Chapter XXVI

A Three-Tiered Approach to Global E-Commerce:
Experiences of Nu Skin International

David Paper
Utah State University, USA

Ken Tingey
OpenNet Corporation, USA

EXECUTIVE SUMMARY

Access to the world enabled by the Internet facilitates internationalization as never before. However, lack of a coherent global Internet strategy can relegate any company to a strictly provincial "neighborhood" status. Globalization strategies and tactics should therefore be of central concern to all enterprises. To research the strategic issues involved in Internet-based globalization, we embarked on a case study. Our goal is to explore how the Internet and its related technologies can serve to help organizations better deal with the challenges of conducting global business. Our research enabled us to identify a set of heuristic "rules of thumb" that might be used to support Internet-based globalization efforts. In our study we discuss the many challenges to establishing successful global enterprises. We then introduce a model for understanding global

business requirements in the e-commerce age. We conclude by analyzing a case study to initially validate our theoretical model and summarize our findings.

INTRODUCTION

Many organizations look to the Internet as an instrument to support their global aspirations, to allow them to enter new markets, to extend their brands and offerings geographically, and to use increasingly pervasive Web access to enter global markets. The hope is that instant worldwide access to information via the Internet can serve as a global "calling card" in consumer and business-to-business environments alike. The current global climate of peace and openness appears to be conducive to global business. The Cold War is over. China is moving toward being an "open" trading partner with the world (Weeks, 2000). Moreover, access to the Web is relatively inexpensive as compared to the past.

The Web appears to be the new vehicle to global business exchange. It seems that Web merchants are satisfied if they can get credit card money verified in real-time while leaving other business processes to a complex maze of e-mails, sticky notes, and off-system paper trails. However, basic business principles should still apply in e-commerce. Successful global e-commerce requires more than a Web site and simple data interchange functionality. The way of the Web has been to slide through fulfillment requirements. Few Web-based tools provide much in the way of inventory control, for example. As a result, organizations face a continental divide between whatever systems they have used in the past and new Web-based technologies. ERP, the hoped-for "do all" and "be all" of the mid-1990s, didn't meet expectations (McNurlin, 2001)—the long-term implications of which are still to be determined in the marketplace.

The question confronting large-scale organizations around the world is how these two technological worlds—the Web and internal enterprise computer systems—can and should come together. The Web is of necessity directed outward at customers and markets and collaborative partners. Traditional enterprise systems, from ERP to older legacy systems, are by their very nature mostly inwardly directed, focusing on the need to coordinate employees and manage materials according to financial, tax, and operating imperatives.

Furthermore, immediate access to the world as enabled by the Internet forces the internationalization issue as never before. Lack of a coherent global Internet strategy can relegate any company to strictly provincial "neighborhood" status. In the face of such challenges, globalization strategies and tactics should be of central concern to all enterprises. We therefore embarked on a study to explore how the Internet and its related technologies can serve to help organizations better deal with the challenges of conducting global business. Moreover, we want to identify a set of heuristic "rules of thumb" that might be used to support Internet-based globalization efforts. We begin by discussing the challenges to global enterprises. We then introduce a model for understanding global business requirements in the e-commerce age. We continue by analyzing a case study to initially validate our theoretical model.

17 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/three-tiered-approach-global-commerce/6499

Related Content

Radicalization and Recruitment: A Systems Approach to Understanding Violent Extremism
Anthony J. Masys (2014). *International Journal of Systems and Society (pp. 51-65).*
www.irma-international.org/article/radicalization-and-recruitment/116559

Internet-Enabled User Interfaces for Distance Learning
Wei Liu, Keng Soon, Roshan Peiris, Yongsoon Choi, Adrian David Cheok, Charissa Lim Mei-Ling, Yin-Leng Theng, Ta Huynh Duy Nguyen, Tran Cong Thien Quiand Athanasios V. Vasilakos (2011). *Sociological and Philosophical Aspects of Human Interaction with Technology: Advancing Concepts (pp. 318-342).*
www.irma-international.org/chapter/internet-enabled-user-interfaces-distance/54147

A User-Centered Approach to the Retrieval of Information in an Adaptive Web Site
Cristina Genaand Liliana Ardissono (2009). *Selected Readings on the Human Side of Information Technology (pp. 125-140).*
www.irma-international.org/chapter/user-centered-approach-retrieval-information/28745

Preparing Student Sojourners for Cultural Immersion in Multiple User Virtual Environments
Peter Galanteand Kevin W. Tharp (2012). *International Journal of Social and Organizational Dynamics in IT (pp. 48-58).*
www.irma-international.org/article/preparing-student-sojourners-cultural-immersion/72889

The Benefits of (Automated) Dialogue
Robert Hurling, Marco De Boniand Alannah Richardson (2009). *International Journal of Technology and Human Interaction (pp. 60-79).*
www.irma-international.org/article/benefits-automated-dialogue/37465