

Implementing Electronic Commerce in Global Marketing



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INTRODUCTION

Electronic commerce (e-commerce) is increasingly becoming the most recognized means of doing business in the digital age (Reddy & Divekar, 2014). The expansion of e-commerce has transformed retail markets, thus changing the way that consumers shop for goods and services (Pozzi, 2013). With the development of e-commerce and the fast growing number of Internet users, Internet has become a vital distribution channel in many industries (Wu, Li, & Xu, 2014). Emerging e-commerce systems are expected to be available toward utilizing various official and personal computing devices (Lian, Chen, & Michael, 2013).

E-commerce is one of the most recognized patterns of electronic technology applied to modern business (Kasemsap, 2015a). Modern technology allows businesses to transact in electronic markets (Nicolaou, 2011). E-commerce and electronic business have become an essential component of business strategy for economic development (Georgiadis & Chau, 2013). The strength of this article is on the thorough literature consolidation of e-commerce in global marketing. The extant literature of e-commerce provides a contribution to practitioners and researchers by illustrating a detailed perspective of the practical utilization of e-commerce to appeal to the various segments of e-commerce in order to maximize the marketing impact of e-commerce in global marketing.

BACKGROUND

With technological advancements, firms are increasingly reaching out to their customers through a variety of channels such as e-commerce, mobile commerce, and brick-and-mortar establishments (Liang & Wei, 2004). Iglesias-Pradas et al. (2013) stated that in the last decade, the growth and generalization of Internet use has made it possible to increase sales growth through e-commerce websites. E-commerce is executed in a diversity of management by researchers (Saffu, Walker, & Hinson, 2008).

E-commerce is considered as an international phenomenon (Kaynak, Tatoglu, & Kula, 2005). Firms adopting and implementing e-commerce solutions are profitable at the market level (Porter, 2001). The expanding growth in the information and communications technology (ICT) and the resulting emergence of e-commerce have reshaped the business world. E-commerce has reached a phase of change where the progressive ideas become more developmental in global business (Lee, Claudine, Chris, & Sean, 2001).

IMPLEMENTING ELECTRONIC COMMERCE IN GLOBAL MARKETING

This section describes the theoretical and practical concept of e-commerce, the significance of e-commerce in global marketing, and the implementation of e-commerce in global marketing.

Concept of Electronic Commerce

E-commerce is defined as the process of buying, selling, and exchanging products, services, advertisements, and information through electronic communication technologies (Chiu, Tzeng, & Li, 2013) by utilizing computer networks and the Internet (Turban, King, Lee, Warkentin, & Chung, 2002). E-commerce is the transaction of goods and services over the Internet (Gökmen, 2012). Gibbs et al. (2003) defined e-commerce as the application of the Internet to buy, sell, and support products and services.

Technology in e-commerce encompasses all aspects of the system, information, procedures, and security and it is the main difference between traditional and online commerce (Al-Qirim, 2007). Technological factors can improve the efficiency of the business in the online environment (Safa & Ismail, 2013). Technological, organizational, and environmental contextual factors adapt the ability of e-businesses (Rashidirad, Soltani, & Salimian, 2014).

Globerman et al. (2001) defined the Internet-based commerce as any commercial transaction where the buyer and seller come together through the electronic media of Internet, form a legal agreement concerning the pricing and delivery of special goods and services, and finish transaction through the delivery of payments and services. Online commerce introduces consumers with a suitable way of shopping outside of their local supervision (Alm & Melnik, 2012). E-commerce includes electronic stores (e-stores) toward the shopping approaches involving rational choices, amusement, and social communication (Wu & Wang, 2006). E-stores become an important retailing channel, and many stores have been established and are experiencing a continuous increase in sales (Chiu et al., 2013).

E-commerce plays an important role in the international economy and conducts the transactions of goods and services by means of ICT, particularly the Internet (Xu, Gong, & Thong, 2006). The Internet facilitates price comparison between sellers (Brown & Goolsbee, 2002; Brynjolfsson & Smith, 2000) and offers a larger variety of products than traditional businesses (Brynjolfsson, Yu, & Smith, 2003). ICT is increasingly recognized as a key resource for firms' business performance (Janita, & Chong, 2013). The broad application of ICT is important to the structural transformation of firms (Song & Liu, 2013). The website has experienced a rapid growth, playing an increasingly important role in modern business (Aanen, Vandic, & Frasincar, 2015).

Significance of Electronic Commerce in Global Marketing

Advances in the information technology (IT) and the ongoing application and diffusion of the Internet and e-commerce have radically altered global economic activity in the past two decades (Liu, Chen, Huang, & Yang, 2013). The practical effect of introducing e-commerce is to reduce transaction costs and gain process improvements and marketplace benefits (Garicano & Kaplan, 2001). E-commerce trading supports the users with complete information and comments on the products and vendors in global business (Ma, Li, & Zhou, 2014). Customer and organizational resources should be jointly recognized to explain perceived value in e-commerce (Paredes, Barrutia, & Echebarria, 2014).

To be profitable in the global economy, e-commerce businesses need to maximize the overall value of fulfilled orders, while limiting costs of delivery (Cleophas & Ehmke, 2014). One of the most impor-

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