



Chapter 12

Cross–Border E–Commerce and Small Medium Enterprises (SMEs)

Muhammad Anshari

 <https://orcid.org/0000-0002-8160-6682>
Universiti Brunei Darussalam, Brunei

Mohammad Nabil Almunawar

 <https://orcid.org/0000-0001-5296-2576>
Universiti Brunei Darussalam, Brunei

Syamimi Ariff Lim

Universiti Brunei Darussalam, Brunei

ABSTRACT

The emergence of cross-border e-commerce (CBE) has its relevance in this digital age and thus brings about the discussion regarding the challenges and potentials of CBE on the local business especially small medium enterprises (SMEs). The wide availability of technology has made CBE possible across geographical, political, and cultural borders. It is a new driving force to promote the upgrading of industrial structure. The method used throughout the research is independent reviews from various studies and articles. Despite the dynamic development of CBE, communication in other languages, the form of payment, currency, legal, and tax conditions, as well as the delivery of products remain barriers to the CBE. The findings of the study show that there are four major drivers affecting CBE performance. These are economics, politics and policies, socio-cultural, and technology.

DOI: 10.4018/978-1-7998-5823-2.ch012

1. INTRODUCTION

Over the years, the advancement of smart mobile devices (SMD) with a high speed of broadband Internet connection has been accelerating the growth of electronic commerce (E-Commerce). Due to the growth of E-Commerce, it had altered our society. Currently, there are two billion people worldwide using the Internet reached and still growing (Terzi, 2011). Most economic activities are now using the Internet to conduct their business on an online platform in order to get all the potential customers. China's electronic commerce has risen to 10.5 trillion Yuan in the first half of 2016 which makes up 30% of GDP base on the China Electronic Commerce Research Center report (Wang & Lee, 2017). Originally, eBay has more than 90 million active users where the users could buy and sell their products in this online marketplace. This has later created the CBEC which marks the beginning of a new era in international trade history where the international trade activity can take place on the Internet.

Why do sellers sell goods online? It reaches as many customers as they can and provides the part of the world something that the country or business brand has to offer. The idea behind this has made customers excited to buy goods online as for the price and quality provided is decent and at the right price. The target audience for goods usually is of all ages though there is sometimes a technological exclusion where not everyone knows how to use the Web/Apps as they might be too young or too old to know what online shopping is (Anshari et al., 2019a; Razzaq et.al. 2018; Ahad et.la. 2017; Almunawar & Anshari, 2014).

The focus of this book chapter is to investigate all the potential and challenges of CBEC, especially for small businesses. The term of Cross Border E-Commerce (CBEC), which is also known as international E-Commerce is considered to be one of the successful business channels (Ding, Huo, & Campos, 2017). The number of online shoppers across the borders has been increased over the years with the convenience of advanced technology, dominant policy, and greater demand (Polak et.al. 2019; Ahad & Anshari, 2017). Then, based on the justification of CBEC, it integrates a broad literature review of the meaning, potentials, benefits, and limitations facing by CBEC. Furthermore, the discussion section analyzes and evaluates the solutions to the problems faced by small businesses. The recommendation section elaborates on the suggestions of the improvements towards the CBEC to overcome the obstacles to its success. In conclusion, this report concludes the successfulness of the ever-growing international business chain across the country.

2. E-COMMERCE AND CROSS BORDER E-COMMERCE

Since the users and applications expand and diversify internationally as the Internet evolves. There has been a steady increase in the number of Internet users around the world and this development has provided the impetus and incentives for global e-commerce. There are 4.1 billion Internet users in the world as of December 2018. This is contrasted with 3.9 billion Internet clients in mid-2018 and about 3.7 billion Internet clients in late 2017 (Internet World Statistic, 2018). Globally the number of Internet users rose from just 413 million in 2000 to over 3.4 billion in 2016 (Roser et. al., 2020). Furthermore, the Internet has changed marketing, advertising, and promotional practices. The literature describes the Internet as an essential part of the process of development (Kole, 2000). It means that E-commerce was about \$3.45 trillion in deals in 2019 (hostingfacts, 2018). E-commerce is the fastest-growing area in the digital economy, which shortens the distance between buyers and sellers. When online deals and

10 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/cross-border-e-commerce-and-small-medium-enterprises-smes/263280

Related Content

Deep Learning-Based Classification of Customers Towards Online Purchase Behaviour: A Recent Empirical Study for Home Appliances

Juin Ghosh Sarkar, Tuhin Mukherjee and Isita Lahiri (2020). *International Journal of Online Marketing* (pp. 74-86).

www.irma-international.org/article/deep-learning-based-classification-of-customers-towards-online-purchase-behaviour/263047

Assessing Customer Interactions With Chatbots in Online Shopping Experiences: An Empirical Study

Ana Isabel Torres and Catarina J. M. Delgado (2023). *Promoting Organizational Performance Through 5G and Agile Marketing* (pp. 203-223).

www.irma-international.org/chapter/assessing-customer-interactions-with-chatbots-in-online-shopping-experiences/313843

Marketing Online Education

Ormond Simpson (2011). *Marketing Online Education Programs: Frameworks for Promotion and Communication* (pp. 32-40).

www.irma-international.org/chapter/marketing-online-education/53365

Economic and Environmental Costs of Meat Waste in the US

Nicholas Hardersen and Jadwiga R. Ziolkowska (2018). *Handbook of Research on Social Marketing and Its Influence on Animal Origin Food Product Consumption* (pp. 58-76).

www.irma-international.org/chapter/economic-and-environmental-costs-of-meat-waste-in-the-us/199386

Mediating Effects of Study Outcomes on Student Experience and Loyalty: A Comparison of Home and International Students

Vanessa Ann Quintal, Tekle Shanka and Pattamaporn Chuanuwatanakul (2012). *International Journal of Technology and Educational Marketing* (pp. 20-41).

www.irma-international.org/article/mediating-effects-study-outcomes-student/69182