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IF YOU BUILD IT, WILL THEY COME? BARRIERS TO INTERNATIONAL e-MARKETING

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Although Internet technology makes it possible for consumers world-wide to shop on-line, many companies are starting to realize that (1) simply building a web site does not automatically generate international sales and (2) when international consumers do visit a company with the intention purchasing, the transaction often comes to an abrupt halt. The current article reviews existing publications to identify some of the socio-cultural/demographic, financial, technological, political, and legal barriers that thwart international online buying. A series of research proposals are presented that relate specific web site adaptations to various measures of online success.

INTRODUCTION

One of the big opportunities afforded by the Internet is the ability for businesses to reach out to a global audience. Last year, there were nearly 350 million Internet users world-wide ("The Global Battle: Innovation and Technology," 2000). By 2005, the number of users could more than double to nearly 766 million ("The Global Battle: Innovation and Technology," 2000). Despite the booming opportunity for businesses to reach global consumers, the existing research on international e-marketing remains, for the most part, scattered, and businesses have been slow to adapt their Web strategies for international consumers. As of last year, only 37% of Fortune 100 companies adapted their web sites, and that number was up only slightly from two years prior (Vickers 2000). Is it that businesses do not recognize the critical need for adaptation, or is it that they do not know which elements need to be evaluated for adaptation?

The purpose of this paper is to gather, synthesize, organize and present the current findings on international e-commerce. Marketing managers evaluating the effectiveness of their web sites and marketing academics interested in teaching a module on international e-marketing should benefit from the current research. The paper is presented in three parts. The first section briefly discusses country differences in Internet usage and the practical importance of geographic segmentation. The second part identifies several factors in the external environment that serve as barriers to B2I (business-to-international) marketing. The last section deals with the strategy-related elements that may need to be adapted to attract international e-buyers.

MARKET SEGMENTATION AND INTERNET USAGE

Before an organization decides to serve the global Web community, it must examine the proportion of Internet users in its selected geographic markets (Strauss and Frost 2001) and the projected growth in Internet usage, as well as user demographic and buying profiles. For example, 70% of today's Internet users are currently based in the United States. However, forecasters predict that as early as 2003, 46% will be based outside the US, and that the percent of users in the European Union will exceed the percent of users in the United States (Heckman and Schmidt 2000; Strauss and Frost 2001). More importantly to online sellers, in the next five years Europe's online consumers will quickly turn from surfing to shopping, with sales of retail goods and services growing 140% annually (www.forrester.com/ER/Press/Release/0,1769,196,FF.html a). Forrester Research believes that one of the factors fueling this growth will be better online stores, inspiring 100 million to shop -- 17 times the current number (www.forrester.com/ER/Press/Release/0,1769,196,FF.html a).

This brings up an important point. Internet penetration is not the same as Internet shopping, and neither of these is the same as Internet purchasing. For example, in Australia while 28 percent use the Web for shopping, 76% regularly use the web for news research (http://australia.internet.com/mediakit). In India, only 10 percent of users actually purchase goods online (www.nua.ie, September 19, 2000), while in Germany, 71% of Germans over the age of 14 have yet to even surf the Net (www.nua.ie, September 20, 2000).

Even when consumers are shopping and making purchases over the Internet, marketing managers need to be aware that consumer buying profiles can vary greatly from country to country. Consider the buying profile of Internet users in Australia. Forty percent of Internet users in Australia are between the ages of 25 and 34 and 20% are between 35 and 44. Seventy percent are male. There are few differences in income, with the exception of those with less than $35,000 household income, the smallest group of users (3%). Forty-six percent have either some college or have graduated college; another 25% have graduate work or master's degrees. On average, Australian users spend 3.9 hours online, not including e-mail. In Belgium, 77% of web users are male (www.nua.ie, October 2, 2000), while in Brazil, male Internet users only slightly outnumber females, at 56.7% to 43.3% (www.nua.ie, September 22, 2000).

