

# Review of Cross-Border E-Commerce and Directions for Future Research

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## ABSTRACT

The emergence of cross-border e-commerce (CBeC) has brought substantial changes to both businesses and consumers. Although CBeC businesses have existed for less than a decade, many academic researchers addressed important issues in this context. It is essential to evaluate what has been studied through a structured review of the literature and derive meaningful insights given that research on this topic is new and largely fragmented. Therefore, this study conducts a review of CBeC literature to find the current gaps and fragmentation to provide guidelines for future research. The review shows that research in this domain needs more attention and enforcement to address the current research gaps. Addressing the current gaps helps academia build a rigorous body of knowledge and enables practitioners to solve challenging business problems.

## KEYWORDS

Barriers, Buyer Behavior, Cross-Border E-Commerce, Culture, Drivers, Framework, Literature Review, Trust

## INTRODUCTION

Cross-border e-commerce (CBeC) refers to an electronic business model where the customers and sellers are located in different countries or territories. Although trading activities are conducted on an online platform similar to traditional e-commerce platforms, there are several differences between CBeC and traditional e-commerce (Hsiao et al., 2017). These differences are in logistics, customs regulations, cybersecurity, customer relationship management, and payments. The volume of CBeC transactions has increased significantly in recent years. It is expected that by 2025, the annual global revenues from CBeC would increase to 250 to 350 billion dollars (Valarezo et al., 2018). Online buyers worldwide are motivated by price advantage and diverse offerings to make purchases across borders. Although CBeC is growing rapidly worldwide, countries such as China and countries in the European Union (EU) are experiencing much faster growth than others. However, CBeC is complicated and risky because of the lack of legal enforcement across countries, cultural and language barriers, high information asymmetry, and high shipping cost (L. Wang et al., 2015). CBeC customers are different from traditional e-commerce customers due to differences in culture, language, habits, and expectations (T. Y. Kim et al., 2017). Despite these differences, an increased number of people use cross-border commerce because of the variety of benefits provided by CBeC (Valarezo et al., 2018).

To shed light on CBeC as an emerging e-business, many researchers explore this type of e-commerce from different angles. A significant portion of the literature is focused on drivers and

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barriers of CBeC, such as infrastructures, regulations, culture, and communication (Gomez-Herrera et al., 2014). Areas such as buyers' behavior, cybersecurity and privacy, and trust have not been studied enough and therefore, there is an opportunity for future research to address these areas. To shed light on the current research status, this study reviewed the existing literature on the CBeC. The focus of this review is to identify the major themes in the context of CBeC and provide a framework that explains the major factors contributing to CBeC. It also aims to identify existing gaps in the literature and guide future research on addressing those gaps. Therefore, this study is set to answer three important questions:

1. Which aspects of CBeC have been examined in the existing research?
2. What are the major factors contributing to CBeC success?
3. What are the gaps that need to be addressed in the future?

The analysis of existing research shows that research on CBeC is fragmented. The majority of the research is focused on China and European Union countries. Other regions, such as America, Africa, and the Middle East, have not received considerable attention. In addition to geographical areas, logistics have not received much attention. The review also shows that e-commerce has grown significantly and continues to grow. Companies operating under the traditional form of business have to consider switching to e-commerce as an increasing number of people now purchase their products online. There is also the need for countries to put in place supportive policies and infrastructure to promote CBeC. The results from this study reveal that the individual country's policies play a considerable role in CBeC through the policies it develops and the infrastructure it puts in place. Lastly, there is a need for e-commerce firms to develop marketing strategies that would influence consumer attitudes and purchase intention in the market. There is a need to cultivate trust among consumers about the authenticity of online vendors' products. This will help increase the intention to purchase among consumers in the market.

We also present a framework that can explain and classify the current body of knowledge for a thorough evaluation of the state of CBeC research. Such an analysis contributes to research and has great implications for the practice. This study's findings provide a guideline for future researchers to determine the existing trend of the CBeC research domain and address the current gaps. Furthermore, the classification and analysis of the literature can provide researchers with a standard taxonomy that can enhance collaboration among researchers who know different areas that contribute to CBeC (e.g., supply chain, consumer behavior, analytics, and foreign trade regulations).

In brief, CBeC has emerged as a significant force in the business environment, meaning that businesses have to pay significant attention. The growth in cross-border and e-commerce, in general, is likely to have been influenced by technological development. With the emergence of the internet, people can easily order goods online. On the other hand, with increased levels of globalization, there is increased trade cooperation among countries, which is likely to have contributed to the growth of CBeC. Finally, e-commerce firms must put in place strategies that would positively influence consumers in terms of attitude and trust.

## **LITERATURE IDENTIFICATION AND COLLECTION**

This study employs a systematic approach to identify relevant studies for the literature review (Cheung & Thadani, 2012). We used two methods to collect academic and peer-reviewed journal articles and conference proceedings. In the first method, they searched various academic databases, including Web of Science, Business Source Premier, Science Direct, ABI/INFORM Global (ProQuest), Emerald, and Wiley Online Library. They used different keywords, such as "cross-border e-commerce," "CBeC," "global e-commerce," "cross border logistics," "cross-border business," and "cross-border selling" to

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