

Chapter 6

Marketing and Advertisement in Cross–Border E–Commerce

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ABSTRACT

Recently, cross-border e-commerce has been growing rapidly among the developed and developing countries. Marketing managers design marketing and advertising strategies targeted to local and across the country. Companies need to develop separate marketing programs for different country and diverse cultural context. In this chapter, the authors discuss cross-border e-commerce, its development, the advertisement and marketing strategies, policies, and programs that are applicable to the arena of cross-border e-commerce. However, advances in communication technologies, transportation, and other technological advances have made the world a much smaller place. To survive in the competitive business environment today, companies need to make their products and services available online as well as offline. Major technological advances including the explosion of the internet have had a major impact on buyers and the marketers who serve them. To thrive in this new digital age—even to survive—marketers must rethink their strategies and adapt them to today's new environment.

INTRODUCTION

The unprecedented growth of the digital revolution has led to dramatic changes in the marketing environment forcing marketers to rethink almost everything they do. Cross-border e-Commerce is the key to exponential growth for online trade and commerce across the globe. However, the importing and exporting of goods or services across the border is nothing new concept, but the speed with which products are crossing borders is a huge development from the last couple of years. Globally, cross-border ecommerce is becoming an essential element to growing and scaling an e-Commerce. At present, it can be a tricky but highly lucrative business pursuit if it is executed properly. However, the amount of trade and commerce conducted electronically has grown extraordinarily with widespread usage of the Internet. The e-Commerce usage is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, internet marketing, online transaction processing, Electronic Data

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Interchange (EDI), Inventory management systems and automated data collection systems. Thus, companies need to make major decision regarding marketing and advertisement in cross border e-Commerce strategies. Companies operating in one or more foreign markets must decide how much, if at all, to adapt their marketing mixes to local conditions. As the same message in the advertisement are perceived differently by the people of different culture. International marketers encounter challenges in designing marketing and advertising strategies. Under these circumstances, marketing and advertising strategies should be emphasized separately in cross-border eCommerce aspect. Therefore, this chapter addresses the marketing strategies and advertisement in cross-border e-Commerce which is a new platform of international trade and commerce in the 21st century.

CROSS-BORDER E-COMMERCE

Cross-border e-commerce is one type of international e-commerce similar to cross-border e-retailing. Supported by technological advancement, growing demand and advantageous policy, globally cross-border e-commerce is booming for the last couple of years. Cross-border e-commerce marks the beginning of a new era in the history of international trade and commerce where production, marketing, distribution, and delivery of some goods and services can all take place in online networks. The scope of cross-border online trade is the fastest growing to include the provision of all kinds of services in areas such as health and consulting services, banking, finance, accounting, insurance, tax processing as well as telecommunications services, etc. Here are a few of the reasons behind the rapid expansion of foreign markets such as: (1) The access to and demand for internet-enabled devices is immense (2) The middle class is expanding and incomes are rising and (3) Many foreign governments are encouraging globalization, digitalization and international trade etc.

Moreover, it is based on selling goods or services to customers who are located in other countries. It is connected to several problems, such as a high cost and long-term delivery, language barriers, different legal and tax conditionings etc. Broadly, cross-border e-Commerce refers to the new types of means of trade and commerce by which companies and individuals use e-Commerce to integrate the upstream, downstream and related resources of the industry chain, and electronically display, negotiate and deal in traditional import and export activities. Moreover, Cross-border eCommerce is growing as advancing technologies help reduce problems associated with global payments, long shipping times, language as well as cultural barriers – making it possible for customers all over the globe to shop online at their convenient.

Simply put, Cross-border e-Commerce refers to the capability of online stores selling their products and services to customers in another country. Broadly, cross border eCommerce is the buying and selling of products overseas through e-Commerce platforms. Any user involved in the e-Commerce industry recognizes these potentials. With the growth of disposable incomes and greater knowledge of foreign products and its quality, the cross-border e-Commerce market is expected to grow significantly across the world.

However, according to the Cambridge dictionary, cross-border is defined as something happening between different countries or involving people or businesses from different countries. When it comes to cross-border e-Commerce, the term generally defines international trade and commerce online. It entails the sale or purchase of products via online shops across national borders. Buyer and seller are not located in the same country and are often not ruled by the same jurisdiction, use different currencies

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