Consumer buying profiles exhibit distinct national tendencies in terms of the type of products purchased. In India, the most popular purchases are cinema tickets (www.nua.ie). Germans are twice as likely to buy books online as Dutch; the British are twice as likely as Swedes to buy airline tickets online (www.forrester.com/ER/Press/Release/0,1769,190,FF.html b). Meanwhile, the French are the least likely to use the Web for company or product information, or to buy online at all. (www.forrester.com/ER/Press/Release/0,1769,190,FF.html b).

EXTERNAL BARRIERS TO e-BUYING

There are a number of barriers in the external environment that inhibit international e-buying. Barriers can be identified in the demographic/socio-cultural, financial, infrastructure, political, and legal environments.

Demographic/Socio-cultural

Demographic/socio-cultural barriers to e-buying include language preferences, income and literacy levels, attitudes toward distance buying, security and privacy concerns, methods of payment, and credit card fraud.

Language Preferences. English is currently the language of most Web pages and online bulletin boards; however, as users increase in non-English speaking countries (Strauss and Frost 2001), this should change. By 2005, about 70% of the Internet's 1 billion users will speak a language besides English (Heckman and Schmidt 2000). Is this important? According to Cambridge, Massachusetts-based Forrester Research, it is. Forrester Research reports that shoppers are three times more likely to buy products from web sites in their primary language, while two-thirds of online shoppers will click away from a site in another language (Heckman and Schmidt 2000). Until more online text appears in local languages, international consumers are unlikely to shop online (Strauss and Frost 2001).

Income and Literacy Levels. Income impacts discretionary income, while literacy affects comprehension of marketing communications. In countries like Egypt, where the per capita income is low and literacy runs about 51%, e-marketing has quite limited potential, particularly outside Cairo and Alexandria (Strauss and Frost 2001).

Buying at a Distance. In many countries, such as Egypt and Mexico, consumers are accustomed to touching merchandise before buying (Strauss and Frost 2001). These and similar countries do not have a tradition of direct mail, and few people order from catalogs (Strauss and Frost 2001).

The Shopping Experience. Another important socio-cultural aspect relates to the "experience" of shopping. In Arab countries as well as other countries, the marketplace (or bazaar) is a social meeting place that provides benefits over and above the basic purchase transaction (Strauss and Frost 2001).

Security and Privacy Concerns. Many consumers resist buying over the Internet due to concerns about security and privacy. In Japan, 70% of consumers are concerned about privacy (Strauss and Frost 2001). Security of online payments is also a major concern in Belgium, with many Belgian web users preferring to pay for goods in cash upon delivery (www.nua.ie). In some countries, such concerns may be well-founded. Based on test purchases from 102 UK-based companies, the Trading Standards Institute (TSI) reported that a quarter of the sites tested did not have adequate security (http://belgium.internet.com).

Payment Methods. The majority of citizens in many countries do not have bank accounts or credit cards, and retailers accept only cash (Strauss and Frost 2001). For example, only 54% of Internet users in Poland have a bank account (Strauss and Frost 2001). In Egypt, there is low credit card usage and a tradition of cash payment exists (Strauss and Frost 2001). Even in countries where credit card ownership is high, consumers may still resist making on-line credit card purchases. For example, in Belgium, 84% of Belgian online shoppers possess a credit card, but only about half of online purchases are made using credit cards (www.nua.ie). In Germany, only about 5% of the population uses credit cards, with payment typically following an invoice sent with the product (Hudgins 1999).

Credit Card Fraud. Fraud is a huge issue for merchants going global. Unlike the brick-and-mortar world where banks often absorb the cost of fraudulent credit card transactions, online merchants are typically responsible for fraudulent charges (Hudgins 1999). Some companies, like Toccata and RateStream.com, are starting to offer fraud insurance to their customers, while others are implementing fraud-detection systems that examine the buying patterns by a single credit card at multiple merchant sites in an attempt to identify stolen card numbers which can be distributed globally (Hudgins 1999).

Financial Issues

The main financial issues relate to exchange rate fluctuations and tariffs/customs clearance. Exchange rates, tariffs, and customs

regulations vary country to country and merchants are hard-pressed to provide accurate and complete information to consumers for each transaction.

