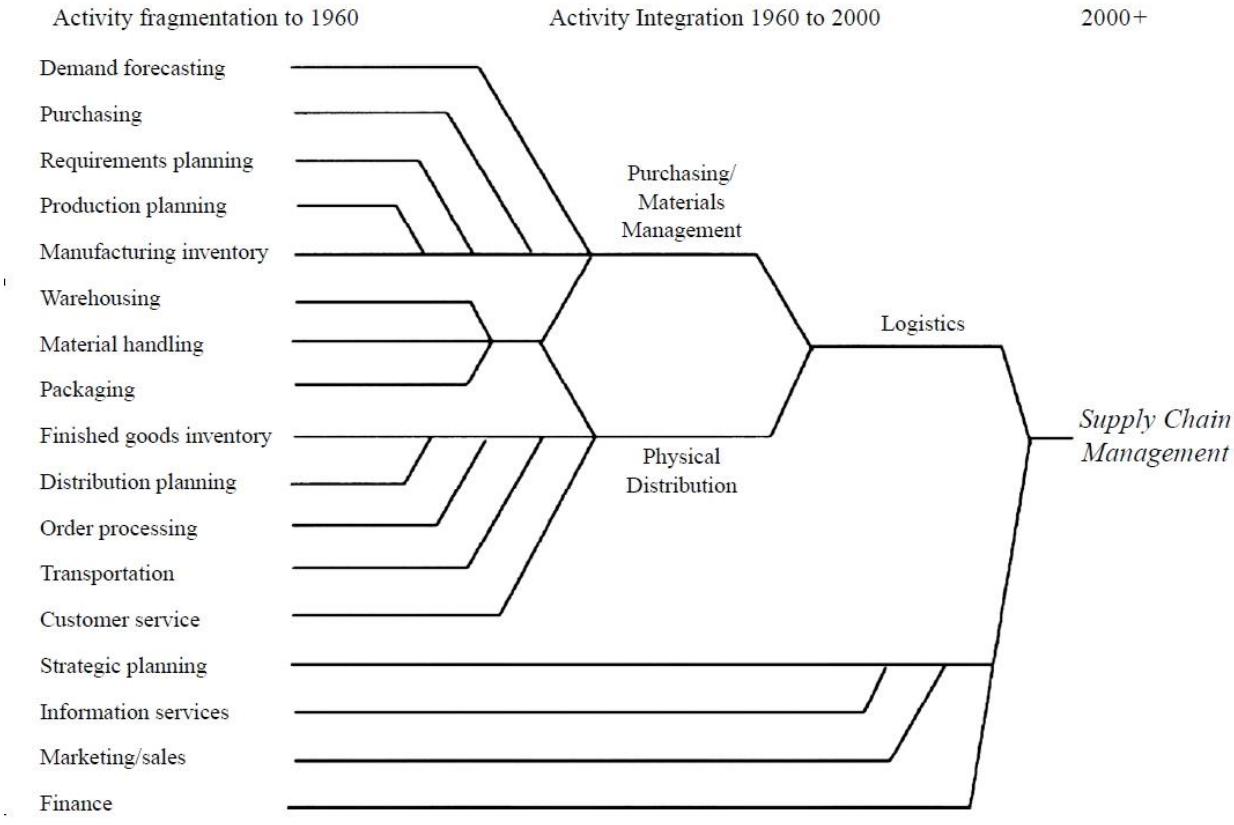

Figure 7, Evolution of supply chain management and logistics (Ballou, 2007)

2.3.2 Channel collaboration

It is vital to understand that the key to SCM success lies in the collaboration among supply chain members. There are several identifiable features of channel collaboration. The first one is managing a supply channel of vertically related but legally separate enterprises. Second, there is a potential opportunity lies in the channel collaboration since channel members often work towards cross purposes. Third, cooperation and trust are essential to realize the benefits from collaboration. Fourth, there is a need for sharing the benefits with one or few channel members. Fifth, there are three requirements for redistributing the benefits, which are *"metrics to identify and measure potential benefits; information sharing among the members to build trust; and sharing methods for a fair benefits distribution"* (Ballou, 2007, p. 344).

In summary, channel collaboration requires:

- Information sharing and cooperation
- A boundary-spanning information system
- Inter-organizational metrics
- Methods to identify the benefits
- Ways for sharing the spoils of cooperation (Ballou, 2007).

2.4 Effects of organizational learning in 3PL

Panayides (2007) has developed a conceptual model showing that organizational learning within the logistic service provider (LSP) organization has positive influence on relationship orientation and logistics service quality on behalf of the LSP. Moreover, the relationship orientation will also positively influence logistics service quality and will eventually exert positive effect on organizational performance of the LSP. The conceptual model is shown as below in figure 8.

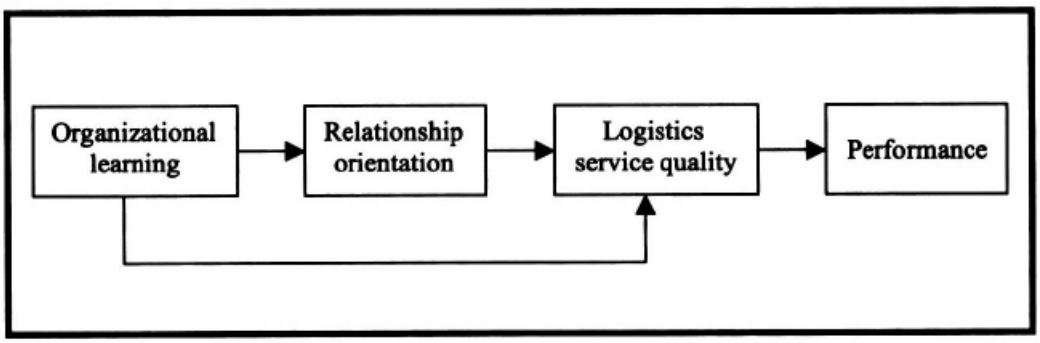

Figure 8, The conceptual model (Panayides, 2007)

Organizational learning in this model refers to the organization-wide activity of creating and using knowledge to develop competitive advantage. According to Moorman and Miner (1998), organizational learning includes obtaining and sharing information regarding customer needs, market changes and competitors actions (Cited in Panayides, 2007).

According to Harker (1999), relational orientation refers to the *"proactive creation, development and maintenance of relationships with customers and other parties that would result in mutual exchange and fulfillment of promises at a profit"* (Cited in Panayides, 2007, p.136). It can be viewed as a philosophy of conducting business

successfully and as an organizational culture which focuses on the buyer-seller relationship in a firm's strategic and operational thinking (Panayides, 2007).

According to Mentzer, Flint, and Hult (2001), logisitc service quality includes personnel contact quality, order release quantities, information quality, ordering procedures, accuracy, condition, order quality, discrepancy handling and timeliness in their measurement instrument (Cited in Panayides, 2007). In terms of third-party logistics, measures such as timeliness, flexibility, accuracy, responsiveness, problem solving ability and delivering on promises are considered as important service quality and service performance dimensions (Lai ,2004, cited in Panayides, 2007).

Firm performance refers to the improvements in market share, profitability, sales growth, return on investment and overall performance.

Organizational learning which is defined as commitment to learning, intra-organizational knowledge sharing, shared vision and open-mindedness, not only enhances learning regarding the relationship counterpart but also cultivates the ability to learn and the development of closer relational ties. Accurate collection, management and intra–organizational dissemination of information is vital to provide value-added logistics services which leads to higher firm performance. Furthermore, organizational learning and relational orientation are critical in terms of consolidation and integration that carrying out in the global third-party logistics industry. (Panayides, 2007)

2.5 Relational benefit model in 3PL relationship

In order to maintain long-term relationships between service providers and their customers, benefits from the partnership must exist for both sides (Li, Ford, Zhai and Xu, 2012). According to Strassfield (2010) and Trentin (2010), cost reduction, delivery quality, new and innovative services, asset reduction, and collaborative communication are typical types of benefits that manufacturers are seeking through outsourcing logistics operations (Cited in Li, et al., 2012). Li, et al. (2012) suggested three relational benefits in their research which are value-added benefits, collaborative benefits, and economic benefits since these three scales provided representative characteristics of relationship benfits for both behavioural and operational. Thus a relational benefit model has been developed in a third party logistical relationship content and the model is shown below in figure 9.

