Building a Cross-Border E-Commerce Ecosystem Model Based on Block Chain + Internet of Things

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With the development of Internet technology, cross-border e-commerce in the form of “Internet+foreign trade” has come into being. However, in recent years, scholars have continuously raised the problem that the cross-border e-commerce ecosystem with cross-border e-commerce platform as the core and the new Internet technology has not been developed sympathetically. Therefore, by establishing a model of cross-border e-commerce ecosystem and new Internet technology (blockchain + Internet of Things), this paper analyzes the stable evolution strategy of both for convergence development and proposes countermeasures for the convergence development of new Internet technology and cross-border e-commerce platform ecosystem of RFID technology logistics tracking + block chain authentic product traceability, taking vertical class cross-border e-commerce platform as an example. The simulation experiment results show that the solution proposed in this paper is feasible compared with traditional and has obvious advantages in data theft prevention, multiparty authentication, and saving system overhead to solve the calculation method of e-commerce sharing problem. Reference is provided for solving the e-commerce cyberculture problem. The process takes advantage of block chain decentralization and auditability from the relevant data analysis from the theoretical concept of big data, the current situation of cross-border e-commerce, and how big data can be applied and developed for cross-border e-commerce, in three major dimensions.

1. Introduction

In recent years, cross-border e-commerce, as a specific manifestation of “Internet+foreign trade,” has been developing vigorously. Since the development of cross-border e-commerce is inseparable from the support and synergy of suppliers, logistics, payment, and other parties, some scholars have proposed the construction of cross-border e-commerce ecosystem. The construction of cross-border e-commerce ecosystem cannot be separated from the synergistic development of e-commerce platform, logistics system, and payment system [1]. However, there are problems in the domestic cross-border e-commerce ecosystem, such as uneven product quality, lagging logistics information, security risks in the payment system, and dysfunctions between the system and the market environment. Many scholars have proposed the use of new Internet technologies to address the existing problems in the cross-border e-commerce ecosystem [2, 3].

Internet technology refers to any information technology developed and established on the basis of computer technology. The universal application of Internet technology is a sign of entering the information society. New Internet technology refers to the upgrade and replacement based on the original Internet technology. The most commonly used new Internet technologies include cloud computing, Internet of Things (IoT), VR technology, and block chain [4, 5].

IoT is based on the Internet, radio frequency identification technology, and other information carriers to collect any objects that need to be monitored, connected, and interacted with each other to achieve interconnection. IoT systems are used to build the infrastructure of various intelligent systems, such as smart cities and smart homes, and
have gradually penetrated all aspects of people’s lives and various industries [6, 7].

Blockchain is a new application of computer technology such as peer-to-peer transmission, distributed data storage, encryption algorithm, and common knowledge mechanism, and it is a distributed database system participated and maintained by several independent nodes, which has the characteristics of information traceability, not easy to tamper, and difficult to forge [8]. Blockchain technology is used to record transaction information with high efficiency and transparency, and the data are highly secure [9], which are maturely used in the field of logistics information tracking and genuine product traceability.

The concept of business ecosystem is derived from the ecosystem of nature. A business ecosystem is an organic economic association formed by the interaction of organizations and individuals, including consumers, producers, suppliers, environment, government, and other service providers. They perform different functions in a system but form a mutually dependent, interdependent, and symbiotic relationship [10].

Some literature studies have shown that the use of “blockchain + IoT” technology to build a product information traceability model can ensure the authenticity and traceability of information in the transaction process [11, 12]. The development of cross-border e-commerce can be promoted through the development of IoT infrastructure and supporting policies and regulations [13].

Based on the theoretical research on the relationship between cross-border e-commerce and new Internet technologies and the problems faced in reality, this paper analyzes the evolution strategy of new Internet technologies and the problems faced in reality, analyzed the evolution strategies of new Internet technologies and cross-border e-commerce platform ecosystem by establishing a model of new Internet technologies and cross-border e-commerce ecosystem and puts forward countermeasure suggestions.

The contributions of this article are as follows:

1. This article establishes a cross-border e-commerce ecosystem model based on blockchain + Internet of Things, taking vertical cross-border e-commerce platforms as an example, and proposes new Internet technologies and cross-border e-commerce with RFID technology logistics tracking + blockchain authenticity traceability countermeasures and suggestions for the integrated development of the platform ecosystem.

2. We discussed the theoretical research on the relationship between cross-border e-commerce and new Internet technologies and the problems faced in reality, analyzed the evolution strategies of new Internet technologies and cross-border e-commerce platform ecosystems, and put forward countermeasures and suggestions.