Exchange Rate Fluctuations. A potential barrier to e-marketing is the different currencies whose exchange rate may change every minute (Turban et. al. 2000). While many credit card companies provide their customers with automatic currency exchange services for multiple currencies, buyers do not know how much they really paid until they receive their monthly statement, and many banks add steep service charges for such transactions (Turban et. al. 2000).

Tariffs and Customs Clearance. Many countries may want to add tariffs to the purchase of certain products (Turban et. al. 2000) and cybershoppers are rarely informed about the impact that such duties will have on the total delivered cost of the purchase (Machlis 2000). Such government-imposed tariffs can significantly drive up the price of a product. For example, a $27 order for compact discs can be driven up an extra $168 by the time it reaches a different part of the world (www.businesswire.com 1999).

Customs clearance further complicates the transaction by lengthening the time it takes for the customer to receive the merchandise (Turban et. al. 2000). The timely delivery of goods is a key factor in a consumer's decision to purchase products over the Internet (Turban et. al. 2000).

Infrastructure Barriers

The level of development of a country's infrastructure may impede e-marketing. Aspects of infrastructure essential to e-marketing include PC penetration, the communications infrastructure, and postal/delivery services.

PC Penetration. In some countries, one of the biggest barriers to Internet adoption is PC penetration (Strauss and Frost 2001). For example, only 4% of Mexican residents and 8% of Polish households own PCs (Strauss and Frost 2001). The greatest growth in PC's per capita from 1993-2000 was in China (1,052%), India (604%), Russia (580%), Brazil (565%), and Indonesia (552%) ("Innovation and Technology", 2000). From 2000-2005, the biggest growth in PC's per capita is expected to be in India (258%), China (212%), Poland (205%), Ukraine (185%), and Turkey (171%) ("Innovation and Technology" 2000). It is important, however, to realize that countries with low PC penetration to begin with are likely to exhibit high growth when growth is reflected as a percentage. Therefore, marketers should consider absolute figures reflecting PC penetration, as well as percentage growth.

Communications Infrastructure. Even when PC penetration is high, problems with communications infrastructure may inhibit e-marketing. In the Arab countries, for example, there are only 49 telephones per 1,000 people, versus 133 per 1,000 worldwide, and telephone callers frequently experience unreliable

connections (Strauss and Frost 2001). Where Internet connection exists, it is often slow and unreliable (Strauss and Frost 2001). Also, unlike in the United States, phone companies in many countries levy a per-minute charge for local calls, and this is in addition to the ISP charge for Internet access (Strauss and Frost 2001). The average monthly cost for 40 hours online in Germany in March 2000 was $77, compared to about $37 in the United States (Strauss and Frost 2001). These high fees are a tremendous deterrent to the kind of casual surfing practiced by the US audience (Strauss and Frost 2001).

Further, the infrastructure in some countries does not support the high-speed modems currently on the market (Strauss and Frost 2001). Content delivered to these countries may therefore have to be light on bandwidth (Strauss and Frost 2001).

Postal/Delivery Services. Product delivery is another major issue when it comes to e-marketing (Adams 1998). For one thing, postal services are not reliable in many countries (Strauss and Frost 2001). A second problem is the high incidence in many countries of delivery trucks getting intercepted en route and robbed (Strauss and Frost 2001). Third, shipping across borders can be a complex process and delivery costs may be difficult to project. According to a report by Forrester Research, 85 percent of retail, manufacturing, and Internet companies that have an on-line presence cannot fill orders internationally because of the complexity of shipping across borders and the inability to price total delivery costs (www.businesswire.com 1999). TSI found that 37 percent of online purchases were delivered late, and a staggering 17 percent failed to arrive at all (http://belgium.internet.com). The largest web sites were the worst offenders, according to the survey, with smaller suppliers generally being more reliable. The study was based on test purchases from 102 UK-based companies (http://belgium.internet.com).

Political Intervention

Some countries, like China and Vietnam, filter content at the ISP level for everyone, adults as well as children (Strauss and Frost 2001). Chinese law monitors consumer use of the Internet in Internet bars (or cyber cafes). Internet bars in China are required to install a software manager which informs the government who is using the computers and for what purpose (www.nua.ie). In September 2000, Chinese police planned to close more than half of the Internet cafes in Shanghai; almost 525 of Shanghai's 1,000 cafes had already been shut down (www.nua.int).