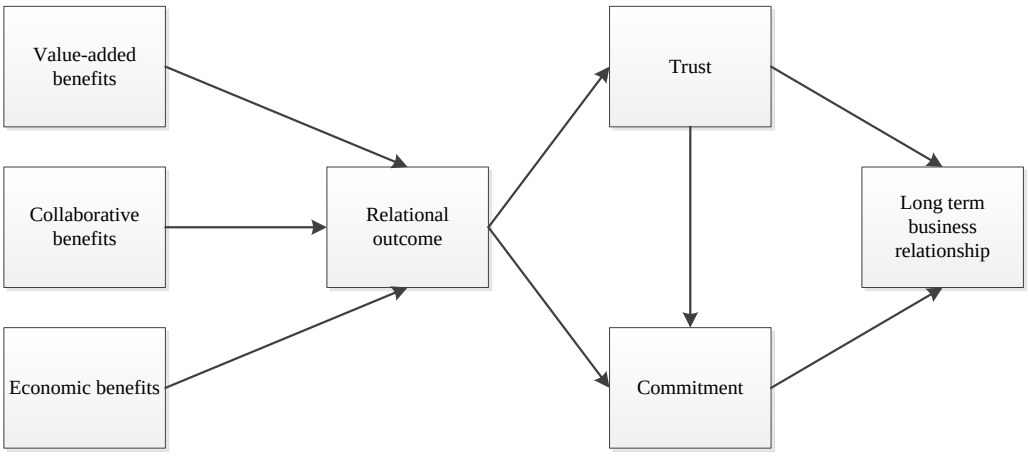

Figure 9, Relational benefit model (Li, et al., 2012)

The model indicates that once perceived relational benefits has been realized in the form of relational outcome, such as profitable market position and improved operational performance, the relationship between the LSP and manufacturer is reinforced through trust and commitment, which leads to a long term business relationship (Li, et al., 2012). Each of the elements will be explained in the following content.

Value-added benefits in this model represent a natural progression in expanding the role logistics systems play in a supply chain. It is a trend that to outsource all or part of the logistics function in a global supply chain to LSP across the manufacturing industry. Therefore, market knowledge and logistics expertise regarding the new world markets is critical for success. Other value-added benefits includes knowledge and information for new regulation and rules in security compliance and safety. (Li, et al., 2012)

It is essential to note that collaboration is a vital issue in today's global supply chain (Li 2006, Li and Warfield 2011, cited in Li, et al., 2012). According to Li (2011), the core of collaboration is communication that holds the links of a supply chain together (Cited in Li, et al., 2012). Furthermore, Cao et al. (2010) claimed that there is a strong and positive relationship between a firm's level of supply chain collaboration and its performance (Cited in Li, et al., 2012). Collaboration benefits is different from value-added benfits since it focuses on information sharing and communication, while value-added service focuses on additional benefits above and beyond the core service.

The economic benefits are mainly monetary based. According to Peterson (1995) and Sheth and Parvatiyar (1995), economic benefits are the primary motivation for developing relationships between business firms and the supply chain (Cited in Li, et al., 2012).

Relational outcomes refers to sales volume, market position, and smooth supply chain process etc.. The model indicates that relational benefits will exert positive influence on relational outcomes. It is worth mentioning that good relational outcome will serve as the basis for the development of trust and for long-term commitment. (Cited in Li, et al., 2012).

"Trust is defined as the confidence or belief that the exchange partner possesses about the honesty, credibility, and benevolence of other partners"(Ganesan 1994, Kumar et al. 1995, cited in Li, et al., 2012, p.5448). On the other hand, commitment is defined as long-term orientation toward a business relationship and the potential benefit of staying in the relationship is expeced to be higher than through termination of the relationship (Li, et al., 2012). Trust can make the relationship with 3pls to be more accountable, stable and durable, which can strengthen the long-term business relationship.

2.6 Theoretical framework summary

The literature review chapter establishes a solid basis for the authors to conduct further research. Literatures with theories, models and concepts as described in this chapter are of great importance for the authors to analyse the case in this research. Moreover, the literatures create a theoretical framework to answer the research questions. The concept map of this chapter and the relationship between theories, models, concepts and research questions is depicted as below in figure 10.

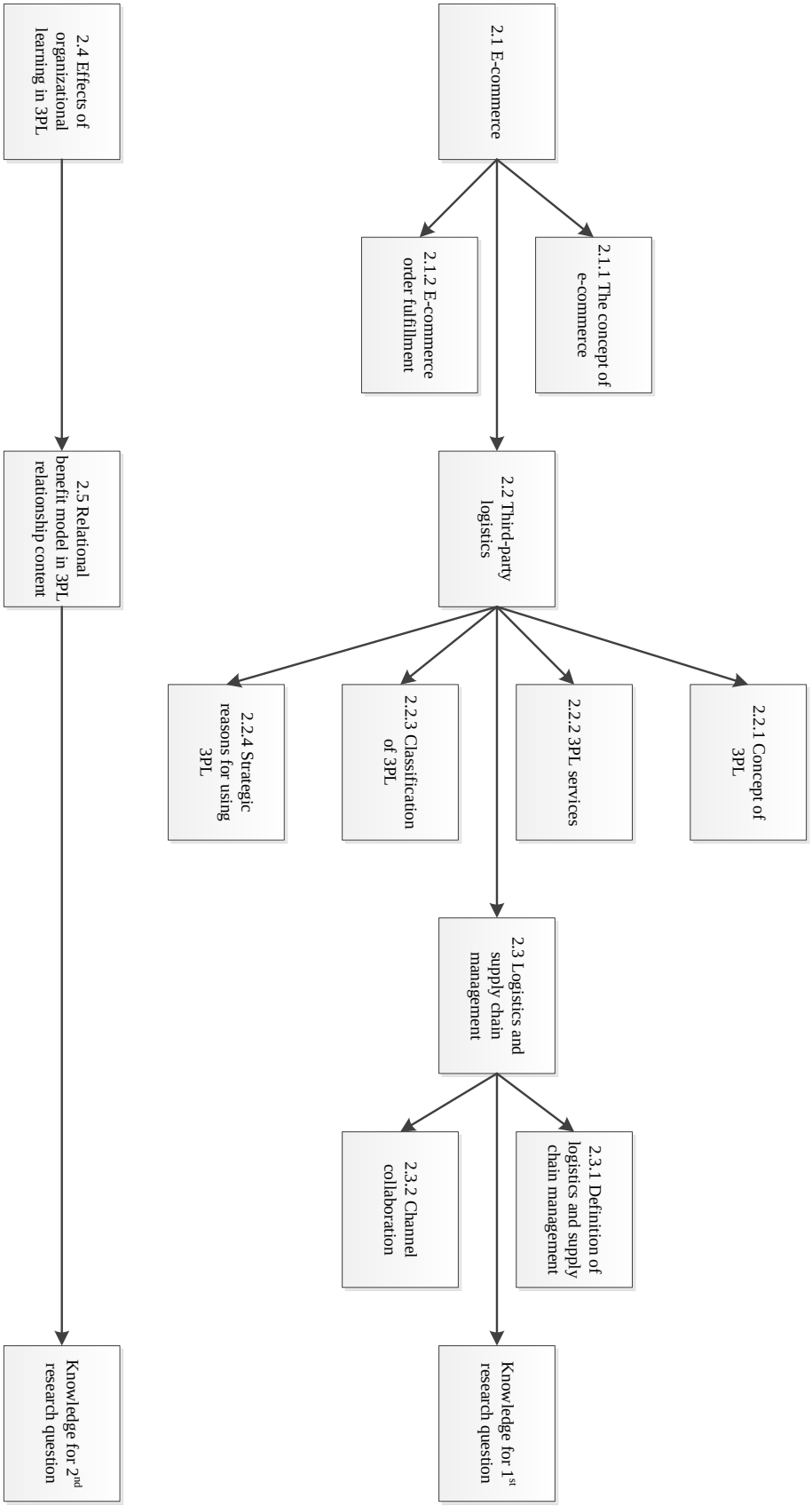

Figure 10, Theoretical framework

3 Method

In this chapter, the authors present the methodologies and methods chosen for conducting the research. The chapter begins with describing the research purpose, research approaches, and research strategies of this thesis; followed by data collection and discussion regarding reliability and validity of this thesis.

3.1 Research purpose

Research purpose is widely used and classified into three categories: exploratory, descriptive and explanatory. Robson indicates that exploratory study is important to discover 'what is happening', to develop new insights and to generate questions in a different perspective (Robson, 2002). Exploratory research is conducted when there is not much information about a situation, or not much information about earlier model as a basis of the research (Robson, 2002). There are three principles that can be applied in terms of exploratory study, which are: a research of related literatures, conducting interviews with experts in the fields and conducting focused group interviews (Saunders, Lewis & Thornhill, 2007). Another great feature of exploratory study is the flexibility and adaptability. Researchers are able to shift their directions according to the data and information they received along the way of doing the research, since new insights will be developed (Saunders et al., 2007).

In this thesis, the authors define the research purpose as an exploratory study. There are plenty of studies and researches on the topic of either e-commerce logistics or 3PL services, however the development of logistic service is a joint effort carried out by both e-commerce company and 3PL that few studies focused on this joint development aspect. Thus the authors concluded that not much information is known for this situation and too little previous knowledge about the e-commerce logistic service development by partnering with 3PL is at hand. By conducting this research, a clear picture of the phenomenon can be formed.

3.2 Research approach

"The extent to which you are clear about the theory at the beginning of your research raises an important question regarding the design of your research project. This is whether your research should use the deductive approach or the inductive approach" (Saunders, Lewis, & Thornhill, 2007, p.117).

