



Chapter IX

The Internet and Global Markets

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Abstract

This chapter examines the impact of the Internet and related technologies on global marketing activities (global e-marketing), under consideration of the following aspects:

- *Special implications for multinational corporations (MNCs) and small and medium-sized companies (SMCs)*
- *Distinction between business-to-consumer (B2C) and business-to-business (B2B) markets*
- *Role of the Internet as a complementary or supplementary marketing channel*

In order to clarify the special characteristics and challenges involved in global e-marketing practices, the authors have carried out a review of related empirical and conceptual research. The following conclusions can be drawn with regard to the characteristics of reviewed studies:

1. *Due to the global nature of the Internet, relatively little research explicitly accounts for the differences between domestic and global e-marketing practices. Further research is needed on issues directly related to the Internet “global reach.”*
2. *Relatively more studies analyze global Internet marketing from a theoretical point of view. Academics are recently recognizing the need to carry out empirical research, both in B2C and B2B online environments.*

Introduction

The Internet and its main related services—the Web, e-mail services, intranets, mobile technologies, instant messaging systems, and so forth—foster direct, fast, and flexible communication between producers, suppliers, and final customers across countries. One of the most differential characteristics between the Internet and other traditional media relates to the relatively easier “global reach” enabled on this new medium. The possibilities for instant cross-national data flows have led several authors to argue that the development of true global markets is possible (Javalgi & Ramsey, 2001; Rudraswamy & Vance, 2001).

The Internet global reach is likely to have relevant implications for both business-to-consumer (B2C) and business-to-business markets (B2B). Though the effects on B2C markets are likely to be very significant (Angelides, 1997), several authors point out that B2B transactions will benefit significantly more from the global information flows over the Internet. Internet-related technologies are also argued to have “equalizing effects” (Cavusgil, 2002; Hamill, 1997; Samiee, 1998a), as skills and information assets tend to be more critical factors than financial resources or firm size in order to achieve success in global e-markets. Nevertheless, companies will necessarily have to face important challenges and risks in this new global business environment. Most of the issues that companies usually deal with in off-line global markets will continue to be relevant on the Internet: complexities related to successful international negotiations, global marketing effectiveness, international distribution and logistics, and so forth. Global marketing practices are especially likely to be changed by the introduction

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