

# Chapter 13

## Understanding the Current Research of Cross- Border E-Commerce: A Systematic Literature Review

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### **ABSTRACT**

*Companies face more challenges when their businesses enter into the global market, especially in an online environment. This situation is also true due to the different cultures, laws, regulations, habits, languages, technological levels, and even infrastructures for any firm that plans to utilize CBEC for gaining economic benefits. This study applies a systematic review method to present a literature review on the topic of CBEC. By reviewing 26 influential journal articles, this study provides details for the features, the methodologies, and the main themes and findings of selected articles. In the end, an integrated research framework on CBEC is proposed. This framework not only contains the major research focus of CBEC researches, but also includes the overall influential factors, the research gaps, and future research foci for CBEC. The last part of this chapter summarizes the theoretical contributions of the work, the practical implications, and the limitations of CBEC researches.*

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## **INTRODUCTION**

Since the deepening of economic globalization and commerce electronization, the development of CBEC has become an irreversible trend. Under the tide of globalization and innovation, electronic global trade will usher in new opportunities for development. According to a report from eMarketer (2017), the global e-commerce will grow at twice the speed of domestic e-commerce by 2020, and it is estimated that the worldwide B2C CBEC will reach \$424 billion by 2021. In recent times, every country competes for this massive global market. In China where online buyers are growing with high penetration rates, leading CBEC companies such as AliExpress and DHgate that attract price-sensitive buyers around the globe, dominate CBEC in Asia. In 2018, China has achieved the total value of imports and exports of 134.7 billion RMB (19.9 billion dollars) with a 50% growth rate comparing to 2017 (Ebrun, 2019). In addition, China proposed the “Electronic Commerce Law” in 2018 which highlighted this development focus. In the European Union, Single Euro Payments Area have simplified bank transfers in euros, and new regulations which prevent geo-blocking to stimulate cross-border purchase. However, vendors in North America are least likely to have cross-border trade (about 62%), and the consumers in Canada buying on foreign sites are more common than the consumers in the US. In Latin America, CBEC is hindered by low credit card usage and a lack of strong infrastructure and delivery systems (eMarketer, 2018). Thus, China holds the greatest potential to transcend the USA, UK, Germany, France, and Japan in becoming the biggest cross-border market.

Previous research focuses on factors advancing or impeding the growth of CBEC (Farhoomand et al., 2000; Farhoomand and McCauley, 2001). Additionally, factors focusing on promoting buyer’s intention to use have been uncovered, such as perceived value, lower price (Mou et al., 2020a), psychological distance (Cui et al., 2020), quality of e-marketplace and alternative website (Aulkemeier et al., 2017; Mou et al., 2020b), product description (Mou et al., 2020c) good service (Lin et al., 2018), and fast delivery (Kim et al., 2017). Further, the topics of consumer feedback (Mou et al., 2019) and the success of CBEC from seller’s perspective (Cui et al., 2019) have also been studied.

CBEC has been expanding rapidly for more than 20 years, and the users of CBEC are also increasing substantially (Alhorr et al., 2010). However, CBEC research began to grow in the academic field in the last few years. As a result, knowledge associated with CBEC is insufficient, and the research framework, structure, and classification are undeveloped. Thus, most theories, research methods, and even results of e-commerce researches are expected to be transferred to CBEC. Although there are several definitions of CBEC, to comprehensively review of it, we define CBEC as transactions among different countries or customs areas through an e-commerce platform and cross-border logistics (Tmogroup, 2015). In terms of different countries or customs areas, the first difference comparing to domestic e-commerce is that CBEC involves different laws, regulations, cultures, and languages which pose complexity in communication, online payment, customs clearance, and legal issues (Farhoomand et al., 2000). In a similar vein, cross-border logistics also involves more processes than local logistics, such as laws and regulations, technology, cross-border payments, and electronic customs clearance (Ai et al., 2016). Therefore, researches focusing on CBEC do have significant contributions to the advance of global trade compared to domestic e-commerce.

As more and more influential papers start emerging due to the specific knowledge and experience required to face all the challenges raised behind the practical global business, CBES has become particularly a field of interest in the academic community. Nevertheless, the research of CBEC is still at the initial stage with relatively underdeveloped conclusions from various aspects and without a clear

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