In the inductive approach, theories will come after data (Saunders et al., 2007). Researchers are more concerned with the contexts of a particular event. Subsequently, the qualitative data are more likely to be used in order to establish the views of phenomenon (Saunders et al., 2007). Deductive approach is the reverse of inductive approach. Robson (2002) has concluded it into five steps: Generalizing a hypothesis from the theory; identifying variables, and explaining the relationships between them; testing the hypothesis; examining the results from the research; modify the theory if necessary.

In this thesis, the authors adopted inductive approach since the topic is rarely discussed. Hence, qualitative data was collected through semi-structured interviews.

3.3 Research strategy

Research strategy is closely connected to the research questions and research objectives, and it highly depends on the resources and time that you are available (Saunders et al., 2007). The research strategy conducted in this thesis is case study. Robson (2002, pg. 178) explains case study as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence". Yin (2009) also defines case study in his book, and divided the definition into two parts:

1. A case study is an empirical inquiry that deeply examines the current phenomenon in real-life context.
2. The case study inquiry solves the situation in which one result is led by collecting data and different sources; another result is from the theoretical propositions.

In essence, case study is adopted when investigating and understanding a real-life situation, and is composite of different method such as triangulation, data collection and data analysis (Yin, 2009).

Figure 11, Yin's (2009) proposal of three conditions for case study

Yin (2009) also indicates that the essential condition to distinguish case study from other research strategies is the classifications of the research questions. There are several questions that could be asked: "who", "what", "where", "how" and "why". When it comes to case study, "how" and "why" questions are normally the ones to be concerned within research questions. In this thesis, the authors aim to examine how logistic services develop for e-commerce through a single case study. The reason why the authors used a single case study is because that Alibaba Group is the most successful e-commerce company in China. Moreover numerous limitations restricted the access to other e-commerce companies in China. One of the authors had two internships at AliExpress, the first is at its Hangzhou headquarter and the second is at its office in Silicon Valley, United States. Thus the authors had great access to specific information; in the meanwhile, the company is willing to engage in this research.

Besides the "how" and "why" questions regarding the research questions, there is another distinctive feature of case study, which is the access the researchers have to the behavioural events. Case study relies heavily on history paths, whereas the direct observation and interviews are essential for determining whether the strategy should be used. That is to say, the ability to cope with a variety of evidence is significant for case study (Yin, 2009). In this thesis, the authors will use interviews for primary data collection.

3.4 Choice of research method

Quantitative and qualitative techniques and procedures are referred as research choice. In research methods, the terms quantitative and qualitative are used widely to differentiate both data collection techniques and data analysis procedures (Saunders, et al., 2007). In this thesis, the authors have chosen to use qualitative method for data collection technique and data analysis procedure, which is referred as mono method (Saunders, et al., 2007).

3.5 Data collection

In order to answer the research questions, firstly authors analyse the data that have already existed, and then gather new data that specifically meet the research purposes (Saunders, et al., 2007). These two sorts of data are referred as secondary and primary data (Wrenn, Stevens and Loudon, 2002)

3.5.1 Primary data source

In this thesis, the authors used two sources for primary data collection. The authors have chosen carefully of the participants engaged in this case study based on their position, background and experiences in order to achieve high reliability and validity. Since the authors are taking the e-commerce company's perspective to explore the development of logistic services for international e-commerce, supply chain manager of AliExpress has chosen to help the authors understand the background of the case and formulate the research questions and purposes. As for the second part of the purpose, the authors have chosen one of the sellers, which is also a former employee of AliExpress to explore the benefits of logistic services development to e-business.

- First Interviewee: Ms. Ye

Ms. Ye is the logistic platform manager of AliExpress. She joined AliExpress since the website launched in 2010. During her professional life at AliExpress, she has been dedicated to not only manage the operation of its logistic services but also involved in negotiations and discussions with 3PL partners regarding the improvements of the logistic services.

- Second Interviewee: Mr. Lu

Mr. Lu is one of the sellers on AliExpress. Besides, he is also a former employee of AliExpress working at the customer satisfaction centre transaction team. He joined the customer satisfaction centre of AliExpress since 2010 and is working as a leader in the transaction team, mainly responsible for issues with transactions of goods and payment. In 2012, he decided to leave the job and became a seller on AliExpress to start his international e-business.

3.5.2 Secondary data source

Secondary data is defined as data that have already been collected for some purposes (Saunders, et al., 2007). It includes both raw data and published summaries. There are several advantages of secondary, for example fewer resource requirements, can provide comparative and contextual data, permanence of data etc. as well as few disadvantages such as access may be difficult or costly, no real control over data quality, may be collected for a purpose that does not match your need etc. (Saunders, et al., 2007). Accord-

ing to Wrenn, Stevens and Loudon (2002), sources of secondary data can be books, journal articles, magazines, newspapers, previous surveys and the World Wide Web.

In this thesis, documents within the AliExpress such as "conference report", "logistic service development plan" and other corporate archives are used to complement the primary data collected through interviews. The authors have gained full access to these documents with the permission from AliExpress.

Additionally, the authors have done reviews of journal papers, articles, reports and books that are related to "e-commerce", "e-commerce logistic services", "3PL logistic service" and "3PL and e-commerce" in order to gain profound understanding of the topic and further complement the primary data.

3.5.3 Interviews

According to Kahn and Cannell (1957), "An interview is a purposeful discussion between two or more people" (cited in Saunders, et al., 2007). By using interviews, the authors can collect valid and reliable data that are relevent to their research (Saunders, et al., 2007).

The authors of this thesis decided to use semi-structured interviews to collect primary data, thus prepared several questions for each interviewee. Semi-structured interviews are non-standardized interviews, which the researchers have a list of questions that are to be covered during the interview (Saunders, et al., 2007). In addition, semi-structured interviews can be used in relation to an exploratory study, which fits the research purpose of this thesis.

During the primary data collection process, one-to-one interviews are applied with the two participants that the authors mentioned before (logistic platform manager of AliExpress and one of the sellers, which is also a former employee of AliExpress). Moreover, due to the fact that the participants are working in China, the authors will conduct Internet-mediated interviews in order to save time and budget. The information gathered during the interviews is recorded in electronic device to avoid potential risks of losing valuable data. The interview strategy of this thesis is shown below as marked with capital letters.

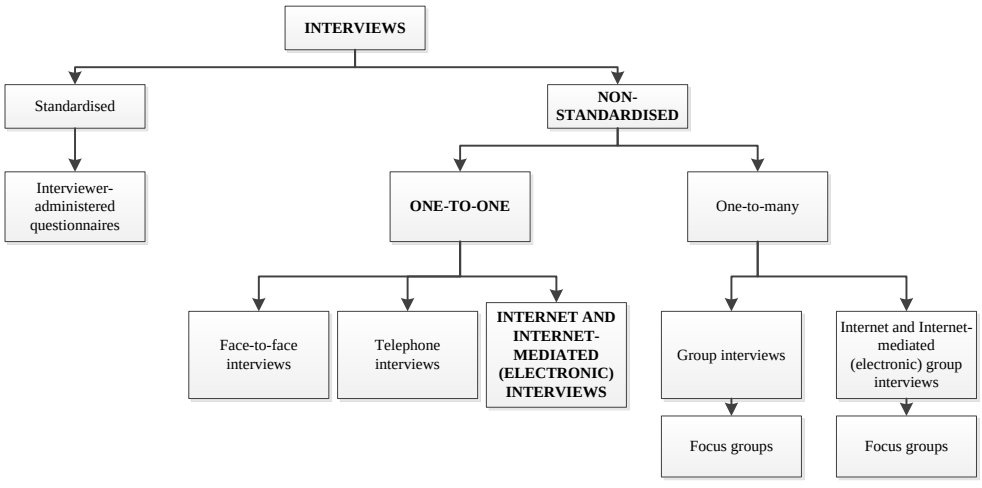

Figure 12, Forms of Interview (Saunders, et al., 2007)

3.6 Qualitative data analysis

Qualitative data implies the non-numeric data which is not quantified (Saunders et al., 2007). The forms of qualitative vary from responses of interviews to policy documents, and from online questionnaires from open-ended questions (Saunders et al., 2007). Above all, they allow theories and ideas to be developed by analysing the data retrieved (Saunders et al., 2007). Saunders (2007, p. 474) indicates that *"the nature of the qualitative data collected has implications for its analysis"*, but the analysis process of qualitative data is uneasy because of its demanding of various processes.

In the research, the authors apply semi-structured interviews. The other resources will be previous literatures from the related areas. They are both represented as qualitative data, and analysed in the manner of qualitative data analysis.

According to Saunders et al. (2009), in the inductively-based analysis, data from semi-structured interviews is analysed mainly by data reduction and data display. Data reduction simplifies the selected data, or to condense it (Saunders et al., 2007). The interviews and documents' summaries are mainly applied. Data display, said by Saunders et al. (2007, p. 493), is *"organizing and assembling your reduced or selected data into diagrammatic or visual displays"*. The data analytical procedure and conclusions drawing process will be highly benefited by utilizing visual displays. The analytical thoughts will also be developed through the processes of condensing and visualizing the qualitative data (Saunders et al., 2007).