Legal Restrictions

Internet sellers may be challenged by a variety of national laws when selling to an international audience. For example, book prices are regulated in France, as well as in most European countries; the discount permitted on book prices is limited to 5% (Barrett 2000). When Amazon.com launched its site in France in August 2000, it had to find a way to compete on grounds other than price (Barrett 2000).

In Japan, publishers are allowed to dictate to booksellers the price at which they must sell books and magazines (Ono 2000). Since online retailers need to charge a shipping fee, their total price is necessarily higher than at the 20,000 brick-and-mortar bookstores (Ono 2000). Here again, Internet booksellers must find ways to compete other than price.

Pricing is not the only aspect of e-marketing subject to regulation. Mitchener (1999) identifies a number of laws that affect promotional messages on Web sites. For example, Germany bans lifetime guarantees (such as those offered by Land's End), rebates and other forms of sales promotion. Greece bans ads for toys. Finland bans speed as a feature in advertising cars, while the Netherlands bans claims about fuel consumption or environmental aspects of cars. Italy bans all forms of tobacco ads. Sweden bans ads directed at children under 12 and ads for liquor. France requires that all contracts be written in French, and assumes anything written in French is automatically targeted at France.

As is true in the brick and mortar world, e-marketing managers need to continually monitor the external environments in which they operate and adjust their strategies accordingly. The process of environmental scanning is made more complex when a company is attempting to reach a global audience due to the significant differences that exist from country to country. In order to succeed, such businesses must take a proactive approach to developing and adapting their international e-marketing strategy.

ADAPTING THE MARKETING STRATEGY

A number of adaptations may be necessary to increase global awareness of Web sites, attract international customers, generate positive attitudes toward the site, reduce click-away rates, increase comprehension of the information presented on the site, facilitate the completion of online sales, promote customer satisfaction, and encourage favorable post-purchase behaviors (such as repeat sales and word-of-mouth referral). Areas for adaptation include the design of the web site, pricing, product delivery and customer service. Each of these areas for adaptation, discussed in the following paragraphs, is ultimately presented in the form of a research proposition that may be empirically examined in future research.

Web Site Design

The first step in web site design is to generate awareness among international customers. For example, when a non-US consumer goes online to shop for toys and performs a keyword search, the US merchant needs to have its site identified by the consumer's search engine. Identification by the search engine requires the use of appropriate keyword metatags translated into the foreign language. Without foreign language metatags, the merchant's web site will not come up.

P1: *Foreign language metatags should increase web site awareness among global consumers.*

P2: *Foreign language metatags should increase traffic by global consumers to a Web site.*

The second step in web site design is to make the international customer feel welcome. Since every country is assigned a unique URL address, e-commerce software can be designed to auto-detect an international customer the moment they log on and a dedicated country page can be served up (Adams 1998). Even a simple thing like displaying an Australian flag for Australian visitors can help create a more welcoming buying environment (Adams 1998) and discourage clicking away.

P3: *Dedicated country pages should promote positive attitudes toward the web site among global consumers.*

P4: *Dedicated country pages should reduce the click-away rate by global consumers.*

Colors. Designing the web site involves decisions about the use of colors for backgrounds, font, images, and logos. Colors mean different things in different parts of the world. In the US, blue, green and purple are the most popular colors, while the least favorite colors are bright orange and a sulfuric yellow-green (www.pantone.com). In some parts of Asia, green is associated with sickness (www.pantone.com). Red is not accepted in parts of Africa (www.pantone.com). The color associated with mourning is black in India and white in China (www.pantone.com). In the Middle East, black clothing connotes the essence and modesty of women (www.pantone.com).

Color choices can significantly affect brand sales. For example, a US company found that its brand of chewing gum was not selling in China, so it changed the color of its wrapper from green to pink, which signifies good luck to the Chinese (www.pantone.com). Sales increased dramatically (www.pantone.com). A product with the wrong color may not only fail in a particular country, it may even offend entire cultures that share the meaning. Colors on the web site may need to vary by country. For a consulting fee, Pantone.com conducts color preference studies for businesses.

