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International Journal of Technology for Business (IJTB)



Evolution of E-commerce and Global Marketing

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Abstract

The development of new technologies in the last few years turned internet into a commercial medium that has transformed businesses all over the world. Indeed, we can be connected to internet from anywhere and anytime we want, with just one click. This evolution made the world interconnected and has permitted the development of e-commerce. More and more people communicate with internet because they are finding it easier and marketing strategies are being adapted to these changes. This article discusses the evolution of global marketing and e-commerce in order to understand what has changed in such a short time and what are the consequent impact of this new form of commerce.

Keywords: Global Marketing, E-Commerce, Data Protection, Social Impact, Consumer Behaviour

1. Introduction

Global marketing corresponds to the ability to market in almost all countries on the planet. The global firm keeps reach, skills, insights, knowledge, staff, the capability and expertise to deliver value to customers worldwide. The priority of the firm is to service customers locally with global standard solutions or products. Businesses further needs to localize product as required to maintain an optimal balance of cost, efficiency, customization. All of these is required to best meet local, national and global requirements to position itself against or with competitors, partners and defend against new global and local market entrants. Businesses also needs to understand, research, measure and develop loyalty for its brand for the long term. The invigoration of e-commerce has seriously impacted how global marketing is conducted. E-commerce encompasses all types of commerce, including Business-to-Business (B2B), Business-to-Customer (B2C), Customer-to-Customer (C2C), Government-to- Customer (G2C) activities. It has forced organizations of all sizes and industry to adapt and adopt

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new business models. This paper analyses the evolution of global marketing initiatives and e-commerce trends over the years. In addition, the research investigated various positive and negative effects of e-commerce.

2. Materials and Methods

This research is based on the review of existing literature. In addition to analysing journal articles, conference papers, books, the research team further analysed a variety of secondary data sources such as industry report, databases and scholarly websites. Literature review technique is a proven method for analysing the past and preparing for the future (Webster and Watson, 2002). Literature review has been successfully utilized as investigation technique by many scholars in such situations (Reed, 2008; Srivastava, 2007).

3. Results and Discussion

The findings of this research are articulated in this section. The findings are sub-divided in four categories and these are evolution of global marketing; evolution of e-commerce; positive effects of e-commerce; and negative effects of e-commerce.

3.1 Evolution of global marketing

There has been significant amount scholarly research conducted on global marketing issues. However, research articles focusing on evolution of global marketing is not huge. This research analyzed a number of articles focusing on global marketing and based on the findings evolution of global marketing concept is summarized in this section (Achrol, 1991; Sheth and Parvatiyar, 2001; Samuel and Douglas, 2001; De Mooij, 2018; Lee and Carter, 2011).

Global marketing's evolution took time, it is an evolutionary process and applicable for most of the companies. International marketing has intensified a lot of aspects in the daily life of customers. To have a chance to succeed a company must meet the demands and needs not only of the local market but also for global customers. Therefore, international marketing skills are indispensable for most companies in the world. The internationalized market has changed in a very short time due to changes in trade standards, practices and trading techniques. These changes have been enforced by new technologies and evolving the economic relationships.

In the 20th century, globalization took hold of the worldwide economy, creating new concepts and ideas designed to control and explain the conditions now existent for investors. A global market is the main driving force behind international finance and trade. It deals with concepts on both a micro and macroeconomic scale. It is often that one geographical region provides better value for some products or industries and reward the investor with a higher rate of return for the same amount of capital influx.

3.2 Evolution of e-commerce

The research further investigated and analyzed scholarly work such as articles and reports associated with e-commerce evolution. Research work associated with e-commerce can be segment as technical implementation, business and social related. Particular focus of this research was on the business and social side of e-commerce. In addition, special attention was paid to scholarly work investigating e-commerce applications in France. Following discussion elaborates the findings of the relevant literature analysis (Damanpour and Damanpour, 2001;

Earl, 2000; Laudon, and Traver, 2016; Kalakota and Whinston, 1996; Chu et al., 2007; Brousseau, 2003; Morganti et al., 2014).

E-commerce is composed of transactions that crosses firm boundaries. It involves application of digital technologies to business processes within the firm. E-commerce is buying and selling using digital media. The development of new software and other technologies during the early 1990s turned the Internet into a commercial medium that has transformed businesses worldwide. The development of e-commerce changed businesses all over the world. Nowadays, more and more people want to simplify their lives and e-commerce is the solution. Indeed, e-commerce saves time and facilitate transportation of goods.

E-commerce made the world interconnected. Leclerc a famous supermarket in France was pioneer in France in enabling consumers to do their errands on the internet. E-commerce changes the marketing mix for businesses. These changes impacted international marketing. Most companies today have an online presence at the very least to hold information about themselves, raising their company awareness if they are not using it to trade. The concept of electronic commerce also has changed over time. At first, it was referred to as the facility to do electronic transactions for example, sending documents when we ordered something. Subsequently activities termed as “web commerce” were included, with the purchase of services and goods over the internet. Figure 1 illustrates the evolution of e-commerce over the years.

