

Chapter X

Globalization and Relevant Strategy for E-Commerce

ABSTRACT

This current conceptual study reviews the literature of globalization and EC, and reveals three independent variables that help to determine, initially, whether a regionalization or globalization approach is most compliant with B2C EC. These variables are customer adoption of B2C EC across countries, the external environment, and customer perception of EC quality. If globalization is currently complying with the EC operation, then this study suggests a sequential adoption of a globalization strategy. It should begin with customization for segmented markets, then modify the marketing mix for integrated segmented markets, and end with a standardized globalization approach for a homogenous market.

10.1. INTRODUCTION

The Internet potentially offers individuals, institutions, businesses, communities, and all levels of governments with new global opportunities for learning, educat-

ing, interacting, transacting business, and developing their social and economic potential (Adam & Wood, 1999). Especially, developed countries with extensive telecommunication, skilled personnel, computers, Internet, and technology infrastructure, like USA, Canada, Western Europe, Japan, Singapore, Hong Kong can get the privilege of globalization through the Internet. It plays a significant role in the present information and knowledge based market by planning, generating, managing, and transmitting information in the most effective way to provide easy access and availability across the countries. Therefore, as the most topical issue, proliferation of EC and globalization captures the attention of the practitioners, academicians, policy makers, and readers substantially which leads to development of new theoretical framework to encompass globalization strategies of EC. In this chapter, we hope to provide a theoretical framework for the globalization strategy of EC. We have divided this chapter into 6 sections to explain the related concepts of EC globalization, issues of globalization, existing literature of globalization of Internet economy, and globalization framework with conclusion. If readers follow this chapter sequentially, they will get a clear picture of the issues and paradigms of globalization of EC.

Globalization – the growing integration of trades, societies, culture, and human beings around the world – has been one of the most controversial topics in international economics over the past few years. Rapid growth of economies, extensive adoption and implementation of information and communication technology (ICT), openings of market bearing enormous opportunities, dramatic shift in political flexibility, and poverty reduction are some aspects of globalization. In countries like China, Brazil, India, South Korea, Malaysia, Thailand, Taiwan, Singapore, Hong Kong and others, that were poor decades ago, globalization has led to seamless transformation of economic activities. Globalization has generated significant international interaction across countries over the years and even skeptical analysts are foregoing to anticipate its barrier breaking movements (Andersen, & Bjørn-Andersen, 2001; Kraemer, 2001; Wong, 2002; Kettler, & Benavides, 2002; Kraemer *et al.*, 2002; Koenig & Wigand, 2004). Globalization is an umbrella term that refers to a complex of economic, trade, social, technological, cultural, and political interrelationships, convergence, and integration. This process has fierce implications on the environment, on culture, on political systems, on economic development and prosperity, and on living standards in societies around the world. EC is one of the drivers of globalization and has helped to capitalize the competitive advantages from market economy worldwide. Therefore, exploring globalization strategies, possible barriers and its possible impact on E-commerce' functional characteristics is a broad area to investigate and understand. Some scholarly researchers have explored, identified, and evaluated strategies of globalization and its adherence and adaptability with

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