P5: **Using colors that have negative cultural associations may negatively impact attitudes toward the Web site.**

P6: **Using colors that have negative cultural associations may negatively affect click-away rates.**

P7: **Using colors that have negative cultural associations may increase brand sales.**

Language Translation. To attract international customers, Web pages will need to be translated into other languages (Amor 2000). Translation is time consuming as well as expensive. It

takes a human translator about one week to translate a medium Web site into just one language and the cost can range from $10,000 to $500,000 depending upon the complexity of the site and the languages of translation (Amor 2000). Effective translation requires translation into the foreign language and back-translation into the domestic language. Back translation is necessary to ensure that the intended meaning has not been blurred or changed. Translators should be well versed in the hidden hazards of doing business in each local market. Numerous examples of translation mishaps by brick and mortars are noted in international marketing texts, and the results of mistranslation can be devastating to corporate as well as brand image.

P8: *Effective translation into the primary language of the Web site visitor will generate positive attitudes toward the site.*

P9: *Effective translation into the primary language of the Web site visitor will reduce click-aways.*

P10: *Effective translation into the primary language of the Web site visitor will promote comprehension of the information presented on the Web site.*

Many small companies use automated translation services to produce foreign language web sites (Amor 2000). Babelfish (www.systransoft.com), for example, allows automated translation on the web into many different languages, such as Spanish, French, and German. These services are useful for getting a fast, but *rough* translation of a certain web page, which is what the system is designed for (Amor 2000). However, automatic translations are often fraught with errors. For example, the web page for Media Tech Books was translated with Babelfish (www.babelfish.altavista.com) from German to English. The title "Newsletter" became "Type New Character," which does not make sense (Amor 2000).

P11: *Reliance on automated translation may result in miscomprehension of the information presented on the Web site.*

Web Site Content. The use of pictures on the web site to communicate the context of any communications may be important. As anthropologist Edward Hall notes (1977), the interpretation of messages in low context cultures (such as the United States, Scandinavia, and Germany) emphasizes only the written word. Alternatively, high-context cultures (such as China, Korea, Japan, and Latin America) rely on contextual cues. The way in which the marketing message is communicated to high context cultures may need to be adapted to provide appropriate contextual cues.

P12: *Failing to provide pictures and other contextual cues to Web site visitors from high context cultures may result in miscomprehension of the information presented on the Web site.*

Order Forms. Once Internet product selections are made, the consumer is asked to complete purchase information on a standardized order form. When putting forms on the web, there are several differences for the international e-marketer to take into account. The format for dates, for example, may be different. American consumers put the month before the date; UK consumers put the date before the month (Armor 2000).

When it comes to professional titles, English-speaking countries do not generally expect a field in the address form for an academic title, such as Professor. However, in Germany and Italy, academic titles are highly desired (Amor 2000). In Germany, a professor wants his mail addressed to "Herr Professor" (Amor 2000). A "dottore" in Italy expects a personalized web page to greet him with his academic title (Amor 2000).

With regard to addresses, postal codes have different formats in different countries (Amor 2000). Also, the field "state" that is used in the United States, but not needed in most European countries, not only misleads consumers, but also results in bad records in a firm's database (Amor 2000). An address form that does not conform to local use and customs may keep customers from placing orders (Amor 2000).

P13: *Web site forms that correspond to the use and customs of a culture will increase the number of customers that complete their online transactions (after product selections have been made by the customer).*

P14: *Web site forms that require fields that do not correspond to the use and customs of a culture will increase the number of customers leaving the Web site without completing the online transaction (after product selections have been made by the customer).*

Shopping Procedures. Consumers from countries that are characterized by small mom-and-pop shops are more familiar with shopping lists than with shopping carts (Pearl 2001). For example, only 4 out of every 100 visitors put an item into a shopping cart (Pearl 2001). Ninety-three percent of those who did place an item into a shopping cart failed to complete the sale (Pearl 2001). One reason may be that Internet connections in India do not support the necessity to view multiple pages in order to make a purchase (Pearl 2001). This implies using icons that stay on the page while the consumer shops and requiring fewer steps in the purchase process. Rediff.com in India found that sales jumped 60% when it collapsed its nine shopping steps into three (Pearl 2001).

