



# The Effects of Cross-Border E-Commerce Platforms on Transnational Digital Entrepreneurship: Case Studies in the Chinese Immigrant Community


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## ABSTRACT

This research examines the important concept of transnational digital entrepreneurship (TDE). The paper integrates the host and home country entrepreneurial ecosystems with the digital ecosystem to the framework of the transnational digital entrepreneurial ecosystem. The authors argue that cross-border e-commerce platforms provide critical foundations in the digital entrepreneurial ecosystem. Entrepreneurs who count on this ecosystem are defined as transnational digital entrepreneurs. Interview data were dissected for the purpose of case studies to make understanding from 12 Chinese immigrant entrepreneurs living in Australia and New Zealand. The results of the data analysis reveal that cross-border entrepreneurs are in actual fact relying on the significant framework of the transnational digital ecosystem. Cross-border e-commerce platforms not only play a bridging role between home and host country ecosystems but provide entrepreneurial capital as digital ecosystem promised.

## KEYWORDS

Cross-Border Trade, Current International (COVID-19) Affairs, Digital Ecosystem, E-Commerce Platform, Entrepreneurial Ecosystem, Immigrant Entrepreneurship, Transnational Digital Entrepreneurship

## INTRODUCTION

In today's digital era, there is universal acceptance among researchers, policymakers and society as a whole (Elia, Margherita, & Passiante, 2020; Sahut, Luca, & Frédéric, 2019) of the significance of digital entrepreneurship (DE) to socioeconomic development. DE has advanced to a state where it is an entirely new area of research enquiry within the interdisciplinary field of entrepreneurship (Nambisan, 2017) as studied through information systems (Du & Li, 2018), economics (Richter, Kraus, Brem, Durst, & Giselsbrecht, 2017), management, innovation (Nambisan, 2017), policy, education (Li, Liu, Zhang, & Li, 2017), strategy, and sociology, in conjunction with other entrepreneurship disciplines (Zaheer, Breyer, & Dumay, 2019). The role of DE for Chinese immigrant communities is significant for

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new business creation and for enhancing the efficiency and competitiveness of established businesses. In particular, cross-border e-commerce platforms act as a bridge between the entrepreneurial ecosystems of the host and home countries and encourage transnational entrepreneurship (Duan, Kotey, & Sandhu, 2020).

DE has been defined within various disciplinary contexts, including internet entrepreneurship, cyber entrepreneurship (Elia et al., 2020), information and communication technologies (ICT) entrepreneurship (Bogdanowicz, 2015), and entrepreneurship in other IT areas (Steininger, 2019). These definitions have been used unrestrictedly by scholars, as DE has expanded beyond national borders. In certain instances, self-made definitions are provided to get the message across to the target audiences. The present study is broad, and examines the motivations of transnational digital entrepreneurs, the strategies they adopt and the outcomes they achieve. It combines the definitions of DE from two theorists: Sahut et al. (2019), “the process of entrepreneurial creation of digital value through the use of various socio-technical digital enablers to support the effective acquisition, processing, distribution, and consumption of digital information” (Sahut et al., 2019, p.11); and Davidson and Vaast (2010), “new venture opportunities presented by new media and internet technologies” (Davidson & Vaast, 2010, p.2978).” The study focuses on Chinese immigrants living in New Zealand (NZ) and Australia, who become digital entrepreneurs and transact through Chinese cross-border e-commerce platforms.

Transnational entrepreneurship (TE) has become a major research stream in the immigrant entrepreneurship (IE) field in the last two decades (Portes, Haller, & Guarnizo, 2002), following growing international migration, globalisation and development of international trade. Research has shown that immigrants contribute significantly to the economy of their host countries, including Australia and NZ (Zhang, 2013; Collins, 2002). A widely accepted view of transnational entrepreneurs is “social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities” (Drori, Honig, & Wright, 2009, p.1001). According to Yeung (2002, p.37), transnational entrepreneurs are “capable of bearing risks in terms of capital investment and taking strategic initiatives to establish, integrate, and sustain foreign operations based on the skills of the immigrants”. An agreed viewpoint is that TE involves migrants only (Drori et al., 2009; Harima & Baron, 2020). These entrepreneurs are the focus of this study. Their trans-border activities based on digital technology (i.e., cross-border e-commerce platforms) are defined as transnational digital entrepreneurship (TDE), and the people involved are transnational digital entrepreneurs (TDEs).

Although DE and TE have garnered significant research interest in the last few years, partially due to free trade agreements among different countries, there is a dearth of research on what underpins the nature and characteristics of TDE. A Google Scholar search shows no publications devoted to TDEs. This paper aims at bridging the gap by analysing the TDE process from the perspectives of the entrepreneur’s motivations, strategies and outcomes within a transnational digital entrepreneurial ecosystem which comprises the home and host countries of the immigrant mediated by a cross border e-commerce platform. The paper addresses the following key research questions: 1) How do transnational digital ecosystems, in particular cross-border e-commerce platforms, enable TDE? 2) How do cross-border e-commerce platforms affect motivations, strategies, and outcomes of TDEs? And 3) how do TDEs exploit opportunities and leverage their host and home country resources through the digital platforms to engage in transnational business?

This study examines the motivations, business strategies and firm performance of TDEs based on twelve Chinese immigrant entrepreneurs in New Zealand (NZ). It also assesses the opportunities and resources that transnational digital ecosystems provide to TDEs. In doing these, it integrates immigrant entrepreneurship, TE and DE theories to explain the role of cross-border e-commerce platforms in TDE. The essential findings from the study are that cross-border e-commerce platforms promote TDE by enabling immigrant entrepreneurs to shift to TDE, and by providing capabilities that

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