3. The experimental analysis shows that the proposed scheme has all the characteristics of the existing scheme and also has other characteristics, such as file synchronization, document tracking, and identity verification. E-commerce functions can be better realized.

2. Related Work

The most relevant research in this paper can be summarized into two areas, IoT-based e-commerce and the application of blockchain in e-commerce [5, 14].

IoT-based e-commerce: the core concept of IoT-based e-commerce is to establish a M2M communication model to replace the traditional P2P model to the maximum extent possible. Reference [15] defined the M2M communication model as an automatic communication process between machines with minimal human intervention.

With the prevalence of IoT-based e-commerce in recent years, many applications have started to emerge. Card-based online digital payment systems are the first generation of MIT-based e-commerce and have long supported and dominated the market. The JW model [4] and 3e model [16] have been widely adopted. Despite the degree of convenience offered by this MIT-based form of digital payment, it is only an extension of the traditional credit card, and likewise, it is plagued by fraudulent transactions and high latency. According to a survey conducted by [17], the world suffered $21.8 billion in fraudulent credit card transaction losses.

Reference [18] proposed to parallelize the user preference acquisition algorithm in the platform by two MapReduce and one map to improve the click rate and conversion rate of recommended product information. Map has the function of decomposing tasks into multiple tasks; reduce has the function of collecting the results of multiple tasks after decomposition together to obtain the final processing results. Reference [19] proposed that the evaluation of m-commerce consumers' transaction trust through computer simulation technology can effectively improve the security factor of e-commerce transaction process.

In addition, credit cards are currently limited to P2P or P2M transaction models and cannot support M2M autonomous transaction management [10, 20]. Later, with the popularity of mobile devices, mobile payment systems have become one of the most critical components of IoT-based e-commerce. Platforms such as PayPal or Venmo are gaining more and more public attention. Reference [21] analyzed in detail the digital payment system using PayPal as an example. Reference [22] went even further and proposed a P2P payment system called P2P paid, which enables two users to transfer funds via Bluetooth communication.

However, these systems act as an extended "buffer" for banks and still do not enable autonomous M2M settlement management. Blockchain-based IoT-enabled e-commerce systems with data integrity, nonrepudiation, and automatic economy are a satisfactory solution as a security solution for traceable autonomous transaction management systems.
3. Cross-Border Logistics Product Information Processing Framework

3.1. Integration of Blockchain with IoT. IoT technology can provide more application scenarios for block chain, and block chain technology can well solve the problems of information loss and privacy and information security in IoT. The research on the integration between them has been a hot issue in recent years, and some experts and scholars and relevant departments have made thoughts: for example, according to the NB-IoT and eMTC IoT networks of two standards promoted by mobile communication operators network formation characteristics, the corresponding solutions of block chain and related technologies are proposed [7, 16].

The IoT technology can ensure that the information is collected accurately and authentically and transmitted in real time, while the decentralized nature of block chain technology can establish a trust mechanism and ensure the timeliness, security, comparability, and traceability of information in the process of circulation and sharing by using its asymmetric encryption algorithm and timestamp technology. If block chain technology and IoT technology are integrated, information can be objectively and dynamically transmitted to the block chain system by using IoT terminal devices to realize the integrity and authenticity of information in the whole process of collection, circulation, and sharing [20].

3.2. Cross-Border Logistics Framework. In cross-border e-commerce logistics, IoT and block chain technology are combined to build a framework for processing product information in cross-border e-commerce logistics, as shown in Figure 1. In order to ensure the identity and trustworthiness of IoT devices (e.g., RF scanner guns, QR codes, sensors, and so on) in cross-border logistics, it is possible to establish a matching relationship between personal identity and devices, realize two-way authentication, transmit accurate and reliable data information, and use the encryption technology of block chain technology to prevent tampering of product information and logistics transportation data by merchants or logistics companies; secondly, the transaction information of products will also be transmitted into the block chain transaction system, thus integrating the physical information in IoT and cross-border e-commerce transaction information, and using the time-stamping technology in the block chain system to this will form an information system for government and regulatory agencies to monitor information and consumers to trace information [23].

4. Evolutionary Model of Cross-Border E-Commerce Ecosystem

4.1. Constructing an Evolutionary Game Model

(1) The leading group of cross-border e-commerce platform is the core of the whole e-commerce ecosystem, which also determines the stability, synergy, and adaptability of the whole system, and the cross-border e-commerce platform \( p_1 \) and the new Internet technology \( p_2 \) are selected as the two sides of the game [24].

