

Think global, act local goes for e-commerce, too

October 21 2015

Taking an e-commerce business global isn't just a matter of translating the text and product details into the local language and measurement scale, a new meta-analysis of e-excellence points out. Almost every aspect of an online business must be adjusted to local culture, regulatory environment, and industry-specific factors, according to a paper to be published in the December 2015 issue of the *Journal of Retailing*.

In "E-Service Quality: A Meta-Analytic Review," Marketing Professor Markus Blut of Newcastle University's Business School, doctoral candidate Nivriti Chowdhry and Marketing Professor Vikas Mittal of Rice University, and Marketing Professor Christian Brock of the University of Rostock undertook an overview that spanned 15 years of research on the topic of e-commerce. Their goal was to develop a conceptual framework, relating different components of e-service quality to its outcome that could serve as guidance to online marketers.

The authors analyzed the impact of e-service quality on three key outcomes: customer satisfaction, repurchase intentions, and word of mouth. They considered four dimensions to quality: website design, fulfillment, customer service, and security/privacy. How those dimensions stacked up in different countries, they found, was a function of the local culture - whether independent or collectivist, trusting or prone to avoid uncertainty, and how the population views itself in relation to power. The relative importance of the four quality dimensions identified by the authors varied according to which of these cultural attributes dominated in the local market, as well as to the regulatory

environment and the industry-specific context.

For instance, power distance, as established by Dutch social psychologist Geert Hofstede, is the extent to which people expect and accept inequality in a system - and accept rather than challenge a well-defined hierarchy. If people feel distant from power, the authors found, consumers expect and need structure, well-defined social roles, and security. "Such an expectation," the authors wrote, "exists from both individuals and institutions, public and private, deemed more powerful. E-service providers may be such institutions," in which case the dimension of security, for example, becomes relatively more important.

Says Professor Blut: "E-service quality, while a globally relevant construct, should be carefully interpreted and implemented with a local mindset. Understanding a country's cultural values can enable managers to better position themselves for improving overall e-service [quality](#), and thus its outcomes."

Provided by New York University

Citation: Think global, act local goes for e-commerce, too (2015, October 21) retrieved 11 May 2024 from <https://phys.org/news/2015-10-global-local-e-commerce.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--