3.7 Time horizons

Cross-sectional and longitudinal studies are referred as time horizon of a research. Cross-sectional study is the study of a particular phenomenon at a particular time, it involves the collection of information from any given sample of population elements only once (Saunders, et al., 2007; Naresh, 2010). In contrast, logitudinal research studies a fixed sample of population elements repeatedly on the same variables (Naresh, 2010). A longitudinal study differs from a cross-sectional study in that the same people/object are studied over time and the same variables are measured (Naresh, 2010). In this thesis, logitudinal approach is applied by utilizing interviews since the same object (logistic services of AliExpress) is studied over time (development).

3.8 Limitations

The aim of this thesis is to gain knowledge of how logistic services develop over time for e-commerce and its related benefits. However due to limitations such as restricted social resources, budget and time constraint, the authors used single case study rather than multiple case studies which may have some difficulties of replication and generalization (Bryman & Bell, 2007). The overall research credibility could be improved by using multiple case studies and larger amount of interviews. Moreover the authors are taking the perspectives of e-commerce company and the sellers, whereas the accuracy of this thesis can be enhanced by collecting more information from interviews with 3PL partners.

3.9 Research credibility

3.9.1 Validity

In the book, Saunders (2007, pg. 150) explains validity as *"whether the findings are really about what they appear to be about"*. Yin (2009) divides validity into three different categories, which are construct validity, internal validity and external validity. Construct validity concerns with the measures used for the concept. Internal validity is mainly used for explanatory studies, and refers to certain conditions may lead to others. External validity stresses on whether the conclusions that are reached can be generalized or not (Yin, 2009).

In order to achieve high validity of this thesis, appropriate theories and models regarding e-commerce and logistic services were applied. Moreover, the participants of the interview were carefully selected. Ms. Ye is working at middle management level and has been engaged in AliExpress's logistic activities since the website founded in 2010. Mr. Lu worked at AliExpress for two years and has been familiar with logistic activities; in addition, he has gained valuable and practical experiences since he became a seller on AliExpress.

3.9.2 Reliability

Saunders (2007, p. 149) defines reliability as *"the extent to which your data collection techniques or analysis procedures will yield consistent findings"*. Furthermore reliability can be divided into internal and external criteria, where internal reliability refers to whether the group agrees on what has been seen and heard; external reliability refers to whether the study can be replicated or not (Bryman & Bell, 2007). In thesis, internal reliability is assured since the authors review and analyses the data right after the interviews. Moreover, an interview strategy has been developed for primary data collection and the company has involved in the development of research questions and purposes. Thus external reliability is assured as well.

4 Empirical Findings

In this chapter, the authors present the research findings from interviews to fulfill the exploratory research purposes. The structure of this chapter is based on the research questions and purposes.

In this thesis, the authors have conducted an inductive study with exploratory purposes. The research strategy is a single case study and structure of this chapter is shown as below:

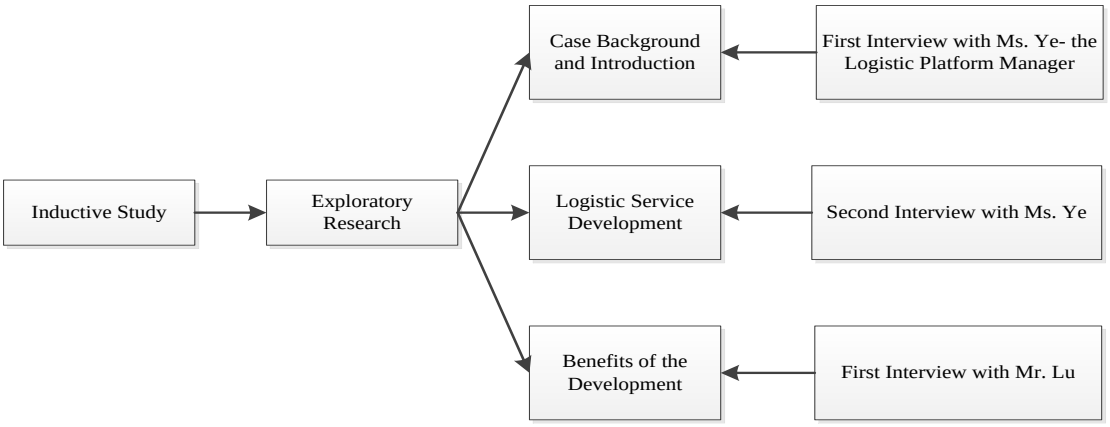

Figure 13, Structure of empirical findings

4.1 Case background and introduction

Alibaba Group was founded in 1999 by Jack Ma and 17 other people with the will to make the Internet accessible, beneficial and trustworthy for everyone. After 14 years development, Alibaba Group now has employed more than 24,000 people with operations in China, Korea, Japan, India, UK and US. The business is now including consumer e-commerce, online payment, B2B marketplace and cloud computing and it reaches more than 240 countries and regions in the world. The major businesses of Alibaba Group are shown as below:

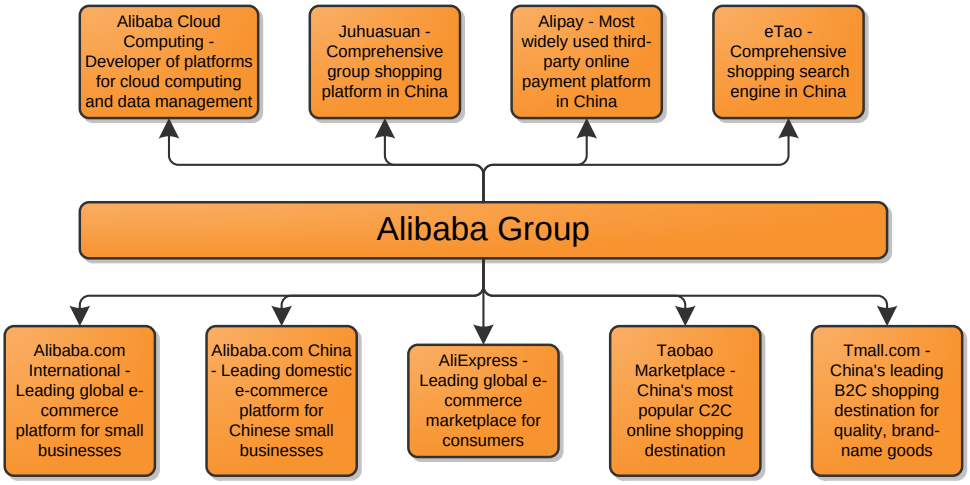

Figure 14, Major businesses of Alibaba Group

(http://news.alibaba.com/specials/aboutalibaba/aligroup/index.html)

4.1.1 Mission, vision and values of Alibaba Group

The mission, vision and values of Alibaba Group are shared throughout the entire company and have become the cornerstone of Alibaba Group and its subsidiaries.

Mission: *"To make it easy to do business anywhere"*

Vision:

- *"To become the first platform of choice for sharing data*
- *To be an enterprise that has the happiest employees*
- *To last at least 102 years"*

Values:

*"**Customer First***	*The interests of our community of users and paying members must be our first priority.*
Teamwork	*We expect our employees to collaborate as a team in pursuit of our shared mission. We believe teamwork enables ordinary people to achieve extraordinary things.*
Embrace Change	*We operate in a fast-evolving industry. We ask our employees to maintain flexibility, continue to innovate and adapt to new business conditions and practice.*
Integrity	*Integrity is at the heart of our business. We expect our employees to uphold the highest standards of integrity and to deliver on their commitments.*
Passion	*Our employees are encouraged to maintain a positive attitude towards their work and never give up doing what they believe is right.*
Commitment	*We expect our employees to demonstrate professionalism and continuously strive for excellence."* (Alibaba Group, 2013)

The reason for the authors to mention the mission, vision and values of Alibaba Group is that AliExpress was founded under such statements. At our first interview with Ms. Ye, she mentioned that "*The launch of AliExpress was actually guided by these shared mission, vision and values. The mission of our logistic department is the same, which is 'to make it easy to do business anywhere'. Therefore, we strive to make our logistic service easier, faster and cheaper for both seller and buyer by collaborating with third party logistic providers".*

4.1.2 Brief introduction of AliExpress

As the authors mentioned in the introduction part, AliExpress was launched in 2010 and it is a global e-commerce marketplace with small business sellers being active on the platform to sell a wide range of products to customers in more than 200 countries and regions. The aim of the website is to bring quality products at wholesale prices on even the smallest orders. Therefore, "*cheaper and faster logistic service is the core to accomplish this mission"* as Ms. Ye said. AliExpress was initially designed to contain both B2B and B2C businesses; however the website now has more inclination to promote its B2C business and keep B2B business running simultaneously. The website

now offers more than 5,900 different sorts of products from over 44 different industries and the categories of the products are shown as below:

Figure 15, Product categories of AliExpress

"*As we can see from the product categories, some of them are standard products and some are products that may have variations and customizations. Thus, it poses some challenges for logistic design"* said by Ms. Ye.