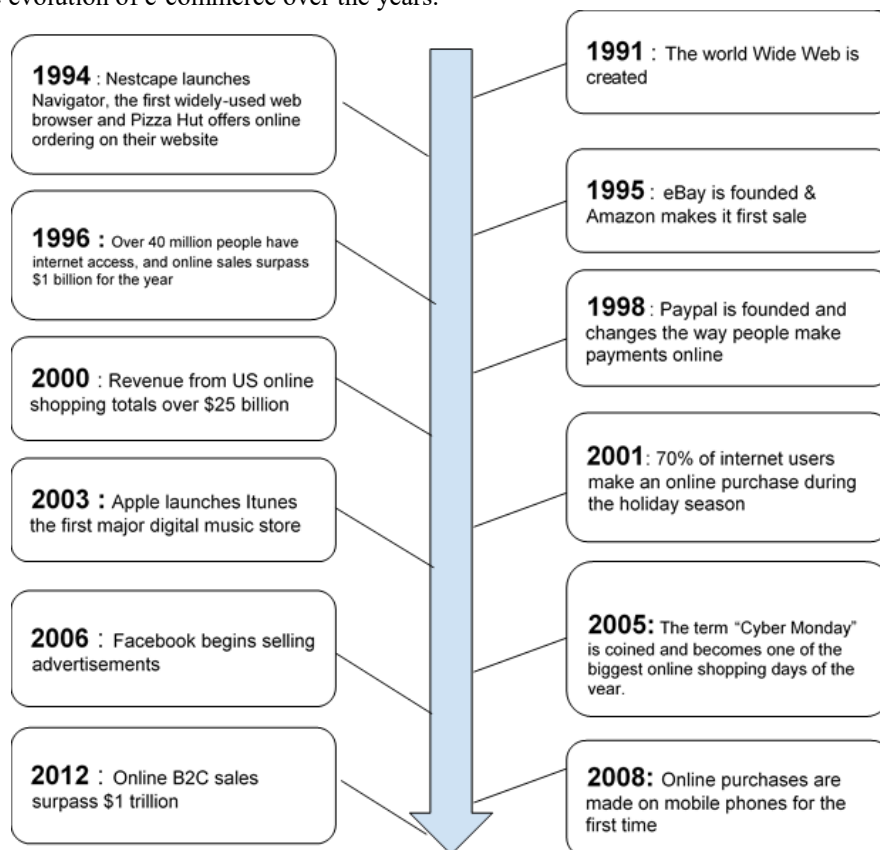


Figure 1. Evolution of e-commerce

3.3 Positive effects e-commerce

Researchers have identified various direct and indirect positive effects arising from e-commerce related activities (Mokhtarian, 2004; Rajgopal, Venkatachalam, and Kotha, 2003; Kalakota and Whinston, 1996; Chu et al., 2007; Brousseau, 2003; Morganti et al., 2014). This section based on existing literature elaborates on the positive effects of e-commerce on businesses, consumers and the society. Consumers can buy from their home without moving out which could not have been imagined before. Nowadays, all businesses aim to have an online shop because it is necessary to grow. E-commerce has created several channels for distribution of goods and services. It has also changed consumer behavior. In the past when customers wanted to buy something, they had to take time to go to shops during a certain hour of the day. Now days, consumers can use their computers, smartphones or portable electronic devices, to buy products and services online, when they want. The time is not a restriction anymore. Such changes are making customers happy and satisfied due to effective and efficient accessibility. Promotions are more direct, and customers have an active interaction with sellers. In summary, there is a significant time saving with electronic purchases and the facility to deliver at home. Customer service has also improved. Indeed, consumers can find all detailed information online. E-commerce has helped companies to build a better brand image. It is easier for new companies to create a mark online with increasing sales activities. E-commerce can also be employed by small enterprises who need to be known. In addition, with e-commerce businesses have the scope to operate globally and increase their turnover.

Online shops that have taken off in recent years incorporates additional features. These include review forums where users can comment, give advices and recommendation about a product, and read what other people thought about items. The internet today is a very popular place and it is ideal for advertising. Hence, companies are increasingly using the internet for advertisement purpose.

3.4 Negative effects of global marketing and e-commerce

Researchers have indicated to some negative effects of e-commerce for both consumers and retailers (Udo, 2001; Chakraborty et al., 2016; Kshetri, 2014; San Martín, Camarero and San José, 2011; Niranjanamurthy et al., 2013; Park et al., 2012; Ranaivoson, 2013). One of the major issues in this regard is privacy of consumers. Since personal information is collected and recorded digitally, profile of consumers with sensitive information such as address, email, bank details are created. The stored information is susceptible to data breaches and can be accessed by cyber criminals for malicious purpose. Recent high profile, cyber security breaches where personal information of customers have been stolen has eroded the confidence of the stakeholders to some extent. Therefore, there is certain risk of credit card fraud and identity theft for consumers.

In addition, companies have been known to use customer information for targeted advertisements which is often criticized by many consumer groups and right bodies. Furthermore, businesses are also subject to increased competition due to e-commerce. Hence, greater emphasis on modifying existing business models are required. Furthermore, there is risk of increased consumerism and impulse buying due to availability of e-commerce. Small businesses undertaking e-commerce initiatives are also known to face problems regarding significant number of “returned goods” and subsequent stockout; difficulties in determining cycle stock and eventual loss in sales opportunity.

There is also an increasing number of products that are getting substituted due to online commerce. Such situation needs increased attention from authorities so that economic and social issues arising from such scenarios is mitigated. For example, Deezer is the first legal listening web site in Europe, with more than 10 billion of users. Users can listen to free music (approximately 7 billion of songs) and can also purchase songs for offline listening for less than EUR 1. Such, online platform has significantly impacted the CD market.

4. Conclusions

This paper based on analysis of existing literature has identified the positive and negative impacts of e-commerce. In addition, the paper has summarized the progression of global marketing concepts and e-commerce over recent years. It is interesting to note that marketing concept at this day and age has been modified to incorporate e-commerce initiatives. It is suggested that business small and large must pay attention to formulate appropriate business models incorporating multichannel digital goods and service distribution, enabling interactive user interaction and aim to gain new competitive advantage. However, organizations, consumers and regulatory authorities must safeguard against pitfalls of e-commerce such as identity theft, credit card frauds, data breaches, impulsive buying and social changes due products getting substituted and lifestyle changes.

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