P15: *Simplified shopping procedures should increase the rate of completed online transactions (after product selections have been made by the customer).*

P16: *The use of culturally-applicable icons should increase the rate of completed online transactions (after product selections have been made by the customer).*

Web Site Miniaturization. Significant growth in the Japanese cell-phone market has spurred a number of web sites that can be displayed on phones with tiny screens, which means sellers must keep the sites simple and focused (Guth 2000). Subscribers can order things over the phone by entering a 4-digit PIN (Guth 2000). Payments are worked into the subscriber's telephone bill, eliminating the security risk of entering credit card information (Guth 2000). Japan is far ahead of the US in mobile web service, but the kinds of sites being pioneered in Japan will eventually reach the US (Guth 2000).

P17:	*Simplified Web page options should reduce the rate of click-aways by global consumers.*

P18:	*Simplified Web page options should increase the rate of online sales.*

Customs and Tariffs

Because every country's customs' authorities have a unique set of tariffs, duties, taxes, and restrictions associated with goods, developing an application to address the array of cross-border shipment possibilities was once considered impossible (www.businesswire.com 1999). This is no longer the case. Firms like GlobalCommerceZone (www.gczone.com), DHL Airways, and From2.com offer services to instantaneously calculate freight, insurance, duties, taxes, VAT, customs clearance fees, and other import charges involved in shipping any product to any international destination (Machlis 2000; *Online Reporting* 1999; www.businesswire.com, 2000).

P19:	*Providing customs' and tariffs calculations to global customers should increase the rate of completed online transactions (after product selections have been made by the customer).*

P20:	*Providing customs' and tariffs calculations to global customers should increase sales to global consumers.*

P21:	*Failing to provide customs' and tariffs calculations to global customers may increase post-purchase customer dissatisfaction.*

Pricing

One of the challenges for international e-marketers is trying to quote prices to prospective customers in a number of different currencies that are subject to change by the minute. WorldPay System (with PSINet) software lets online sellers offer products in 126 different currencies and receive settlement back in 16 (Turban et. al. 2000). The system provides real time exchange rate information so buyers can get the price of the product in their own currency (Turban et. al. 2000).

P22:	*Providing prices in the customer's home currency should reduce the rate of click-aways by global consumers.*

P23:	*Providing prices in the customer's home currency should increase the rate of completed online transactions (after product selections have been made by the customer).*

P24:	*Providing prices in the customer's home currency should increase sales to global consumers.*

A second challenge to international e-marketers that are accustomed to competing on the basis of price in their domestic markets is dealing with national pricing laws that limit or prohibit discounting. Amazon.com has chosen to compete in France on the basis of service, choice, speed, and reliability (Barrett 2000). The company's distribution center in central France will stock 80% of the goods offered on the site and, for a limited time, delivery was promised within 48 hours free of charge (Barrett 2000).

In order to get a jump on an expected move by Amazon.com into their market, Japanese online booksellers found ways to get around Japanese laws prohibiting price discounts. Bol.com AG promised more entertainment (Ono 2000). Kinokuniya Book/Web promised a wider selection than other online stores (Ono 2000). Another online bookseller, Hon-ya-san, Inc., awards customers points based on purchases that can be used toward future purchases (Ono 2000). E-Shopping Books Corp., owned by a group of companies including Yahoo! and 7-Eleven, charges a low shipping charge to customers who agree to pick up their book purchases at their nearest 7-Eleven store (Ono 2000).

P25:	*Competing on a basis other than price discounting should increase sales to global consumers in nations with laws that limit or prohibit price discounting.*

Payment

Credit cards currently account for 98.5% of all Internet transactions, but their dominance is set to drop to 90% by 2001 as new technologies emerge (www.nua.ie). A new study projects that smart cards and electronic wallet transactions over the Internet will jump in value (www.nua.ie). Electronic wallet is software that stores and manages the personal data necessary for buying online, such as credit card numbers (www.nua.ie).