4.2 Logistic service development

The authors have conducted another interview with Ms. Ye to study the logistic service development of AliExpress. Ms. Ye noted that the development of AliExpress's logistic service can be divided into three stages according to the time sequences. In general, the order fulfilment process can be described as below:

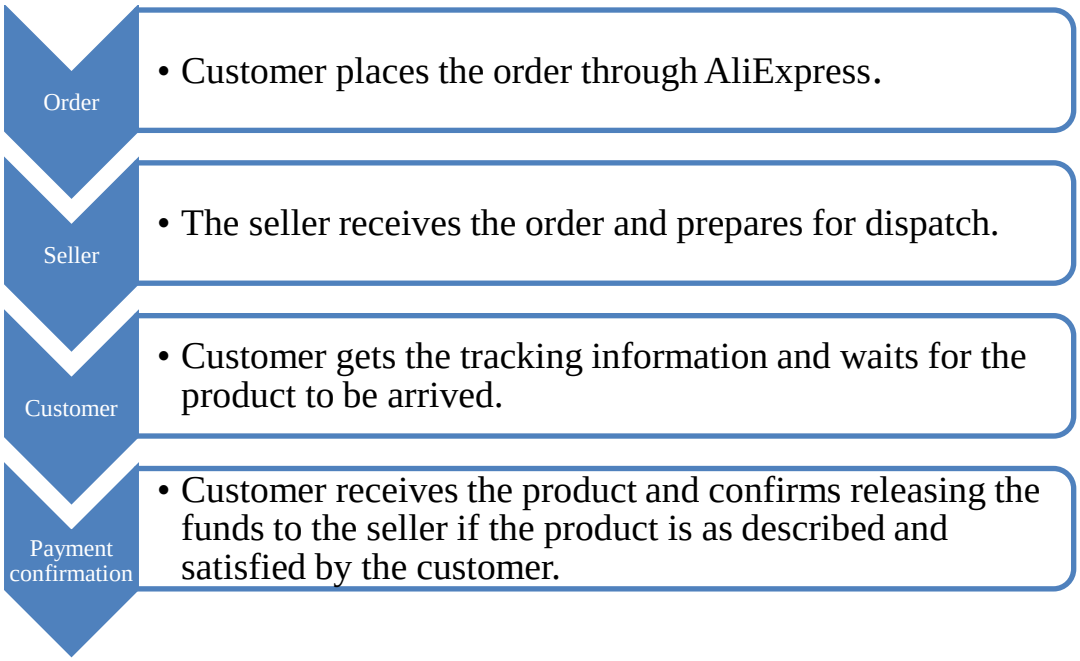

Figure 16, General order fulfilment process

"*The order fulfilment process may look simple but it contains tons of works to do. The aim of our logistic design is to facilitate this process and makes it easier and cheaper for both seller and buyer to use it"* (Ye, 2013).

4.2.1 Stage one

In 2010, the website launched and UPS became its first logistic partner. The collaboration with UPS lasts a year then the sole partnership ended. The reason that AliExpress chose to collaborate with UPS is because UPS is one of the most prevailing and experienced logistic companies in the world. Another reason to pick UPS over other logistic providers is because UPS is a US based company, and US was AliExpress's primary target market at that time. In terms of services offered, UPS provides full logistic services for customers on AliExpress including consolidation service, warehousing, order fulfilment and transportation.

At this stage, UPS is in a leading position over AliExpress in terms of negotiation power because AliExpress is a new website with relatively low trading amounts. Thus, details regarding logistic services were actually mainly determined by UPS. On the contrast, the position of AliExpress was a follower in terms of logistic aspect. The aim of AliExpress at this stage is to learn experiences from UPS on how to design logistic activities and details such as logistic database integration, warehouse management etc. Because there are no competitors over UPS at this stage, the customers get a 78% huge discount from UPS in terms of delivery fee. The reason behind this huge discount is that AliExpress promised to reach a certain amount of trading volume in a certain time so that UPS can receive economy of scale advantages to keep offering such discount.

The typical order fulfilment process at this stage can be shown as below:

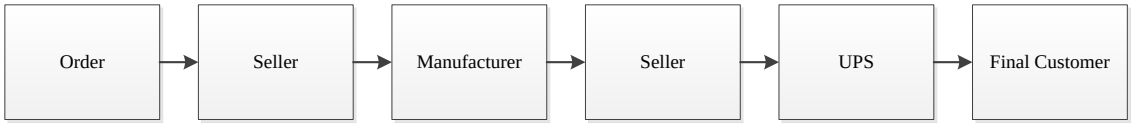

Figure 17, Order fulfilment process at stage one

Once a customer made an order on AliExpress, the seller will get a notice with details of quantity, price etc. The customer may or may not contact the seller prior to order, which depends on the description of the product, buyer's knowledge of the product and complexity level of the product. After the seller got the details of the order, he/she will approach the manufacturer and schedule the production and delivery plan. When the product is ready to ship, the manufacturer will send the product to seller first then the seller will do the packaging and call UPS for a pick up delivery. The final phase is completed by utilizing UPS's own equipment and services to send the product to the final customer.

The advantage of this order fulfilment process for AliExpress is that AliExpress does not need to take care of the delivery of the product since UPS will cover it. If any problem occurs, the seller or the customer will contact UPS first in terms of delivery problems and AliExpress will not be involved. However, if UPS cannot resolve the problem, then AliExpress will be notified to deal with the problem. Thus, AliExpress can invest more resources into core activities such as website design, marketing and website optimization etc., and keep a dedicated team to handle logistic services and learn from UPS's experiences. However, the disadvantage for AliExpress is that it has no control over the logistic activities. In terms of UPS, it has no competitor at this stage and can al-

so learn about AliExpress's strategy and operations so that it can decide whether AliExpress is a promising business partner. Moreover, UPS have more negotiation power over AliExpress at this stage, thus details regarding the collaboration and profit share gave more benefits towards UPS. The only uncertainty for UPS is that it does not know whether AliExpress can reach that trading amount in time and create economy of scale to compensate the huge discount loss for now.

After one year collaboration, AliExpress did not reach UPS's expectation and the partnership ended by the end of 2010. At the same time, PayPal also decided to not support AliExpress anymore. Thus the trading amount fell short for that duration. *"It was a tough time for AliExpress because we lost a lot of sales due to the ending of the partnership with UPS and PayPal"* as Ms. Ye described. However, AliExpress was not fully unprepared. Ms. Ye summarises this year as the learning year for AliExpress and it was always tough for a newly launched business even within a well-established company. In terms of logistic services, AliExpress has learned a lot this year from UPS and already began to negotiate with other 3PLs to move into stage two, which means AliExpress is ready to engage in logistic activities. In the meanwhile, AliExpress also had foreseen the ending of the sole partnership with UPS since it could not reach the agreed trading amount in time. Thus a new partnership deal with UPS was also undertaken at that time, though the previous sole partnership has ended. To summarise, AliExpress gained valuable experiences in terms of logistic activities. With the end of the partnership with UPS, AliExpress was actually ready to move into stage two since multiple negotiations with other leading 3PLs were developing and AliExpress was ready to handle the logistic strategy by itself.

4.2.2 Stage two

In the beginning of 2011, more 3PLs joined AliExpress to offer logistic services including DHL, EMS and FEDEX. UPS stays as a partner of AliExpress but without that 78% huge discount. At this stage, AliExpress became much stronger in terms of resources and experiences. However, the situation is not that optimistic for AliExpress because it has already lost a lot of potential customers due to the ending of the partnership with UPS and PayPal. Therefore, there was one less payment method and a relatively more expensive delivery fee posing barriers to attract new customers and retain the old ones. Furthermore, existing customers outside US were complaining that the shipping duration is too long and sometimes cost almost a month to receive the product. *"The primary task at that time was to find a new way to offer faster and cheaper logistic services in order to attract more customers and sellers as well to expand our business. Therefore we had many discussions with our 3PL partners to form a new plan for our logistic services, while in the meantime the order fulfilment process stays the same as last year but with more choices of carriers."* (Ye, 2013).

After several discussions with 3PL partners, AliExpress came up with a plan that is feasible and easy to implement while can help reduce the delivery time and cut the cost dramatically. AliExpress decided to bring out overseas warehousing services to match the requirement of low costs and fast delivery. The general idea is that AliExpress will rent warehouses overseas in major trading marketplaces including North and South America, Europe and Asian Pacific region. Once orders have been received, AliExpress will sort orders according to their destinations and share these data with 3PL partners. Then the chosen 3PL partners will consolidate the orders and send them to the target region's warehouse for final delivery. Since more 3PL partners joined at this stage, differ-

ent 3PLs have different focus in terms of regions and countries. Therefore, AliExpress will promote different 3PL partners for different regions' delivery service. One reason for such promotion is because the overseas warehouses are owned by certain 3PLs and the location of the warehouse is carefully selected for an optimized delivery route. Another feature of overseas warehousing service is that it allows sellers to make sales predictions and customers to make preorders. For example, if a festival is coming in one or two months and certain products will have an obvious sales boost, then the sellers can make rough predictions regarding the sales amount and ship them all at one time to save delivery costs. The same scenario can be applied if the customer requires preorder.