(2) Selection Strategy. The game strategy of cross-border e-commerce platform and new Internet technology is integration development and nonintegration development.

(3) Strategy Matrix [14]. According to the evolutionary game theory, the strategy matrix of cross-border e-commerce platform and new Internet technology is shown in Table 1.

In Table 1, \( R_1 \) and \( R_2 \) denote the normal benefits of \( p_1 \) and \( p_2 \) nonconvergence, \( V_1 \) and \( V_2 \) denote the additional benefits of \( p_1 \) and \( p_2 \) convergences, \( p_1 \) and \( p_2 \) denote the additional costs of \( p_1 \) and \( p_2 \) convergence, and \( Z_1 \) and \( Z_2 \) denote the contribution of \( p_1 \) and \( p_2 \) new Internet technologies to them after convergence.

Hypothesis \( Q_1 \) represents the probability of choosing fusion at period \( t \), \((1 - Q_1)\) represents the probability of choosing no fusion, \( Q_2 \) represents the probability of choosing fusion at period \( t \), and \((1 - Q_2)\) represents the probability of choosing no fusion.

When \( p_1 \) the platform chooses to fuse in period \( t \), the payoff is as follows:

\[
P_{11} = Q_2 (R_1 + V_1 - C_1 + Z_1) + (1 - Q_2) (R_1 - C_1). \tag{1}
\]

When \( p_1 \) platforms choose not to converge in period \( t \), the benefits are as follows:

\[
P_{12} = Q_2 R_1 + (1 - Q_2) R_1. \tag{2}
\]

Therefore, the average returns for the \( p_1 \) platforms are as follows:

\[
P_1 = Q_1 P_{11} + (1 - Q_1) P_{12}. \tag{3}
\]

This leads to the replication dynamic equation for the \( p_1 \) platform as follows:

\[
\frac{dQ_1}{dt} = Q_1 (P_{11} - P_1) = Q_1 (1 - Q_1) (Q_2 V_1 + Q_2 Z_1 - C_1). \tag{4}
\]

When \((dQ_1/dt) = 0\), the critical value for stability is \( Q_1 = 0, Q_1 = 1 \), and \( Q_1^* = (C_1/(V_1 + Z_1)) \).

The strategy adopted by the two parties depends on their willingness [13, 25], and the evolution of the platform depends on the probability of integration or nonintegration of the new Internet technologies on the platform in the following three scenarios.

When \( Q_2 = Q_2^* \), i.e., the probability of fusion is equal to the critical value, \( Q_1 \) the solution is stable regardless of the value and \( p_1 \) the platform may evolve towards fusion or towards nonfusion.

When \( Q_2 < Q_2^* \), i.e., the probability that the platform chooses to fuse is less than the critical value, \( Q_1 \) taking 0 is a stable solution, and in the long-term evolution of the system, the nonfusion benefit is larger than the fusion benefit, and \( p_1 \) the platform will choose the nonfusion strategy.
When $Q_2 > Q_1^*$, i.e., the probability that the platform chooses to fuse is greater than a critical value, $Q_1$ taking 1 is a stable solution, and in the long-term evolution of the system, the nonfusion benefit is smaller than the fusion benefit, and $p_1$ the platform will choose the fusion strategy.

Due to the interaction between $p_1$ and $p_2$, the above steps are repeated to obtain the selection strategy [25].

This yields the Jacobi matrix $Y$ for the above system as follows:

$$ Y = \begin{pmatrix} (1 - 2Q_1)(Q_2V_1 + Q_2Z_1 - C_1) & Q_1(1 - Q_2)(V_1 + Z_1) \\ Q_2(1 - Q_2)(V_1 + Z_2) & (1 - 2Q_2)(Q_1V_2 + Q_1Z_2 - C_2) \end{pmatrix}. $$

(5)

As shown in Tables 2 and 3, two Jacobi analysis matrices [26] show that only $A(0,0)$ and $D(1,1)$ of the five equilibrium are stable evolutionary strategies for new Internet technologies and cross-border e-commerce platforms, i.e., new Internet technologies and cross-border e-commerce platforms do not integrate or merge.

### 4.2. Stable Evolutionary Strategy Analysis

Based on the above game evolution model, it can be seen that in order to achieve stability, the strategy of new Internet technology and cross-border e-commerce platform is to integrate or not to integrate [5, 26]. The value of the saddle point $E(C_2/(V_2 + Z_2), C_1/(V_1 + Z_1))$ is inversely proportional to the influence of the new Internet technology on the platform after integration $Z_1$ and $Z_2$. Moreover, the above analysis shows that when the new Internet technology is mature and the cross-border e-commerce platform has enough capital to introduce the new Internet technology, the two will choose to integrate and develop.