A key factor in launching European consumer payments on the Internet will be the ability to use debit cards, which now outnumber credit and charge cards in Europe by more than 2 to 1 (Rolfe 1999). Companies that want to sell in non-credit card markets need to rely on services and systems that support invoicing and debit cards, such as Open Market's Transact (Hudgins 1999). Dancort debit cards in Denmark and Switch in the United Kingdom have been used for Internet payments since 1998 (Rolfe 1999). Forrester Research reports that only about 14 percent of US merchants offer debit/invoice payment alternatives, while 88 percent of European merchants do (Hudgins 1999).

P26: *Offering alternative methods of payment, such as debit cards and invoicing, should increase the rate of completed online transactions (after product selections have been made by the customer), particularly in non-credit card markets.*

P27: *Offering alternative methods of payment, such as debit cards and invoicing, should increase sales to global customers, particularly in non-credit card markets.*

Product Delivery

Many countries have unreliable postal systems and unsafe transportation routes that cause customer concern regarding the safe, on-time delivery of their purchases. When placing international orders, many customers are required to contact the company by telephone to find out what the shipping costs will be. When the purchase process is not smooth, consumers are likely to click away from the web site rather than follow through in making special efforts to determine the total delivered cost of a purchase. Customers can be made to feel more secure with web sites that have hot links to recognized shipping companies, such as UPS and Federal Express, that will instantly calculate all shipping charges world-wide (Adams 1998).

P28: *Providing total delivered costs calculations to global customers should increase the rate of completed online transactions (after product selections have been made by the customer).*

P29: *Providing total delivered costs calculations to global customers should increase sales to global consumers.*

P30: *Failing to provide total delivered costs calculations to global customers may increase post-purchase customer dissatisfaction.*

Customer Service

Providing customer service to international consumers is nothing short of a logistical nightmare. International customer service requires nearly round the clock response to account for the multitude of time zones, international toll-free customer service numbers, and telephone and e-mail response systems staffed by personnel that can speak the primary language of various customer markets.

P31: *Providing 24/7 multi-lingual pre-purchase customer assistance to global customers should increase sales by reducing the perceived risk associated with making the purchase.*

P32: *Providing 24/7 multi-lingual post-purchase customer service to global customers should promote customer satisfaction.*

P33: *Providing 24/7 multi-lingual post-purchase customer service to global customers should increase positive customer responses, such as repeat purchasing and word-of-mouth referrals.*

SUMMARY AND MANAGERIAL IMPLICATIONS

The first decision for an online marketer is which markets to target. Factors such as PC penetration, Internet penetration, communications and transportation infrastructure, income and literacy levels, attitudes toward online shopping, and type of products purchased online, demographic buyer profiles, and legal considerations, all enter into the decision. Designing the web site requires language translation, the selection of colors and content that will be well received by targeted consumers, and adaptation of customer order forms. Customers want easy access to pricing information, stated in the customer's home currency, which reflects the total delivered price (including tariffs, duties, and delivery costs). Payment mechanisms need to be adapted to cultural norms and provisions should be made for the safe, on-time delivery of the order. Finally, a readily accessible, responsive customer service system that communicates with consumers in their primary language must be in place.

The current research presents a series of 33 research propositions to suggest that if such adaptations are implemented, as many as eight outcome variables may be affected. The specific outcome variables include (1) increasing global awareness of the Web site, (2) attracting international customers to the Web site, (3) generating positive attitudes toward the site, (4) reducing click-away rates, (5) increasing comprehension of the information presented on the site, (6) facilitating the completion of online sales, (7) promoting customer satisfaction, and (8) encouraging favorable post-purchase behaviors (such as repeat sales and word-of-mouth referral).

It is important for e-marketing managers to recognize that each of the adaptations required to attract international sales are important; in general, one cannot pick and choose which adaptations to make. Since customers go through a sequential buying process (Dalrymple and Parsons 2000), marketing strategies need to be implemented to move the customer through all stages of the buying process in order to have an impact on sales. The buying process begins with problem recognition and identification of alternatives. Adaptations that are correlated with increasing global awareness of the Web site and attracting international customers to the Web site are critical so that the company's offerings earn consideration by the customer. Those adaptations associated with promoting customer satisfaction and encouraging favorable post-purchase behaviors (such as repeat sales and word-of-mouth referral) also become important at this stage of the consumer buying process. Customers may search for alternatives internally based on past experience, as well as externally by seeking out referrals from others.