The typical order fulfilment process at stage two can be shown as below:

Figure 18, Order fulfilment process at stage two

The major advantage of this model for AliExpress is that the delivery time and cost is reduced, which can attract more sellers and buyers to make deals through the website. It has more flexibility in terms of order, preorder and sales predictions with more 3PL choices. Furthermore, AliExpress has some control over the logistic activities since it needs to sort out different orders for delivery and has more interactions with 3PLs. *"What we have learnt during the past year finally paid off at this stage. We had very good database integration with our 3PL partners and it enabled clear information flow between us and our partners. Moreover, we have learnt that order consolidation by utilizing warehouses can drop the delivery time and cost heavily, thus the amount of trades on our website was rising again"* (Ye, 2013). Nevertheless, with the operation of this strategy, a few drawbacks have been revealed. One drawback of this strategy is that it requires the products to be standardised in the condition of sales prediction. For instance, if the seller knows that certain kind of boots will sell very well during the winter in Canada, he/she cannot make use of the sales prediction method to get all shoes shipped at once to an overseas warehouse since the seller has no way to determine what number of each size will be needed. Thus, standardization is a preliminary requirement for sellers to use that service. Another drawback is that AliExpress cannot manage the warehouse by itself since they were owned by 3PLs. Thus, the warehouse is not fully optimized for AliExpress's businesses. AliExpress learnt all these facts through one year operation of overseas warehousing service, and it started to discuss about future development of the logistic services.

4.2.3 Stage three

"During 2011-2012, overseas warehousing service was a success even with the few drawbacks it showed afterwards. However, we keep asking ourselves are there any better ways to make our logistic service even faster and cheaper? When we reviewed our overseas warehousing strategy, we asked ourselves why we can't manage the warehouse by ourselves, why the seller has to do the packaging work; can we do the consolidation by ourselves. Many proposals were reviewed at the end of 2012 and finally we find a solution" (Ye, 2013).

After reviewing the overseas warehousing service record, AliExpress decided to bring out the upgraded version of that service which is called "Big Warehouse Service". The major difference between big warehouse service and overseas warehousing service is

that the warehouses now were all located in mainland China and managed by AliExpress itself. Moreover, the warehouse will perform the order consolidation and packaging activities. The order fulfilment process can be shown as below:

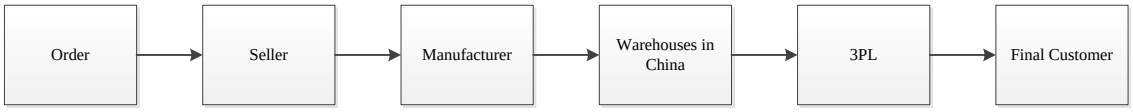

Figure 19, Order fulfilment process at stage three

When there is an order sent to the seller, the seller will notify the manufacturer to start production which is the same as in the previous two models. Whereas the difference here is that the manufacturer will not send the product back to the seller, instead it will be sent directly to AliExpress's warehouses in China. There are several warehouses located in different regions of China and the seller can choose the closest one. Once the product arrives in the warehouse, the staff will insert the information into the system and sort them out for consolidation. Next step is packaging and then call 3PLs to pick up for final delivery. By this means, overall order fulfilment time dropped to an even lower level because the manufacturer no longer needs to send it back to the seller for packaging and delivery, AliExpress will do it in a more efficient and professional way instead. The shipping fee can be lower as well since AliExpress now has more negotiation power and can be a representative for all the sellers to negotiate with 3PLs.

It is not easy for AliExpress to come this far. The management of warehouses requires professional staff and integrated databases with 3PLs and AliExpress has conquered many difficulties in conjunction with 3PLs database and its own. Moreover, it is not smooth for the negotiation with 3PLs at first since they lost profit due to such actions.

As for now, AliExpress is still using the "Big Warehouse Service" and the shipping fee is much lower than before with even faster delivery time. AliExpress use its negotiation power to promote different 3PL services in a certain time to drive incredibly low logistic cost and raise the sales amount. For example, AliExpress decided to promote FEDEX's service this month, and then it will be a huge discount when using FEDEX delivery service. When it comes to the next month, another 3PL will be promoted. In such a way, it will attract more customers to buy on its website due to the low international logistic cost and simultaneously reach economy of scale for 3PL's.

4.2.4 Logistic service development summary

In general, the logistic service development is divided into three stages. At each stage, AliExpress and 3PLs have different focuses with gains and losses. The logistic service development for AliExpress is summarized in table 1. The aim is to provide a clear overview and insights of the logistic service development.

Logistic Service Develop-	**Stage One**	**Stage Two**	**Stage Three**

ment			
Overview	AliExpress's sole partnership with UPS.	The introduction of overseas warehousing service.	The introduction of big warehouse service.
Advantages	AliExpress does not need to take care of the logistic service and it can focus on its core activities. UPS does not have competitors and have more negotiation power.	AliExpress's logistic service has reduced delivery time and cost, while with more flexibility and some control over the activities. 3PLs gained more incomes due to increased sales amount.	Overall order fulfilment time dropped to even lower level with further reduced delivery cost. AliExpress gained more negotiation power and control over the management of warehouses. 3PLs benefited from appropriate promotion strategies.
Disadvantages	AliExpress does not have control over the logistic activities. UPS does not know whether AliExpress is a promising business partner or not.	Overseas warehousing strategy requires standardization on products and AliExpress cannot manage the warehouse.	AliExpress needs to invest more resources into warehouse management. 3PLs lost some profit due to the introduction of the big warehouse service.
Driving Factors	New business development for both AliExpress and UPS	The termination of the partnership with UPS and PayPal.	The pursuit of even better logistic service.
Results	The partnership ended at the end of 2010. AliExpress is ready to move on to stage two and new contract with more 3PLs including UPS is in progress.	AliExpress reviewed the learning results of overseas warehousing service and started to discuss future development of the logistic services.	AliExpress gained lots of website traffic and sales due to cheaper and faster logistic service.

Table 1, Logistic service development summary

4.3 Benefits of the development

The authors have conducted an interview with Mr. Lu- one of the sellers with AliExpress and also a former employee of AliExpress to explore the benefits that such development brought to the e-business.

Mr. Lu noted that there are three most important aspects for e-commerce sellers, which are purchasing, logistic and profit. However, the logistic service development of Aliexpress would not affect purchasing activities of the seller, thus the authors will mainly present logistic and profit aspects based on the interview with Mr. Lu.

4.3.1 Logistic aspect

"The most important aspects for logistic are cost and delivery time" said by Mr Lu. In early 2010, when AliExpress was partnered with UPS with 78% huge discount, the logistic cost was attractive. However the delivery time varies depending on whether the area was a major business market for UPS. At that time, AliExpress was new to international e-commerce so does the sellers. Thus, the overall delivery time was quite long and sometimes even takes a month for the product to arrive. The reason was due to being unfamiliar with international e-commerce procedures; moreover sellers will do the packaging by themselves which was time cost. Thus many customers were complaining about the delivery time even through the delivery fee was low.

However, when the overseas warehousing service came out, more business opportunities came as well. The preorder and sales prediction reduces the delivery time dramatically. Even the normal order delivery time was dropped due to order consolidation. However, the promotion strategy was not quite accepted by customers since they have preferred 3PLs that was not promoted by AliExpress. Thus, it resulted in more expensive delivery fees sometimes.

"The introduction of big warehouse service was like the spring finally come" described by Mr. Lu. In terms of delivery time, it has been reduced significantly since the sellers do not need to do the packaging and call for 3PLs. *"It generally took 3 days for the manufacturer to produce the product and then sent back to me. Afterwards, it took me like 2 days to do the packaging and call for the logistic company to pick them up for delivery. It takes at least 5 days before the product has been dispatched. However, with the big warehouse service, it can be dropped to 3-4 days for the product to be shipped out. Now, orders towards US can arrive within one week and to other regions in no more than three weeks"* said Mr Lu. Overall, the logistic service development significantly reduced delivery time and cost which also simplifies the order fulfilment process.

4.3.2 Profit aspect

The profit aspect is directly linked with purchasing, sales and logistic cost. In the beginning of 2010, purchasing cost was relatively higher than the price nowadays. It was because e-commerce was just started and the manufacturer does not know the future of this new business, thus cannot predict whether there will be economy of scale to offer a lower price. The same goes to sales since in the beginning, there were not that many customers and the order quantity is relatively low. Therefore, the overall profit is not as attracting as traditional businesses even the logistic cost is low with UPS.

After one year development with the introduction of overseas warehousing service, the customer base was increased significantly and the manufacturer gained confidence in this business. Moreover, preorders and sales predictions created economy of scale for both the manufacturer and 3PLs. Hence, the purchasing cost and logistic cost goes down enormously compared to the previous years while the sales amount increased. The overall profit gained a huge boosts at this stage.