### 5. Experiment

Smart contract part: the program uses Remix IDE as the Etherparty smart contract development tool, written in Solidity language, and deploys on the Etherparty for testing [27].

As can be seen from Figure 2, the growth trends of plain text files and multimedia fusion files are basically the same. As the number of files increases, the node confirmation pressure increases and the response time becomes slower. It can be seen that the response speed of simultaneous uploading transaction files is less than 180 files, and the response time is about 400 ms or shorter. However, when the number of files exceeds 180, the response time increases rapidly. The possible reason is that there are too few packing contract nodes (mining nodes) in the experiments based on the POW consensus mechanism, which leads to slow transaction processing. Theoretically, the experimental arrangement will further optimize the efficiency of the public network, but with 180 files, the requirements in the model can be fully satisfied and users do not feel any significant delay. Overall, the system works well with no significant blockage, which meets the initial expectation of the study.

From Figure 3, we can clearly see that our square pen has good advantages over the traditional method. Since March, the cost loss of our scheme has been much less than that of the traditional scheme. With the passage of time, the comparison between the two schemes is more obvious.

Figure 4 describes the number of transactions and forwarding volume of our scheme. It can be seen that with
Table 2: Results of Jacobi matrix analysis 1.

| Equilibrium point | Determinant of $Y$                                               | Symbol |
|-------------------|-----------------------------------------------------------------|--------|
| $A(0,0)$          | $C_1C_2$                                                         | +      |
| $B(1,0)$          | $-C_1(V_2 + Z_2 - C_2)$                                          | -      |
| $C(0,1)$          | $-C_2(V_2 + Z_1 - C_1)$                                          | -      |
| $D(1,1)$          | $(V_2 + Z_2 - C_2)(V_1 + Z_1 - C_1)$                            | +      |
| $E(C_2/(V_2 + Z_2), C_1/(V_1 + Z_1))$ | $C_1C_2(V_2 + Z_2 - C_2)(V_1 + Z_1 - C_1)/(V_1 + Z_1)(V_2 + Z_2)$ | -      |

Table 3: Results of Jacobi matrix analysis 2.

| Equilibrium point | Determinant of $Y$                                               | Symbol         | Result   |
|-------------------|-----------------------------------------------------------------|----------------|----------|
| $A(0,0)$          | $-C_1 - C_2$                                                     | -              | ESS      |
| $B(1,0)$          | $C_1 + V_2 + Z_2 - C_2$                                          | +              | Instable |
| $C(0,1)$          | $C_2 + V_2 + Z_1 - C_1$                                          | +              | Instable |
| $D(1,1)$          | $-V_2 - Z_2 + C_2 - V_1 - Z_1 + C_1$                            | -              | ESS      |
| $E(C_2/(V_2 + Z_2), C_1/(V_1 + Z_1))$ | $0$                                                            | ±              | Saddle point |

Figure 2: Comparison of storage efficiency.

Figure 3: Computational overhead of the components.

Figure 4: A general view of the system.

Figure 5: Average transaction processing time.
the increase in transaction records, our blockchain-based model has a good effect on data forwarding. It shows that the designed scheme can tolerate large-scale transactions and avoid the collapse of the e-commerce service system.

Figure 5 is the box diagram of the monthly transaction processing of our scheme, in which the red one is the traditional scheme and the blue one is the scheme in this paper. It can be clearly seen from Figure 5 that our scheme has higher transaction effectiveness than the traditional scheme and shortens the time of the traditional scheme by 1/3. This is rare and valuable, which can be attributed to the advantages of our framework based on blockchain and Internet of Things.

6. Conclusions

By establishing the model of cross-border e-commerce ecosystem and blockchain + IoT, this paper analyzes that the stable evolution strategy of the two is the integrated development. Taking the vertical cross-border e-commerce platform as an example, this paper puts forward countermeasures and suggestions for the integrated development of the new Internet technology of RFID technology logistics tracking + blockchain authentic traceability and the ecosystem of cross-border e-commerce platform. The simulation results show that the solution proposed in this paper provides a reference for solving the security problem of e-commerce network. This process takes advantage of the decentralization and auditability of blockchain.

Data Availability

The dataset used in this paper is available from the corresponding author upon request.

Conflicts of Interest

The authors declare that they have no conflicts of interest regarding this work.

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