The next two stages of the buying process are evaluation of alternatives and the purchase decision. Adaptations that are correlated with generating positive attitudes toward the site,

reducing click-away rates, increasing comprehension of the information presented on the site, and facilitating the completion of online sales will be necessary to move the customer to final purchase. Their experience on the site must be positive and supportive, they need to be able to understand the information presented on the site in order to make an effective decision, and they need to be able to easily execute the sale.

The last stage of the buying process is post-purchase behavior. Customer expectations are compared with actual product and Web site experience, the degree of satisfaction or dissatisfaction is assessed, and possible further customer behavior (such as repeat purchases or word-of-mouth referrals) is projected (Dalrymple and Parsons 2000). Adaptations that are correlated with promoting customer satisfaction and encouraging favorable post-purchase behaviors (such as repeat sales and word-of-mouth referral) become essential. Those firms that make the necessary adaptations to their B2I strategies will be well positioned to build sales from the literally millions of new buyers coming online internationally.

IMPLICATIONS FOR FUTURE RESEARCH

While a number of research propositions directly related to the recommendations for adaptation have already been presented, there remains considerable opportunity for future exploration into international e-marketing. A logical place to begin might be a content analysis of existing web sites to determine how many companies are currently adapting their sites for an international audience. Current research suggests that only 37% of Fortune 100 companies have done so (Vickers 2000).

Second, research could attempt to characterize the types of companies making adaptations. Analysis of variance could be used to determine whether such companies vary by industry, private versus public ownership, profit versus non-profit, goods versus service offerings, company size, company age, dot-com versus brick-and-com, or prior level of experience in international marketing.

Third, the specific nature and extent of the adaptations could be examined. One could look at specifically which design elements were adapted and what services were provided to assist the customer with calculating the total delivered price of the order.
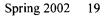
Fourth, consumers from various cultures could be surveyed for their attitudes toward international web offerings to identify those elements crucial to web-site effectiveness. The limited resources of any firm would make it impractical to study web site effectiveness on a country by country basis. Instead, countries with similar cultural profiles could be grouped and one country within each cultural grouping could be examined.

To further assess international web site effectiveness, Web shopping behavior could be monitored to determine at what point in the e-purchase process an international customer chooses to click away rather than complete the purchase. The point at which a consumer clicks away may identify a need for further adaptation. In some cases, however, clicking away may be an indication that customers are going online to gather information about product alternatives and then making their actual purchases through brick-and-mortars where customers can get immediate product delivery and gratification. In fact, Burns et. al (2001) report that US consumers primarily shop the Internet but make purchases from stores. To the extent that (1) foreign web sites offer products not available domestically or (2) total delivered costs of products offered on foreign web sites are less than on domestic sites (Boudette 1999), there should be a greater correlation between international online shopping and actual online purchasing. This assumes that the web site has been effectively adapted to an international audience. Ideally, the characterization of the firms and the type and extent of web site adaptation could be related to measures of web site effectiveness and web sales performance.

In terms of reaching out to consumers, it would be interesting to determine the number of firms using foreign language metatags. Research may need to be through trial and error using keyword searches to see how many foreign shopping sites are identified. In terms of post-purchase behavior, it would be important to examine return rates for products ordered online from foreign Web sites. Leibs (2000) suggests that return rates for international online purchases run as high as 80 percent. The marketing manager needs to be able to identify the reason for the product return so that corrective action can be taken. For example, is the product being returned because the wrong product was shipped (a fulfillment problem)? Was the product not designed in accordance with cultural norms (a product adaptation problem)? Was the quality of the product lower or in some way different than what was expected (a problem with the product description or depiction on the web site)? Or did the customer not intend to actually make the purchase (or inadvertently process the order two or more times), indicating a problem with the order process and confirmation of the sale prior to processing the order?

The explicit assumption is made in the current research that building a domestic web site will not be sufficient to generate international sales, even though the Internet makes it technologically feasible for global consumers to access the site. Marketing managers need to monitor the external environment and adapt e-marketing strategies to the desires and needs of international consumers.

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