When it comes to the big warehouse service, the profit got even higher. Mr. Lu said *"The trend now is to integrate the logistic cost into product price, which actually give the customer 'free' delivery. Thus, the lower the logistic cost the higher the profit margin is. The way that AliExpress arrange the logistic service promotion is much better now since AliExpress can represent sellers to negotiate with 3PLs and gave us incredible low price. Generally we can get 80% discount for logistic service cost and that really increases our profit margin. The profit margin for wholesale was used to be around 15% and for retail was 20-25%; however the profit margin now for wholesale can reach 20% and 30% for retail due to lower logistic costs. Additionally, the purchasing price now is quite low since the business now has a much bigger scale with larger sales amount. Hence the overall profit is quite optimistic and attractive"*. In summary, the profit is increased significantly due to the reduction in purchasing price and logistic cost.

5 Analysis

This chapter is structured based on the empirical findings and theoretical framework. The authors intend to combine the theories and models with empirical findings to form a clear picture so that the two research questions can be answered.

5.1 Analysis regarding research question one

The authors found that there are three stages of the development of AliExpress's logistic services through interviews with the logistic platform manager Ms. Ye. At the first stage, AliExpress was partnering with UPS solely and it was a learning phase for AliExpress in terms of logistic operation knowledge. However the partnership ended after one year since the sales amount of AliExpress did not reach UPS's expectation. AliExpress expected the end of the partnership and was ready to move on to stage two where it started to gain control over the logistic services with more 3PL partners and overseas warehousing service. At this stage, AliExpress utilized the experiences and knowledge it gained earlier from the partnership with UPS to manage the overseas warehousing service and working towards channel collaboration with 3PLs. In the final stage, AliExpress brought out an updated version of overseas warehousing service, which is the big warehouse service. The major difference between these two services is that the warehouses now were all located in mainland China and managed by AliExpress. By this means, the overall order fulfilment time dropped to an even lower level and the delivery fee has been reduced significantly. The overall logistic service development can be analysed from three aspects which are the use of 3PL, channel collaboration and e-fulfilment strategy according to the theoretical framework.

5.1.1 The use of 3PL

AliExpress as a newly launched international e-commerce website in 2010, it decided to partner with 3PLs instead of develop its own logistic service. It is because that logistic service is not the core business of AliExpress and the company does not have enough resources and time to develop logistic services. Moreover, Blanchard (2008) mentioned that there are several benefits of using 3PL which are improving global capabilities, reducing costs, achieving environmental objectives, enhancing security, improving quality, speeding process change and eliminating hand-offs. Indeed, these benefits were fully capitalized by AliExpress. In the beginning, the reason behind the sole partnership with UPS was because UPS has solid and systematic understandings of US market and regulations which is the primary target market of AliExpress. Other benefits mentioned above were achieved by default since UPS is a well-established and experienced logistic company.

Khurana (2012) mentioned that there are four types of 3PL logistic services which are supply chain management, warehousing, consolidation service and order fulfilment. Whereas Vaidyanathan (2005) categorized 3PL services into four groups which are inventory and logistics management, customer service, warehousing and transportation. In this case, UPS has offered warehousing, consolidation service, order fulfilment service, inventory and logistics management, transportation service, and customer service. Supply chain management service were not capitalized since AliExpress act as an online intermediary of a global supply chain, thus there is no supply chain management involved in this case. Later with the overseas warehousing service, warehousing and order consolidation was mainly focused and managed by both AliExpress and 3PLs in order to reduce delivery cost and delivery time. By utilizing the accumulated experiences and

knowledge, AliExpress took over the warehousing and order consolidation service by introducing the big warehouse service in order to further reduce the delivery fee and delivery time. Thus, 3PLs would only provide order fulfilment service, inventory and logistics management, transportation, and customer service at stage three. The profit loss of 3PLs due to the big warehouse service was mediated by larger amount of orders and appropriate promotion strategy.

Based on the services the 3PLs provided in this case, they can be classified as standard TPL providers according to Hertz and Alfredsson (2003) since AliExpress only chose standard services rather than further customization.

5.1.2 Channel collaboration

The partnership in this case is actually channel collaboration between 3PLs and AliExpress. According to Ballou (2007), channel collaboration has five identifiable features and it can all be found in the relationship between 3PLs and AliExpress.

It is notable that channel collaboration was built from stage two and there was rare channel collaboration can be found in the first stage. The collaboration between UPS and AliExpress in the beginning was only focused on delivery information sharing. It is because both parties were in the "experiment" phase, where UPS was trying to evaluate the potential of AliExpress and AliExpress was focusing on its core activities. Ballou (2007) mentioned that there are five requirements for channel collaboration which are information sharing and cooperation, a boundary-spanning information system, inter-organizational metrics, methods to identify the benefits, and ways for sharing the spoils of cooperation. The above requirements were revealed from stage two. At stage two, AliExpress integrate its own database with 3PL partners' that enabled real time information sharing and realized a boundary –spanning information system. Although the interviewee did not offer much information regarding inter-organizational metrics, the authors believe that such metrics must be in the place and accepted by both parties. Otherwise evaluation of the collaboration result is not possible and benefits cannot be identified. At stage three, AliExpress was running the warehousing and consolidation service by itself which took away some profits from the 3PL partners. Nevertheless, AliExpress attracted more orders and promoted each partners' service appropriately. Hence, the benefits of such cooperation are fairly shared among partners and AliExpress which leads to continuous collaboration.

5.1.3 E-fulfilment strategy

The logistic service development for AliExpress is actually a process to refine its e-fulfilment strategy. Agatz et al. (2008) have identified several issues in e-fulfillment in terms of sales and delivery planning and supply management. In this case, AliExpress was mainly facing issues with order promising and revenue management and distribution network design. Other issues that have been identified by Agatz et al. (2008) were managed by 3PL partners. Order promising and revenue management in this case concerns the continuous efforts that carried out by AliExpress to reduce delivery time and delivery cost while keep fair revenue for itself and the partners. Distribution network design in this case also concerns the reduction of delivery cost and delivery time. The result is the overseas warehousing service and big warehouse servie.

Tarn et al. (2003) have identified three key operational areas for e-fulfilment which are fulfilment centre, infostructure and reverse logistics. Through the empirical findings, the

authors found that AliExpress was gradually built its e-fulfilment strategy towards these three areas. In the first stage, there was no infostructure exists between AliExpress and UPS and the fulfilment centre was not exactly there since storage, packaging, ing ,and delivery processes were spread across the manufacturer, seller, AliExpress and UPS. However, reverse logistics was managed by 3PLs in all three stages. The infostructure was built at stage two and the big warehouse service turned the warehouse into a fulfilment centre and fully managed by AliExpress. The authors also noted that the building of the e-fulfilment strategy was well executed by AliExpress and excessive costs were avoided. Lummus and Vokurka (2002) suggested that firms should evaluate several e-fulfilment options before making any huge investments and AliExpress actually capitalized these options. In the first stage, UPS was used as a third-party e-fulfilment provider, while overseas warehousing service used 3PLs' existing overseas warehouses as distribution centre in stage two. In stage three, AliExpress acquired several dedicated e-fulfilment centres in China to further reduce the delivery time and delivery cost. By such actions, huge investments of building new dedicated fulfilment centres is successfully avoided in building the e-fulfilment strategy.

5.2 Analysis regarding research question two

The benefits of logistic service development for AliExpress were revealed through two interviews with Ms. Ye while the interview with Mr. Lu provided information regarding the benefits for sellers. The organizational learning model in 3PL and the relational benefit model in 3PL will be used for analysis in this section.

5.2.1 Benefits for e-commerce company

Ms. Ye described the first stage as the learning phase for AliExpress to study logistic operations, however such learning activity can be found through all three stages. It is the continuous learning that improved the logistic service and pushed its development. The organizational learning model developed by Panayides (2007) can be used in this scenario to analyse the benefits that organizational learning brings. Organizational learning performed by AliExpress indeed exerts positive influence on relationship orientation and logistics service quality. The logistic service development for AliExpress took sellers, partners and final customers all into consideration in terms of the benefits. It maintained a good relationship between these parties and resulted in mutual exchange and fulfilment of promises at a profit. The ultimate benefits are the enhancement of logistics service quality and firm performance. Moreover, organizational learning at AliExpress also enabled consolidation and integration by carrying out the overseas warehousing service and the big warehouse service. The overall all firm performance, market share, profitability and sales growth have been improved according to interviews with Ms. Ye.

The benefits of logistic service development for AliExpress can also be revealed from relationship aspect and the relational benefit model will be used for the following analysis. According to Li et al. (2012), there are three relational benefits which are value-added benefits, collaborative benefits and economic benefits. In this case, value-added benefits are the market knowledge and logistic expertise of 3PLs, collaborative benefits are the information sharing and communication that were enabled by database integration, and economic benefit is the direct monetary income. These benefits were realized by partnering with 3PL and through continuous learning in this case. All these benefits turned into relational outcomes which are market share, profitability and sales growth in

this case. Based on the model, trust and commitment are the results of relational outcomes. Indeed, the authors found that trust was established during the partnership since both AliExpress and 3PL partner act on behalf of each other's benefits. The commitment is revealed by the stable business relationship between AliExpress and 3PL partners. Hence, long-term business relationship as the ultimate benefit is likely to happen on the basis of trust and commitment.

5.2.2 Benefits for sellers' e-business

According to the interview with Mr. Lu, logistic and profit are the most obvious benefits that come with the logistic service development. For logistic aspect, delivery time and cost has been reduced significantly and the order fulfilment process is simplified. For profit aspect, the profit is increased significantly due to the reduction in purchasing price and logistic cost. The authors found that the benefits for sellers are directly linked with the benefits for e-commerce company. The logistic aspect benefits actually are the same as AliExpress experienced. As for profit aspect, it is equivalent to the relational outcomes and firm performance which both are the benefits for AliExpress. Thus, the authors conclude that benefits of logistic service development are equivalent for e-commerce company and sellers. Such benefits were shared among these two parties.

6 Conclusion

In this chapter, the authors present the conclusions from previous analyses and answer the two research questions.

Based on the case study in this thesis, the authors have presented a systematic logistic service development process for e-commerce and identified the benefits of such development bring to e-commerce. The literature of previous researches tends to focus on separate parts of the logistic service development in e-commerce and less of the systematic development was studied. In this thesis, the authors aim to depict the picture of logistic service development and its benefits for e-commerce. The result of this thesis has contributed to the study of logistic service development for those newly launched international e-commerce companies in China.

In summary, this thesis is able to contribute to previous research gap and the results of this thesis are presented below by answering each research questions.

RQ1: How does a logistic service develop overtime for international e-commerce?

Throughout the empirical findings and the analysis, the development of logistic services can be divided into three stages. The first stage is to partner with 3PLs and choose among different 3PLs based on strategic needs. The second stage is working towards channel collaboration which has five requirements to fulfil (information sharing and cooperation, a boundary-spanning information system, inter-organizational metrics, methods to identify the benefits, and ways for sharing the spoils of cooperation) (Ballou, 2007). The third stage is build an e-fulfilment strategy which needs to solve different issues in e-fulfilment and working towards three key operational areas that are fulfilment centre, infostructure and reverse logistics (Tarn, et al., 2003). It is notable that e-fulfilment strategy building should be started from the beginning since it cannot be done in short time. Furthermore, firms should consider some e-fulfilment options such as acquire a dedicated e-fulfilment centre and use a third-party e-fulfilment service provider before making any huge investments (Lummus & Vokurka, 2002). The concept map for logistic service development is shown below in figure 20.

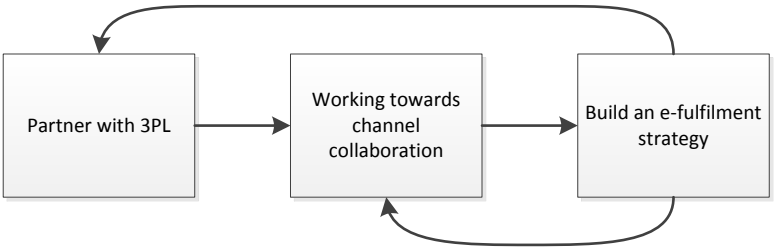

Figure 20, Concept map of logistic service development

RQ2: What are the benefits of such development to international e-commerce?

The authors found that the ultimate benefits for e-commerce are the improved firm performance and long-term business relationship with 3PL partners, which originated from organizational learning and relational benefits. The benefits of logistic service development for sellers are the reduction of delivery time and cost with simplified order fulfilment process from logistic aspect. From profit aspect, sellers enjoy the same benefit as e-commerce company do, which are increased profit and sales growth. The authors conclude that benefits of logistic service development are equivalent for e-commerce com-

pany and sellers and such benefits were shared among these two parties. The concept map for logistic service development is shown below in figure 21.

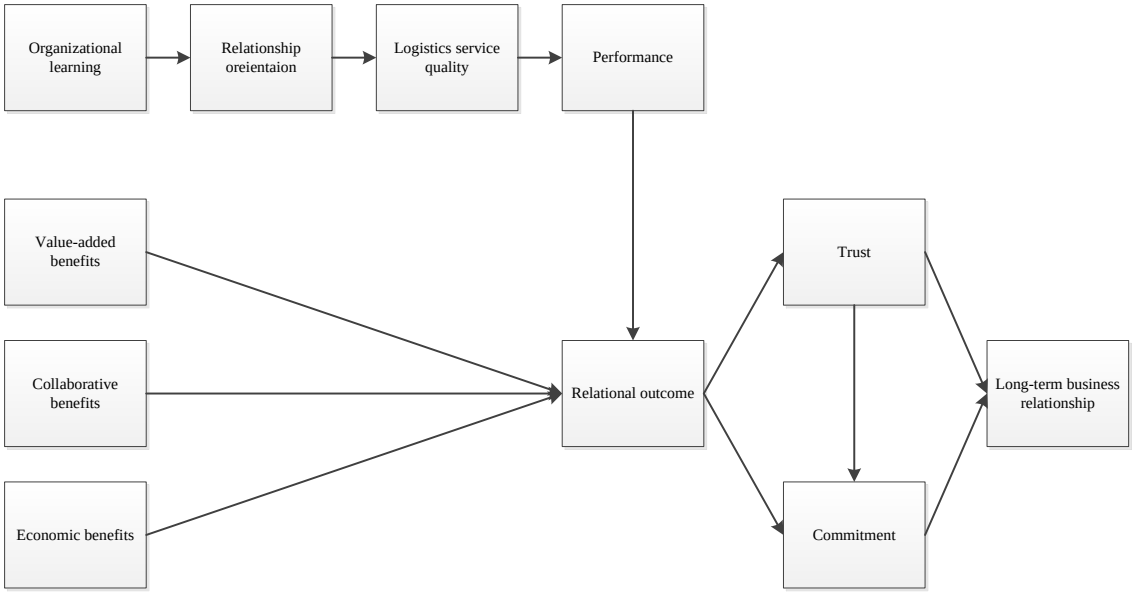

Figure 21, Concept map of logistic service development benefits

Further research

In this thesis, the authors have used single case study to explore the logistic service development for e-commerce and its related benefits. However, single case study may not be representative. Therefore, further researches are suggested to study different companies in the same industry so that comparisons can be made and a comprehensive conclusion can be drawn. Moreover, the research of this thesis is limited to e-commerce companies in China and those e-commerce companies that located in other countries are also recommended to be studied.

The research purpose of thesis is exploratory and the authors have drawn the concept map of logistic service development and its benefits. However, the authors are not able to generalize the conclusion into other companies in the same industry. Thus, other e-commerce companies' logistic service development and related benefits are needed to be studied to find similarities and differences.

For the sellers' perspective of the logistic service development benefits, the authors only concerned with logistic aspect and profit aspect. Nevertheless, other aspects of sellers' e-business such as customer retention rate, operation efficiency etc. needs to be studied in order to draw a more comprehensive conclusion regarding the benefits.

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8 Appendix

Semi-structured interviews

- **Interviews with Ms. Ye:**

Position: Logistic platform manager of AliExpress

First interview with Ms. Ye:

Date: Saturday, March 2nd 2013

Objective: To introduce this thesis and to obtain information regarding the company information.

Semi-structured interview questions:

1. Could you tell us something about yourself? What is your name? What is your position at AliExpress?

2. How long have you worked for this company?

3. What are your duties in your job?

4. Alibaba Group Inc. is the leading e-commerce company in China and it has a lot of subsidies. On what purpose and condition that AliExpress was found? Is it to expand the business or is it a pursuit of some kind of value?

5. Could you give me a brief introduction of AliExpress?

Additional questions:

Based on question 4

1. As you told us that AliExpress was found under the guidance of corporate mission and vision. How does the mission and vision affect you, your work and your department?

Second interview with Ms. Ye:

Date: Sunday, March 24th 2013

Objective: To obtain information regarding how logistic service developed for AliExpress and the benefit is brought.

Semi-structured interview questions:

1. Could you give us an introduction of the order fulfilment process?

2. What is the role of logistic service in the order fulfilment process?

3. Could you tell us how does logistic service develop for AliExpress?

4. What are the benefits of such development?

Additional questions:

Based on question 3

1. Could you tell us the advantages and disadvantages of both AliExpress and 3PLs in each of the stages? How did AliExpress balance such gain and loss to maintain the relationship with 3PL partners?

- **Interview with Mr. Lu:**

Position: One of the sellers on AliExpress, also a former employee of AliExpress

Interview with Mr. Lu:

Date: Friday, March 29th 2013

Objective: To obtain information regarding the logistic service development benefits for sellers' e-business.

Semi-structured interview questions:

1. Could you tell us something about yourself? What is your name?

2. Could you tell us your job at AliExpress? What did you do there? How does it relate to the logistic service development?

3. What is your business now on AliExpress? Could you give us some thoughts regarding the shift from employee to seller?

4. What is your attitude towards the logistic service development?

5. What benefits did the logistic service development bring to you?